

Fire & Rescue Service Headquarters Summergroves Way Kingston upon Hull HU4 7BB
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To: Members of the Fire Authority	Enquiries to: Gareth Naidoo Email: committeemanager@humbersidefire.gov.uk Tel. Direct: (01482) 393206 Date: 16 July 2020
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Dear Member

I hereby give you notice that in accordance with The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, a **REMOTE MEETING** of **HUMBERSIDE FIRE AUTHORITY** will be held on **FRIDAY, 24 JULY 2020 at 10.30AM**.

To access this remote meeting please visit <<https://zoom.us/join>> and then enter:

Meeting ID: 975 1320 4413
Password: 111380

Or telephone 0208 080 6592 and enter the above Meeting ID and Password

The business to be transacted is set out below.

Yours sincerely



Mathew Buckley
Monitoring Officer & Secretary to Fire Authority

Enc.

A G E N D A

Business	Page Number	Lead	Primary Action Requested
1. Apologies for absence	-	Monitoring Officer/ Secretary	To record
2. Declarations of Interest (Members and Officers)	-	Monitoring Officer/ Secretary	To declare and withdraw if pecuniary
3. Minutes of meeting of the Authority held on 26 June 2020	(pages 1 - 6)	Chairperson	To approve
4. Questions by Members	-	Monitoring Officer/ Secretary	To receive
5. Petitions and Deputations	-	Monitoring Officer/ Secretary	To receive
6. Communications	-	Chairperson	To receive

Business	Page Number	Lead	Primary Action Requested
7. Draft Minutes of the Pension Board of 6 July 2020	(pages 7 - 9)	Chairperson of Pension Board	To approve
8. Draft Minutes of the GAS Committee of 13 July 2020	(pages 10 - 14)	Chairperson of GAS Committee	To approve
9. LGA - Consultation on Draft Model Code of Conduct	(pages 15 - 39)	Monitoring Officer/ Secretary	To receive
10. Management Accounts Period ending 30 June 2020 *	(pages 40 - 41)	Executive Director of Corporate Services/ S.151 Officer	To receive
11. Annual Statement of Accounts 2019/20 (Audited)	(pages 42 - 135)	Executive Director of Corporate Services/ S.151 Officer	To approve
12. External Audit - Audit Completion Report - Year Ending 31 March 2020	(pages 136 - 159)	External Audit (Mazars)	To approve
13. Draft Annual Performance Report 2019/20 *	(pages 160 - 161)	Director of Service Improvement	To approve
14. Annual Statement of Assurance 2019/20	(pages 162 - 165)	Chief Fire Officer/ Chief Executive	To approve
15. Draft Strategic Plan and IRMP 2021-24 for Consultation *	(pages 166 - 175)	Chief Fire Officer/Chief Executive & Director of Service Improvement	To approve
16. HMICFRS Update	Verbal	Director of Service Improvement	To receive
17. COVID-19 Update	Verbal	Chief Fire Officer/ Chief Executive	To receive
B EXEMPT BUSINESS			
The Authority is asked to consider excluding the press and public from the meeting during consideration of the following item on the grounds that it is likely to involve the disclosure of exempt information as defined in paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972. In making its decision, the Fire Authority is asked to confirm that, having regard to all circumstances, it is satisfied that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.			
18. Completion of Staff Secondments to the East Coast and Hertfordshire Control Room Consortium	(pages 176 - 180)	Director of Service Improvement & Director of People and Development	To approve

* - Further details are accessible via an electronic link alongside the agenda papers on the Fire Authority's website (www.humbersidefire.gov.uk/fire-authority/fire-authority-documents)

HUMBERSIDE FIRE AUTHORITY

26 JUNE 2020

PRESENT:

Members

Representing East Riding of Yorkshire Council:

Councillors Chadwick, Davison, Fox, Green, Jefferson, Smith and West

Representing Hull City Council:

Councillors Chambers, McMurray, Nicola, Randall and Singh

Representing North East Lincolnshire Council:

Councillors, Shepherd and Swinburn

Representing North Lincolnshire Council:

Councillors Briggs (*Chairperson*), Grant, Sherwood and Waltham MBE

Officers of Humberside Fire & Rescue Service

Chris Blacksell - Chief Fire Officer & Chief Executive, Phil Shillito - Deputy Chief Fire Officer/Executive Director Service Delivery, Kevin Wilson - Executive Director of Corporate Services/Section 151 Officer, Paul McCourt - Director of Service Delivery, Steve Topham - Director of Service Delivery Support, Niall McKiniry - Director of Service Improvement, Christine Cooper - Temporary Director of People and Development, Mathew Buckley - Monitoring Officer/Secretary and Gareth Naidoo - Committee Manager

Also in attendance:

Independent Co-opted Members of the Governance, Audit and Scrutiny Committee

Doug Chapman (presented Minute 61/20), Andrew Smith, Mandy Thomlinson were in attendance as observers.

HMICFRS

Davinder Johal - Service Liaison Lead (Merseyside FRS, Humberside FRS and Durham & Darlington FRS)

The remote meeting took place via video conference (Zoom).

55/20 APOLOGIES FOR ABSENCE - Apologies for absence were submitted from Councillors Barfield, Dad, James and Keith Hunter - Police and Crime Commissioner for Humberside Police.

56/20 DECLARATIONS OF INTEREST - No declarations were made.

57/20 MINUTES - Resolved - That the minutes of the meeting of the Authority held on 15 May 2020 be received as a correct record.

58/20 QUESTIONS BY MEMBERS - None

59/20 PETITIONS AND DEPUTATIONS - No petitions or requests for a deputation had been received under Rule 13, Part 4 of the Constitution.

60/20 COMMUNICATIONS - The following communication was reported:

- (i) **Response to Minister for Building Safety, Fire and Communities** - A draft copy of response to Lord Greenhalgh, Minister for Building Safety, Fire and Communities had been circulated to Members for approval in response to the Minister's letter dated 14 May 2020 regarding seeking the views of Fire Authorities on the recommendations made in the HM Chief Inspector of Fire and Rescue Services' State of Fire And Rescue Report 2019.

Resolved - That the response to be approved for submission to Lord Greenhalgh, Minister for Building Safety, Fire and Communities.

61/20 DRAFT MINUTES OF GOVERNANCE, AUDIT AND SCRUTINY (GAS) COMMITTEE OF 15 JUNE 2020 - Doug Chapman, Chairperson of the Governance, Audit and Scrutiny (GAS) Committee, presented the draft minutes of the meeting of the Committee held on 15 June 2020, drawing Members' attention to the following item:

- (i) External Audit Update (Minute 35/20 refers).
- (ii) HMICFRS Inspection Update (Minute 39/20 refers).

Resolved - That the minutes of the Governance, Audit and Scrutiny (GAS) Committee held on 15 June 2020 be received.

62/20 ANNUAL STATEMENT OF ACCOUNTS 2019/20 - UNAUDITED - The Executive Director of Corporate Services/S.151 Officer submitted a report that contained the Authority's full unaudited Statement of Accounts for 2019/20 (see Appendix 1) and also highlighted below the key aspects of revenue and capital outturn for the year.

The Accounts as set out at Appendix 1 of the report were subject to audit by Mazars in their role as the Authority's external auditor. The draft unaudited Statement of Accounts for 2019/20 was signed and published on the Authority's website on 12 June 2020, an excellent achievement given the current circumstances of the COVID-19 pandemic. The intention was that the audited Statement of Accounts would be submitted to the Authority for approval at its next meeting of 24 July 2020.

Members commended the work of finance officers in preparing the accounts by the deadline in light of the challenging circumstances brought about by the Coronavirus pandemic.

Resolved - (a) That the Capital Programme Rephasing as set out at paragraph 9 of the report be approved, and

(b) that the work of officers in preparing the accounts be commended.

63/20 TREASURY MANAGEMENT ANNUAL REPORT 2019/20 - The Executive Director of Corporate Services/S.151 Officer submitted a report that provided a review of the Authority's Treasury Management activity and Prudential Indicators for the year 2019/20.

The Authority's temporary investments totalled £5.0m as at 31 March 2020. Interest earned during 2019/20 was £19,000 higher than originally budgeted for in respect of investment activity for the year, due to more favourable interest rates than anticipated.

The Authority sought to minimise the use of short-term borrowing to fund temporary cash shortfalls and did not undertake any short-term borrowing during the course of the year.

Long-term loans were taken out either to replace existing loans which had matured or to fund capital expenditure. Under the Prudential Regime there were no longer centrally imposed limits on borrowing, but individual Authorities were required to determine themselves what was a sustainable and affordable level of borrowing as an integral part of their Medium-Term Financial Planning processes.

The Authority's average level of borrowing was £14.2m for 2019/20, on which £598,000 of interest was payable. The Authority repaid £1.4m of Public Works Loans Board (PWLB) debt upon maturity and didn't take any new borrowing during the year. Closing PWLB debt at 31 March 2020 was £13.5m.

Appendix 1 of the report detailed the agreed Prudential Indicators for 2019/20 and the actual figures for 2019/20. During the financial year the Authority had operated wholly within the limits approved.

The Section 151 Officer considered the current capital programme to be affordable and sustainable with the revenue effects of capital investment built into the Medium-Term Financial Plan. Through the Medium-Term Financial Planning Process, the Authority had aligned its resources to key strategic priorities.

Based on the Operational Boundary definition, external debt at 31 March 2020 was £10.6m below the agreed Operational Boundary for 2019/20 and the maturity structure for both borrowing and investments remained within the approved upper and lower limits. Subsequent borrowing or re-scheduling during 2020/21 would take into account prevailing interest rates on offer from the PWLB, the current maturity structure of loans, balanced with the need to reduce capital risk by keeping down cash-balances.

Members took assurance from the treasury management activities undertaken during 2019/20 and the Prudential Indicators as outlined in paragraphs 14 and 15 and detailed in Appendix 1 of the report.

Resolved - That the report be approved.

64/20 ANTI-FRAUD AND CORRUPTION STATEMENT 2019/20 - The Director of Service Improvement and the Secretary/Monitoring Officer submitted the Anti-Fraud and Corruption Statement for 2019/20 (as set out at Appendix 1 of the report).

In response to a recommendation within the Internal Audit Report 'Counter Fraud Arrangements 2016/17' conducted during the third quarter of 2016/17, the Authority produced and made publicly available an annual Anti-Fraud and Corruption Statement. The statement covered key actions taken throughout the year, provided an assurance of the processes in place and provided links to key documents.

The Anti-Fraud and Corruption Statement for 2019/20 had been considered by the Governance, Audit and Scrutiny (GAS) Committee at its meeting of 15 June 2020.

Resolved - That the Anti-Fraud and Corruption Statement for 2019/20 as set out at Appendix 1 of the report be approved.

65/20 USE OF DELEGATED POWERS UNDER FIRE AUTHORITY CONSTITUTION BY THE CHIEF OFFICER/CHIEF EXECUTIVE - The Chief Fire Officer/Chief Executive and Monitoring Officer/Secretary submitted a report that provided details of the decisions taken by the Chief Fire Officer & Chief Executive during 2019/20 to vary the establishment, under his delegated powers within the Fire Authority's Constitution.

In the year 2019/20 the following substantive establishment changes (not including temporary changes or those approved by the Authority as part of a report) had been approved under the delegated authority given to the Chief Fire Officer & Chief Executive:

- Increase 1 x 37 hours Grade 12 HMICFRS Officer

Members took assurance that the Scheme of Delegation had been properly exercised.

Resolved - That the report be received.

66/20 HMICFRS UPDATE - The Director of Service Improvement submitted a verbal update on the Service Improvement Plan (SIP) following the HMICFRS inspection report of the Service.

The Director of Service Improvement and the Head of Corporate Assurance had regular communications (every 3 - 4 weeks) with the Service Liaison Lead from HMICFRS. The Service was due to receive its next inspection from HMICFRS in February 2021 but due to Covid-19 all inspections had been suspended until further notice. In the interim HMICFRS was looking to implement a thematic assessment of all Fire & Rescue Services' response to the Covid-19 pandemic. The assessment would not be graded but take the form of a narrative text base assessment.

Resolved - That the update be received.

67/20 THE PUBLIC SAFETY REDESIGN PROGRAMME (SRP) 2017 - 2020 - POST IMPLEMENTATION REVIEW - The Director of Service Delivery Support submitted a report that outlined the post implementation review conducted following the conclusion of the Public Safety Service Redesign Programme (SRP) for the period 2017-2020.

The Public Safety SRP commenced in July 2016 and was approved for implementation by the Authority on 17 March 2017. The timeline for implementation of the restructure was agreed as a phased programme over a three-year period, concluding at the end of 2019/20.

This report identified the progress made during the SRP timespan and across all areas of the Public Safety SRP, summarising progress against 9 specific recommendations identified within the original Public Safety SRP report and updated to a timeline of structural changes (as set out at Appendix 2 of the report).

The parameters of the Public Safety SRP included delivering an outcome of flexibility within the resourcing model of between 83 and 73 posts. The current establishment was 74.5, achieving the originally approved SRP outcome. The flexible budget had been reinvested into public safety areas such as funding for volunteer operations (Blue Light Brigade), investment in flexible contracts for Service leavers with business safety competence and investment into Information Communication Technology (ICT) to advance software and hardware across public safety delivery. Further investment had been progressed within the Business Safety areas of the Service such as increased capacity to engage with businesses by operational crews and the flexibility continued to be a feature of effective delivery.

The progression of the Public Safety SRP had been significantly impacted upon by several influences. This had led to a need to make a series of structural and staff changes using the flexibility in the resourcing model. The influences had been hugely impacting, not least of all the tragic events at Grenfell Tower in 2017 and the COVID-19 crisis of 2020.

Whilst the flexibility had been used to some effect, the combination of influences now led to a position of needing to revisit the original parameters and objectives of the Public Safety SRP. It was now intended to conduct a new review of Public Safety. The efficiencies and savings associated to the Public Safety SRP and identified to Authority in March 2017 had been achieved.

The Authority requested a future update on the implications for the Authority at a future Member Day.

Resolved - (a) That the report be received, and

(b) that a further update be provided at a future Member Day.

67/20 COVID-19 HUB ACTIVITY AND IMPACT ON SAFE AND WELL DELIVERY - The Director of Service Delivery submitted a report that provided a summary of activity undertaken by the Service in connection to the local authority based Shielding Hubs.

During the COVID-19 pandemic outbreak, the Service Delivery Directorate Public Safety activity workstreams were refocussed from delivering normal prevention activities to support the local authority based Shielding Hubs, to support members of the public that had been identified as vulnerable and advised to 'Shield at home'.

This localised response to an unprecedented national emergency had seen Service staff supporting district localities through the provision of essential food deliveries, prescription and medication deliveries, Personal Protective Equipment (PPE) distribution for partner agencies and the co-ordination of the Local Resilience Forum (LRF) PPE and Business Donation cells.

As a consequence of this work, together with restrictions across public spaces, businesses, homes and workplaces, Public Safety delivery had been diverted from its usual channels of public engagements, to support LRF responses. The teams had also used the opportunity to commence the reconfiguring of engagement practises to accommodate the restrictions brought about by the COVID-19 pandemic.

Replacement systems had been introduced to support reconfigured methods of service delivery, using technology, in place of physical visits. Business Safety and Community Safety practises had adapted in response to the imposed lockdown and social distancing rules and legislation.

During the period of 1 April to 10 June 2020, in excess of 2,700 COVID-19 related activities had been delivered across public safety, with over 1,200 having been local authority shielding hub related activities. Expenditure had been met using Ministry of Housing, Communities and Local Government COVID-19 Grant Allocation funding.

The Director of Service Delivery wished to place on record his personal thanks to all Service personnel for their hard work and dedication to supporting residents and communities during this extremely challenging and unprecedented period.

Resolved - (a) That the report be received, and

(b) that the Authority places on record its thanks to all Service personnel for their dedication and hard work in responding to the Covid-19 challenges and the support provided to all communities across the four constituent authorities whilst continuing to maintain essential core business.

68/20 COVID-19 UPDATE - The Chief Fire Officer/Chief Executive provided a verbal update on the Service's internal workings during this period and future planning arrangements.

The Service was slowly returning to more normal operational activity with business safety work now starting to be undertaken and an increase in fire fighters on fire engines.

Absence levels recorded for the Service were lower than the national Fire & Rescue Service average, largely due to proactive measures the Service took early on, even before lockdown commenced.

The Transition Group, chaired by the Director of Service Delivery Support and the Director of Service Improvement, continued to make preparations for the return of staff to fire stations or office buildings in the future and was assessing operational activity as to whether new operations undertaken during Covid-19 should continue and likewise if there was a need for work put on hold during the pandemic to recommence. Once such example was distance learning, training and assessments which had been operating virtually since lockdown, showing great benefits and proven such a success with staff that it might continue to be delivered virtually in the future, even if social distancing was lifted entirely.

A full risk assessment had been undertaken with all staff to assess their wellbeing and occupational needs in advance of them returning to fire stations or office buildings in the future. The Service had seen an increase in referrals to occupational health and for mental health and wellbeing support. Particular thanks was paid to Lisa Smith - Head of Occupational Health and Pete Allman - Head of Health and Safety for the work they have undertaken during this challenging period in supporting and planning for the return of staff to Service buildings.

The Service continued to prepare for a second wave of the virus, should one occur. It was felt that the Service was well placed, with improved infrastructure and remote working arrangements in place, should subsequent peaks present themselves.

Tribute was paid to all Service staff involved in the storing and delivery of over 1 million pieces of Personal Protective Equipment (PPE) to care homes across the Authority area.

Members requested that virtual meetings now commence across the four constituent authorities for Members to understand the specific operational activity being undertaken by the Service in their respective areas. Likewise it was felt that Member Champion days could commence again virtually.

Members queried if the Authority would be receiving an update on Brexit and its implications for the Service in the future. It was proposed that such an update would be provided at a future meeting or Member Day in due course and that it was currently on the Local Resilience Forum's next agenda for discussion.

Tribute was again paid by Members to the Service and all its staff for the immense work undertaken across all four authorities in a different capacity in supporting local communities whilst also continuing core business.

Resolved - That the update be received.

HUMBERSIDE FIRE AUTHORITY

PENSION BOARD

6 JULY 2020

PRESENT:

Employer representatives: Councillor Shepherd (Chairperson) and Mr P McCourt (Director of Public Safety)

Scheme Member representatives: Mr B Johnson

Councillors Briggs and Green attended as observers.

Kevin Wilson - Executive Director of Corporate Services/Section 151 Officer and Scheme Manager; Christine Cooper - Interim Director of People and Development, David Lofthouse - Procurement Manager, Shaun Edwards - Finance Manager, Sarah Keyes - Finance Officer, Lisa Nicholson - Monitoring Officer/Secretary and Samm Campbell - Committee Manager.

The meeting was held remotely via video-conference (Zoom).

15/20 APOLOGIES FOR ABSENCE - Apologies for absence were received from Mr G Marshall.

16/20 DECLARATIONS OF INTEREST - There were no declarations of interest.

17/20 MINUTES - Resolved - That the minutes of the meeting of the Board held on 27 January 2020 be confirmed as a correct record.

18/20 MATTERS ARISING FROM THE MINUTES - There were no matters arising from the minutes.

19/20 REPORTING BREACHES - The Procurement Manager informed the Board that there had been no breaches since the meeting held on 27 January 2020.

Resolved - That the update be received.

20/20 PENSION BOARD WORKSTREAMS UPDATE - The Executive Director of Corporate Services/Section 151 Officer submitted a report setting out an update on the Board's workstreams for 2020/21.

The impact of restitution of the McCloud/Sergeant Pension Scheme dispute remained uncertain (Minute 7/20 refers) and guidance was yet to be received from the Home Office in relation to changes to the administration of the Pension Scheme.

During 2019/20, one complaint had been received in relation to the administration of the Fire Fighters' Pension Scheme (FFPS) and one had been received so far during 2020/21.

The Service had agreed a set of key performance indicators (KPIs) with West Yorkshire Pension Fund, which administrated the FFPS. The KPIs were monitored and reported monthly and data showed good performance in relation to most indicators.

The deficit in the Humberside Fire Authority Pension Fund Account 2019/20 (£12.6m) was due to be resolved in full by the Home Office in July 2020.

Resolved - That the report be received.

21/20 COVID-19 UPDATE - The Finance Officer provided the Board with an update in relation to the COVID-19 pandemic.

Annual benefit statements were due to be issued by 31 August as normal despite the COVID-19 pandemic and national lockdown. However, the Pensions Regulator had indicated that it would take the pandemic into account as a mitigating factor if annual benefits statements were delayed.

The Scheme Advisory Board (SAB) had been working with the Government to determine how pension schemes should treat the death of a member resulting from COVID-19. Associated advice was due to be issued to fire and rescue services nationally.

The recent health emergency had resulted in a number of retirees returning to work. While this would normally leave scheme members open to additional tax on their lump sums, the Government had relaxed these measures until November 2020 in order to allow recent retirees to assist in the light of COVID-19. However, pensioners could not earn more than the rate of their final salary while they returned to work.

The Board asked how COVID-19 had affected the Service's workforce. During the whole of the COVID-19 outbreak, four members of staff had tested positive for the virus and five tests had been inconclusive. The virus had not affected the Service's ability to respond to emergencies and appliance availability had increased during the pandemic.

Resolved - That the update be received.

22/20 ANNUAL BENEFIT STATEMENT UPDATE - The Finance Officer submitted a report updating the Board on the status of the annual benefit statements.

Since 2017, the Scheme Advisory Board (SAB) had conducted an annual, national survey in relation to annual benefit statements (ABS), the results of which had helped to improve the process every year since. The Service had improved every aspect of the system in the current year, with 90 percent of data having been reported on time and few queries received. The SAB's report concluded with five recommendations for pension administrators, which related to:

1. data submission;
2. meeting deadlines;
3. deferred members;
4. internal controls, and
5. administration and resources.

Resolved - That the report be received.

23/20 REMEDY AND LEGAL CLAIMS UPDATE - The Procurement Manager provided the Board with an update on ongoing legal proceedings.

As a result of the level of uncertainty and the lack of guidance in relation to the McCloud/Sergeant case (Minute 7/20 refers), the SAB had suggested that scheme administrators communicate to members to inform them that their benefits in the current year would remain unaffected but that they would be kept informed. Retirees would have the remedy applied to their pensions following the anticipated publication of Home Office.

In relation to the O'Brien RDS Modified case (Minute 8/20 refers), it was likely that on-call firefighters' FFPS membership would be backdated to cover their full length of service. This would entail a significant amount of work for FFPS administrators nationally. Following the application of the remedies, the Service would need to re-value its Pension Fund.

Resolved - That the report be received.

24/20 SCHEME ADVISORY BOARD UPDATE - The Finance Officer summarised the Local Government Association's recent Firefighters' Pension Scheme Bulletins.

The Scheme was subject to valuation every four years and the data deadline for the next valuation was 31 December 2020. This constituted a significant piece of work and was likely to affect benefits and contributions. The contribution rates from 2018/19 would continue to apply during 2020/21.

The SAB had recommended that potential changes to pension contributions and benefits arising from promotion or a change of role be highlighted to Scheme members during recruitment processes.

Resolved - That the report be received.

25/20 ANY OTHER BUSINESS - There were no items.

HUMBERSIDE FIRE AUTHORITY
GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE

13 JULY 2020

PRESENT: Independent Co-opted Members Mr D Chapman (Chairperson), Mr M Allingham, Mr J Doyle, Mrs P Jackson, Mr A Smith, Mrs M Thomlinson and Mr C Vertigans.

Councillor Briggs and Councillor Green attended as observers.

Christine Cooper - Temporary Director of People and Development, Paul McCourt - Director of Service Delivery, Niall McKiniry - Director of Service Improvement, Steve Topham - Director of Service Delivery Support, Simon Rhodes - Head of Corporate Assurance, Martyn Ransom - Head of Finance, Mathew Buckley - Monitoring Officer/Secretary, Samm Campbell - Committee Manager, Gavin Barker - External Audit (Mazars), Ross Woodley - External Audit (Mazars) and Andrew McCulloch - Internal Audit (TIAA) were also present.

The meeting was held remotely via video-conference (Zoom). The meeting commenced at 10.00 a.m.

PROCEDURAL

44/20 APOLOGIES FOR ABSENCE - There were no apologies for absence.

45/20 DECLARATIONS OF INTEREST - There were no declarations of interest.

46/20 MINUTES - *Resolved* - That the minutes of the meeting of the Committee held on 15 June 2020 be confirmed as a correct record.

47/20 MATTERS ARISING FROM THE MINUTES, OTHER THAN ON THE AGENDA - There were no matters arising.

GOVERNANCE

48/20 UPDATE: MATTERS ARISING/FEEDBACK FROM FIRE AUTHORITY - The Monitoring Officer/Secretary provided feedback on items considered by the Fire Authority at its meeting of 26 June 2020.

Resolved - That the update be received.

Audit

48/20 EXTERNAL AUDIT UPDATE - Gavin Barker and Ross Woodley (Mazars) presented the draft Audit Completion Report for 2019/20.

The draft Audit Completion Report 2019/20 had been circulated to the Committee prior to the meeting. The deadline for publication of unaudited accounts had been extended from 31 May to 31 August in the light of the ongoing pandemic. Mazars and HFRS had adhered to the original date for submission of the audited accounts by 31 July 2020. It had been the intention both organisations to submit the final Audit Completion Report to the meeting of the Fire Authority due to be held on 24 July 2020. However, the audit of the Pension Fund Account had been delayed until the end of August 2020, meaning that, while the Authority would still be able to approve its audited accounts, Mazars' final audit opinion could not yet be signed off. Additionally, the Audit Certificate would not be issued until all audit work had been completed, including the Whole of Government Accounts, the submission date for which had been moved back by the National Audit Office. Auditors were awaiting instruction from the National Audit Office.

Despite the challenges presented by COVID-19 and the extra work undertaken during the year, Mazars and Humberside Fire and Rescue Service were pleased to have been able, for the most part, to abide by the original plan for completion of external audit in 2019/20.

While the Pension Fund Account was yet to be audited fully, there were no significant issues to date. Along with property, plant and equipment, pensions represented one of the most significant risks to all fire and rescue services and was, therefore, subject to annual audit. No concerns had been highlighted in the value for money conclusion.

A Member noted that the Committee's name was incorrectly cited within the report and Mazars agreed to amend this prior to submitting the report to the Fire Authority at its meeting due to be held on 24 July 2020.

Resolved - That the draft report be received.

49/20 INTERNAL AUDIT UPDATE - Andrew McCulloch (TIAA) presented a report summarising progress in relation to the internal audit.

TIAA had completed all possible audit activity to date, but some scheduled activity had been delayed due to COVID-19. All but one of the remaining audit activities were scheduled and would take place during August and September 2020.

A Member queried whether a management response had been received in relation to TIAA's 'priority 1' recommendation concerning transmission of data to East Riding of Yorkshire Council's Payroll Department. The Committee was assured that this recommendation had been addressed during the intervening time.

A Member noted that TIAA had assessed the Service's key financial controls, offering a judgement of 'limited assurance'. TIAA would follow up its assessment with the authority at the first available opportunity and agreed to update the Committee at a future meeting.

Resolved - a) That the update report be received, and
b) that the Committee be updated in relation to TIAA's assessment of key financial controls at a future meeting.

50/20 AUDITED ANNUAL STATEMENT OF ACCOUNTS 2019/20 - The Head of Finance presented a report summarising the Annual Statement of Accounts for 2019/20.

The Annual Statement of Accounts had been circulated to the Committee prior to the meeting. While the final audited version of the accounts was yet to be published, the version received by the Committee was, barring a minor amendment concerning emolument, the version due to be submitted to the Fire Authority for its approval on 24 July 2020.

Resolved - That the Annual Statement of Accounts 2019/20 be received.

PERFORMANCE, RISK AND PROGRAMME MANAGEMENT

51/20 DRAFT ANNUAL PERFORMANCE REPORT 2019/20 - The Director of Service Improvement submitted a report summarising the Service's performance during 2019/20.

This report represented the culmination of the quarterly reports received by the Committee in relation to both operational and staffing performance (including absence management). For the 2019/20 report, the Service had increased the use of infographics in

order to simplify the associated data to make it more accessible to members of the public. The following points were highlighted:

- Automatic fire alarm activations in non-domestic premises had decreased since 2018/19.
- Accidental dwelling fires had decreased, but those of high severity had increased by one.
- The number of fatalities resulting from accidental dwelling fires had increased from one in 2018/19 to two in 2019/20. The Service's target in relation to this would always be zero.
- The Service's protection activity had increased which had resulted in an increase in notices issued.
- The percentage of dwelling fires receiving a mobilisation within 90 seconds of an emergency call (85.71 percent) was higher than the Service's target (75 percent), but lower than the percentage achieved in 2018/19 (89.47).
- The Service had not met its targets in relation to the use of gas and electricity due to remaining inefficiencies in some of its systems, but it had exceeded its target in relation to diesel and water usage. In addition, the Service was in the process of reviewing its fleet (not including fire appliances) and examining the prospect of leasing hybrid vehicles.
- Short-term staff absence rates had decreased, but the average number of days absent from work per employee had increase from 6.83 in 2018/19 to 8.24 in 2019/20 due to an increase in the number of long-term absences.

A Member noted the Service was satisfied that it had met some targets despite not exceeding the previous year's performance, citing the example of first engine response to dwelling fires and road traffic collisions. While the target of 90 percent had been exceeded, 2019/20's percentage had been 96.86 compared to 2018/19's 97.95.

A Member queried the use of smiling and sad faces in relation to some measures but not others. The Service had used faces to indicate satisfaction or dissatisfaction with different performance measures, but used text where faces would not be appropriate. As a result, the Committee suggested that the system be reviewed and replaced with, for example, a traffic light system.

A Member asked why there was a disparity in the Service's performance in Hull and North East Lincolnshire compared to North Lincolnshire and East Riding of Yorkshire. Both North Lincolnshire and East Riding of Yorkshire contained rural, low-population areas primarily served by on-call stations, which led to two issues: distances for appliances to travel to reach incidents and the recruitment of on-call firefighters. The Service would continue to work to recruit on-call firefighters in these areas.

Resolved - a) That the report be received and commended for its clarity and simplicity, and

b) that the report be revised, taking into account the Committee's suggested amendments, prior to its receipt by the Fire Authority on 24 July 2020.

52/20 ANNUAL STATEMENT OF ASSURANCE - The Director of Service Improvement submitted a report summarising the Annual Statement of Assurance.

Resolved - That the report be received.

53/20 THE PUBLIC SAFETY REDESIGN PROGRAMME (SRP) 2017-20 - POST IMPLEMENTATION REVIEW - The Director of Service Delivery Support submitted a report summarising the impact of the Public Safety Service Redesign Programme.

The Public Safety SRP had been established in 2017 and had been a significant piece of work in improving the Service. The SRP had arrived at nine recommendations, resulting in outcomes including the restructure of the organisation. The SRP's progress and outcomes were affected by some highly important events including the Grenfell Tower Tragedy and, more recently, the COVID-19 pandemic. The Service was in the process of developing a new SRP, recognising that it would need to continue to change, adapt and improve.

Resolved - That the report be received.

54/20 LGA CONSULTATION ON DRAFT CODE OF CONDUCT - The Monitoring Officer/Secretary submitted the Local Government Association's consultation on its draft code of conduct.

Every fire authority in the country had adopted a code of conduct, but there was no national requirement in terms of their contents. A number of model codes of conduct existed and the LGA's draft had been written to replace its own existing code which, it considered, was no longer fit for purpose. While there would be no requirement to adopt the LGA's model code of conduct, it aimed to represent a gold standard in terms of content.

Resolved - That the Committee respond to the consultation collectively through Mandy Tomlinson.

55/20 HMICFRS INSPECTION UPDATE - The Director of Service Improvement provided the Committee with a verbal update in relation to Her Majesty's Inspectorate of Constabulary and Fire and Rescue Service's (HMICFRS).

The second round of inspections was due to commence in 2021 and would likely be preceded by a series of thematic inspections focussing on COVID-19. It was expected that the Home Office would commission these inspections based on the existing three areas of assessment, but that reports would be narrative rather than graded. It was also expected that the second annual State of Fire and Rescue Report would focus on these thematic inspections and build on the recommendations of the previous year's report.

The Service's designated inspector had left HMICFRS and a replacement was expected to have been recruited by September 2020. The Service continued to correspond regularly with designated liaison officer at HMICFRS, Davinder Johal.

The Service Improvement Plan, which had been developed following the Service's previous inspection by HMICFRS, continued to operate and the Committee had used the Plan to inform its Scrutiny Programme 2020/21.

Resolved - That the update be received.

SCRUTINY PROGRAMME

56/20 GAS COMMITTEE SCRUTINY PROGRAMME 2020/21 - The Committee Manager submitted a report summarising the Committee's Scrutiny Programme 2020/21.

Resolved - That the Scrutiny Programme 2020/21 be approved subject to the addition of scoping questions agreed by the Committee.

57/20 ANY OTHER BUSINESS -

58/20 ACTION SCHEDULE - *Resolved* - That the Committee receive an action schedule tracking its recommendations at future meetings.

59/20 TRAINING - The Committee was due to receive a training session from Professor John Cade of Birmingham University on 5 August 2020 at the Service's Headquarters.

60/20 COUNCIL TAX COLLECTION - The Committee was keen to ensure that council tax collection rates were monitored in the light of the expected decline resulting from COVID-19. The Committee was informed that this information was routinely reported to the Fire Authority.

61/20 MEMBER DAYS - *Resolved* - That the quality of recent Member Days be commended.

Meeting closed at 11.20 am.

Local Government Association Model Member Code of Conduct

Introduction

The Local Government Association (LGA) is providing this Model Member Code of Conduct as part of its work on supporting the sector to continue to aspire to high standards of leadership and performance.

The role of councillor in all tiers of local government is a vital part of our country's system of democracy. In voting for a local councillor, the public is imbuing that person and position with their trust. As such, it is important that as councillors we can be held accountable and all adopt the behaviours and responsibilities associated with the role. The conduct of an individual councillor affects the reputation of all councillors. We want the role of councillor to be one that people aspire to and want to participate with. We want to continue to attract individuals from a range of backgrounds and circumstances who understand the responsibility they take on and are motivated to make a positive difference to their local communities.

All councils are required to have a local Member Code of Conduct. This Model Member Code of Conduct has been developed in consultation with the sector and is offered as a template for councils to adopt in whole and/or with local amendments. The LGA will undertake an annual review of the Code to ensure it continues to be fit-for-purpose, particularly with respect to advances in technology, social media and any relevant changes in legislation. The LGA can also offer support, training and mediation to councils and councillors on the application of the Code, whilst the National Association of Local Councils (NALC) and the county associations of local councils can offer advice and support to town and parish councils.

As a councillor we all represent local residents, work to develop better services and deliver local change. The public have high expectations of us and entrust us to represent everyone (in our ward/town/parish), taking decisions fairly, openly, transparently and with civility. Councillors should also be treated with civility by members of the public, other councillors and council employees. Members have both individual and collective responsibility to maintain these standards, support expected behaviour and challenge behaviour which falls below expectations. This Code, therefore, has been designed to protect our democratic role, encourage good conduct and safeguard the public's trust in local government.



Councillor Izzi Seccombe OBE
Leader, LGA Conservative Group



Councillor Nick Forbes CBE
Leader, LGA Labour Group



Councillor Howard Sykes MBE
Leader, LGA Liberal Democrats Group



Councillor Marianne Overton MBE
Leader, LGA independent Group

Purpose

The purpose of this Code of Conduct is to assist councillors in modelling the behaviour that is expected of them, to provide a personal check and balance, and to set out the type of conduct against which appropriate action may be taken. It is also to protect yourself, the public, fellow councillors, council officers and the reputation of local government. It sets out the conduct expected of all members and a minimum set of obligations relating to conduct. The overarching aim is to create and maintain public confidence in the role of member and local government.

Application of the Code

The Code of Conduct applies to you when you are acting [or claiming or giving the impression that you are acting]¹ in [public or in]² your capacity as a member or representative of your council, although you are expected to uphold high standards of conduct and show leadership at all times. The Code applies to all forms of member communication and interaction, including written, verbal, non-verbal, electronic and via social media, [including where you could be deemed to be representing your council or if there are potential implications for the council's reputation.] Model conduct and expectations is for guidance only, whereas the specific obligations set out instances where action will be taken.

The seven principles of public life

Everyone in public office at all levels – ministers, civil servants, members, council officers – all who serve the public or deliver public services should uphold the seven principles of public life. This Code has been developed in line with these seven principles of public life, which are set out in appendix A.

Model member conduct

In accordance with the public trust placed in me, on all occasions I will:

- act with integrity and honesty
- act lawfully
- treat all persons with civility; and
- lead by example and act in a way that secures public confidence in the office of councillor

In undertaking my role, I will:

- impartially exercise my responsibilities in the interests of the local community
- not improperly seek to confer an advantage, or disadvantage, on any person
- avoid conflicts of interest
- exercise reasonable care and diligence; and
- ensure that public resources are used prudently and in the public interest

Specific obligations of general conduct

This section sets out the minimum requirements of member conduct. Guidance is included to help explain the reasons for the obligations and how they should be followed. These obligations must be observed in all situations where you act [or claim or give the impression that you are acting] as a councillor [or in public], including representing your council on official business and when using social media.

Civility

- 1. Treating other councillors and members of the public with civility.**
- 2. Treating council employees, employees and representatives of partner organisations and those volunteering for the councils with civility and respecting the role that they play.**

Civility means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a councillor you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a civil manner. You should not subject individuals, groups of people or organisations to unreasonable or excessive personal attack.

In your contact with the public you should treat them courteously. Rude and offensive behaviour lowers the public's expectations and confidence in its elected representatives.

In return you have a right to expect courtesy from the public. If members of the public are being abusive, threatening or intimidatory you are entitled to close down any conversation in person or online, refer them to the council, any social media provider or if necessary, the police. This also applies to members, where action could then be taken under the Member Code of Conduct.

Bullying and harassment

- 3. Not bullying or harassing any person.**

Bullying may be characterised as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. The bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and not always be obvious or noticed by others.

The Equality Act 2010 defines harassment as 'unwanted conduct related to a relevant protected characteristic, which has the purpose or effect of violating an individual's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for that individual'. The relevant protected characteristics are age, disability, gender reassignment, race, religion or belief, sex, and sexual orientation.

Impartiality of officers of the council

- 4. Not compromising, or attempting to compromise, the impartiality of anyone who works for, or on behalf of, the council.**

Officers work for the council as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. Although you can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

Confidentiality and access to information

- 5. Not disclosing information given to me in confidence or disclosing information acquired by me which I believe is of a confidential nature, unless I have received the consent of a person authorised to give it or I am required by law to do so.**
- 6. Not preventing anyone getting information that they are entitled to by law.**

Local authorities must work openly and transparently, and their proceedings and

printed materials are open to the public except in certain circumstances. You should work on this basis but there will be times when it is required by law that discussions, documents and other information relating to or held by the council are treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

Disrepute

7. Not bringing my role or council into disrepute.

Behaviour that is considered dishonest and/or deceitful can bring your council into disrepute. As a member you have been entrusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on other councillors and/or your council.

Your position

8. Not using, or attempting to use, my position improperly to the advantage or disadvantage of myself or anyone else.

Your position as a member of the council provides you with certain opportunities, responsibilities and privileges. However, you should not take advantage of these opportunities to further private interests.

Use of council resources and facilities

9. Not misusing council resources.

You may be provided with resources and facilities by the council to assist you in carrying out your duties as a councillor. Examples include office support, stationery and equipment such as phones, and computers and transport. These are given

to you to help you carry out your role as a councillor more effectively and not to benefit you personally.

Interests

10. Registering and declaring my interests.

You need to register your interests so that the public, council employees and fellow members know which of your interests might give rise to a conflict of interest. The register is a document that can be consulted when (or before) an issue arises, and so allows others to know what interests you have, and whether they might give rise to a possible conflict of interest. The register also protects you. You are responsible for deciding whether or not you should declare an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise.

It is also important that the public know about any interest that might have to be declared by you or other members, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained. Discuss the registering and declaration of interests with your Monitoring Officer/Town or Parish Clerk and more detail is set out in appendix B.

Gifts and hospitality

11. Not accepting significant gifts or hospitality from persons seeking to acquire, develop or do business with the council or from persons who may apply to the council for any permission, licence or other significant advantage.

12. Registering with the monitoring officer any gift or hospitality with an estimated value of at least £25 within 28 days of its receipt.

You should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you

because you are a member. However, you do not need to register gifts and hospitality which are not related to your role as a member, such as Christmas gifts from your friends and family, or gifts which you do not accept. However, you may wish to notify your monitoring officer of any significant gifts you are offered but refuse which you think may have been offered to influence you.

Note – items in square brackets [x] refer to recommendations made by the Committee on Standards in Public Life and may be part of a future Government consultation. This includes possible future sanctions and appeals processes.

Breaches of the Code of Conduct

Most councillors conduct themselves appropriately and in accordance with these standards. Members have both individual and collective responsibility to maintain these standards, support expected behaviour and challenge behaviour which falls below expectations.

Section 27 of the Localism Act 2011 requires relevant authorities to promote and maintain high standards of conduct by members and co-opted members of the authority. Each local authority must publish a code of conduct, and it must cover the registration of pecuniary interests, the role of an 'independent person' to advise on and investigate alleged breaches, and sanctions to be imposed on any councillors who breach the Code.

The 2011 Act also requires local authorities to have mechanisms in place to investigate allegations that a member has not complied with the Code of Conduct, and arrangements under which decisions on allegation may be made.

Failure to comply with the requirements to register or declare disclosable pecuniary interests is a criminal offence. Taking part in a meeting or voting, when prevented from doing so by a conflict caused by disclosable pecuniary interests, is also a criminal offence.

Political parties may have its own internal standards and resolution procedures in addition to the Member Code of Conduct that members should be aware of.

Example

LGA guidance and recommendations

Internal resolution procedure

Councils should have in place an internal resolution procedure to address conduct that is in breach of the Member Code of Conduct. The internal resolution process should make it clear how allegations of breaches of the Code of Conduct are to be handled, including the role of an Independent Person, the appeals process and can also include a local standards committee. The internal resolution procedure should be proportionate, allow for members to appeal allegations and decisions, and allow for an escalating scale of intervention. The procedure should be voted on by the council as a whole.

In the case of a non-criminal breach of the Code, the following escalating approach can be undertaken.

If the breach is confirmed and of a serious nature, action can be automatically escalated.

1. an informal discussion with the monitoring officer or appropriate senior officer
2. an informal opportunity to speak with the affected party/ies
3. a written apology
4. mediation
5. peer support
6. requirement to attend relevant training
7. where of a serious nature, a bar on chairing advisory or special committees for up to two months
8. where of a serious nature, a bar on attending committees for up to two months.

Where serious misconduct affects an employee, a member may be barred from contact with that individual; or if it relates to a specific responsibility of the council, barred from participating in decisions or information relating to that responsibility.

Endnotes

1. CSPL recommend that “Section 27(2) of the Localism Act 2011 should be amended to state that a local authority’s code of conduct applies to a member when they claim to act, or give the impression they are acting, in their capacity as a member or as a representative of the local authority”.
2. CSPL recommend that “councillors should be presumed to be acting in an official capacity in their public conduct, including statements on publicly accessible social media. Section 27(2) of the Localism Act 2011 should be amended to permit local authorities to presume so when deciding upon code of conduct breaches.”
3. Subject to footnotes 1 and 2 above
4. See CSPL website for further details www.gov.uk/government/news/the-principles-of-public-life-25-years
5. ACAS’s definition of bullying

Appendices

Code Appendix A

The principles are :

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Code Appendix B

Registering interests

1. Within 28 days of this Code of Conduct being adopted by the council or your election or appointment to office (where that is later) you must register with the Monitoring Officer the interests which fall within the categories set out in Table 1 (Disclosable Pecuniary Interests) and Table 2 (Other Registerable Interests).
2. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest in Table 1 or 2, or of any change to a registered interest, notify the Monitoring Officer.

Declaring interests

3. Where a matter arises at a meeting which directly relates to an interest in Table 1, you must declare the interest, not participate in any discussion or vote on the matter and must not remain in the room unless granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.
4. Where a matter arises at a meeting which directly relates to an interest in Table 2, you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.

5. Where a matter arises at a meeting which directly relates to your financial interest or well-being (and is not a Disclosable Pecuniary Interest) or a financial interest or well-being of a relative or close associate, you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.
6. Where a matter arises at a meeting which affects –
 - a. your own financial interest or well-being;
 - b. a financial interest or well-being of a friend, relative, close associate; or
 - c. a body covered by table 1 below

you must disclose the interest.

7. Where the matter affects the financial interest or well-being to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.

Table 1: Disclosable Pecuniary Interests

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship.]
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992 .
Contracts	Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council — (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land and Property	Any beneficial interest in land which is within the area of the council. ‘Land’ excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (alone or jointly with another) a right to occupy or to receive income.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer.
Corporate tenancies	Any tenancy where (to the councillor’s knowledge)— (a) the landlord is the council; and (b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body where— (a) that body (to the councillor’s knowledge) has a place of business or land in the area of the council; and (b) either— (i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

*'director' includes a member of the committee of management of an industrial and provident society.

*'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table 2: Other Registerable Interests

Any Body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the council;	
Any Body—	(a) exercising functions of a public nature;
	(b) directed to charitable purposes; or
	(c) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)
of which you are a member or in a position of general control or management.	



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REF 11.197

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PLEASE USE THE ONLINE SURVEY FORM TO SUBMIT YOUR RESPONSE

LGA Consultation on Draft Model Member Code of Conduct

Thank you for taking the time to complete this consultation. This Model Member Code of Conduct [[Model Member Code of Conduct.pdf](#)] aims to be concise, written in plain English and be understandable to members, officers and the public. The Model Member Code is designed to aid members in all tiers of local government model the behaviours and high standards that anyone would expect from a person holding public office. Equally, it articulates behaviour which falls below the standards that would be expected of council members. It is designed to help set a framework for public and councillor interaction, emphasising the importance of civility and that councillors should be protected from bullying, intimidation and abuse.

The LGA has reviewed the existing Model Member Code of Conduct and updated it here incorporating the recommendations from the Committee on Standard's in Public Life's recommendations on Local Government Ethical Standards and the representation from its membership. Part of the Committee's recommendations were the introduction of sanctions for breaches of the code, alongside an appeals process. This aspect is out of scope of this consultation, as it requires legislative changes by Government, but the LGA has sought to reflect some of the possible changes by using square brackets where legal changes would be necessary. The LGA is continuing to take soundings from the sector on the issue of sanctions in anticipation of a Government response to the Committee's recommendations.

This consultation addresses key areas that the LGA would like a view on to help finalise the Code. It is aimed at councillors and officers from all tiers of local government. If you would like a wider discussion about the code, please do sign up to one of the forthcoming Webinars the LGA are holding as part of this consultation. Details will be posted on our [LGA events website](#).

Instructions and privacy notice

You can navigate through the questions using the buttons at the bottom of each page. Use the 'previous' button at the bottom of the page if you wish to amend your response to an earlier question.

All responses will be treated confidentially. Information will be aggregated, and no individual or authority will be identified in any publications without your consent. Identifiable information may be used internally within the LGA but will only be held and processed in accordance with our [privacy policy](#). We are undertaking this consultation to aid the legitimate interests of the LGA in supporting and representing authorities.

Please complete your response in one go - if you exit before submitting your response your answers may be lost. If you would like to see an overview of the questions before completing the consultation online, you can access a PDF [here](#).

About you

Your name _____

Are you...

- ☐ A councillor
- ☐ An officer
- ☐ Answering on behalf of a whole council (Please provide council name below)
- _____
- ☐ Other (please specify below)
- _____

Please indicate your council type

- ☐ Community/Neighbourhood/Parish/Town
- ☐ District/Borough
- ☐ County
- ☐ Metropolitan/Unitary/London Borough
- ☐ Other (please specify below)
- _____

Application of the Code

Under the Localism Act 2012, the Code of Conduct applies to councillors only when they are acting in their capacity as a member. The LGA believes that because councillors are elected by the public and widely recognised by the public, it makes sense for them to continue to model these behaviours when they are making public comment, are identifying as a councillor and when it would be reasonable for the public to identify them as acting or speaking as a councillor. The Committee on Standards in Public Life supported this approach in their report into Local Government Ethical Standards. Whilst the LGA is waiting for Government's response to these recommendations the option has been added in square brackets as it would need changes in legislation.

Q1. To what extent do you support the proposal that councillors demonstrate the behaviours set out in the Code when they are publicly acting as, identifying as, and/or giving the impression that they are acting as a councillor, including when representing their council on official business and when using social media?

- ☐ To a great extent
- ☐ To a moderate extent
- ☐ To a small extent
- ☐ Not at all
- ☐ Don't know/prefer not to say

Q1a. If you would like to elaborate on your answer please do so here:

Q2. Is it sufficiently clear which parts of the Model Code are legal requirements, which are obligations, and which are guidance?

- ☐ Yes
- ☐ No
- ☐ Don't know

Q3. Do you prefer the use of the personal tense, as used in the Code, or would you prefer the passive tense?

- ☐ Personal tense ("I will")
- ☐ Passive tense ("Councillors should")
- ☐ No preference

Specific obligations

The Code lists 12 specific obligations – these set out a minimum standard councillors are asked to adhere to.

Each obligation or group of obligations is put into a wider context to explain why that particular obligation is important.

Q4. To what extent to you support the 12 specific obligations?

	To a great extent	To a moderate extent	To a small extent	Not at all	Don't know / Prefer not to say
1. Treating other councillors and members of the public with civility.					
2. Treating council employees, employees and representatives of partner organisations and those volunteering for the councils with civility and respecting the role that they play.					
3. Not bullying or harassing any person.					
4. Not compromising, or attempting to compromise, the impartiality of anyone who works for, or on behalf of, the council.					
5. Not disclosing information given to me in confidence or disclosing information acquired by me which I believe is of a confidential nature, unless I have received the consent of a person authorised to give it or I am required by law to do so.					
6. Not preventing anyone getting information that they are entitled to by law.					
7. Not bringing my role or council into disrepute.					
8. Not using, or attempting to use, my position improperly to the advantage or disadvantage of myself or anyone else.					

9. Not misusing council resources.					
10. Registering and declaring my interests.					
11. Not accepting significant gifts or hospitality from persons seeking to acquire, develop or do business with the council or from persons who may apply to the council for any permission, licence or other significant advantage.					
12. Registering with the monitoring officer any gift or hospitality with an estimated value of at least £25 within 28 days of its receipt.					

Q5. If you would like to propose additional or alternative obligations, or would like to provide more comment on a specific obligation, please do so here:

Q6. Would you prefer to see the obligations as a long list followed by the guidance, or as it is set out in the current draft, with the guidance after each obligation?

- ☐ As a list
- ☐ Each specific obligation followed by its relevant guidance
- ☐ No preference

Q7. To what extent to you think the concept of 'acting with civility' is sufficiently clear?

- ☐ To a great extent
- ☐ To a moderate extent
- ☐ To a small extent
- ☐ Not at all
- ☐ Don't know/prefer not to say

Q7a. If you would like to suggest an alternative phrase that captures the same meaning, or would like to provide a comment on this concept, please do so here:

Q8. To what extent do you think the concept of 'bringing the council into disrepute' is sufficiently clear?

- ☐ To a great extent
- ☐ To a moderate extent
- ☐ To a small extent
- ☐ Not at all
- ☐ Don't know/prefer not to say

Q8a. If you would like to suggest an alternative phrase that captures the same meaning, or would like to provide a comment on this concept, please do so here:

Q9. To what extent do you support the definition of bullying and harassment used in the code in a local government context?

- ☐ To a great extent
- ☐ To a moderate extent
- ☐ To a small extent
- ☐ Not at all
- ☐ Don't know/prefer not to say

Q9a. If there are other definitions you would like to recommend, please provide them here.

Q10. Is there sufficient reference to the use of social media?

- ☐ Yes
- ☐ No
- ☐ Don't know/prefer not to say

Q10a. Should social media be covered in a separate code or integrated into the overall code of conduct?

- ☐ Separate code
- ☐ Integrated into the code
- ☐ Don't know/prefer not to say

Q10b. If you would like to make any comments or suggestions in relation to how the use of social media is covered in the code please do so here:

Registration and declarations of interests

The law at present requires, as a minimum, registration and declaration of 'Disclosable Pecuniary Interests' - that is matters which directly relate to the councillor and their partner if applicable.

The LGA is proposing that all councillors are required to declare interests where matters also relate to or affect other family members or associates. The LGA has broadened the requirement to declare interests beyond this current statutory minimum in line with a recommendation from the Committee on Standards in Public Life. These specific provisions are set out in **Appendix B** of the Code.

Q11. To what extent to you support the code going beyond the current requirement to declare interests of the councillor and their partner?

- ☐ To a great extent
- ☐ To a moderate extent
- ☐ To a small extent
- ☐ Not at all
- ☐ Don't know/prefer not to say

Q11a. If you would like to elaborate on your answer please do so here:

Q12. Should the requirement to declare interests be in the main body of the code or in the appendix where the draft model code currently references it?

- ☐ In the main body of the code
- ☐ In the appendix
- ☐ Other (please specify below)
- ☐ Don't know/prefer not to say

Q12a. If you would like to make any comments or suggestions in relation to how the requirement to declare interests is covered in the code please do so here:

It is also suggested that more outside interests should be registered than is the current statutory minimum. These are set out in **Table 2 of the Appendix** and are designed to demonstrate to the community transparency about other bodies with which the councillor is engaged.

Q13. To what extent do you support the inclusion of these additional categories for registration?

	To a great extent	To a moderate extent	To a small extent	Not at all	Don't know / Prefer not to say
Any organisation, association, society or party of which you are a member or in a position of general control or management and to which you are appointed or nominated by the council					
Any organisation, association, society or party that exercises functions of a public nature of which you are a member or in a position of general control or management					
Any organisation, association, society or party directed to charitable purposes					
Any organisation, association, society or party of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)					

Q13a. If you would like to propose additional or alternative **categories** for registration, please provide them here:

Q14. To what extent to you support the proposed requirement that councillors do not accept significant gifts as set out in Obligation 11?

- ☐ To a great extent
- ☐ To a moderate extent
- ☐ To a small extent
- ☐ Not at all
- ☐ Don't know/prefer not to say

Q14a. If you would like to elaborate on your answer please do so here:

Q15. The draft code proposes £25 as the threshold for registering gifts and hospitality. Is this an appropriate threshold?

- ☐ Yes
- ☐ Yes, but the amount should be reviewed annually with the code's review
- ☐ No, it should be lower (please specify amount) _____
- ☐ No, it should be higher (please specify amount) _____
- ☐ Don't know/prefer not to say

Q16. The LGA will be producing accompanying guidance to the code. Which of the following types of guidance would you find most useful? Please rank 1-5, with 1 being the most useful.

- _____ Regularly updated examples of case law
- _____ Explanatory guidance on the code
- _____ Case studies and examples of good practice
- _____ Supplementary guidance that focuses on specific areas, e.g., social media
- _____ Improvement support materials, such as training and e-learning packages

Q16a. If you would like to suggest any other accompanying guidance please do so here:

Q17. If you would like to make any further comments about the code please do so here:

Once you press the 'Submit' button below, you will have completed your response.

Many thanks for taking the time to respond to this consultation. You are in control of any personal data that you have provided to us in your response. You can contact us at all times to have your information changed or deleted. You can find our full privacy policy here: [click here to see our privacy policy](#)

For information only - Do not complete

MANAGEMENT ACCOUNTS 2020/21 – BASED ON PERIOD ENDING 30 JUNE 2020

SUMMARY

1. This report highlights the current financial position based on information to 30 June 2020.
2. The end of year projections are set out below for the revenue budget, the capital programme and the pensions account.

RECOMMENDATIONS

3. That Members take assurance from this report and the Authority's financial position for the period ending 30 June 2020.

PERIOD ENDING 30 JUNE 2020

4. The summary estimated outturn position for the current financial year based on information to 30 June 2020 is as follows:-

CATEGORY	2020/21 OUTTURN PROJECTION	
HFA		
Revenue Budget	£108k	overspend
Capital Programme	£910k	expenditure against £6.718m allocation
Pensions Account	£9.814m	deficit

5. This is the first set of Management Accounts for the 2020/21 financial year and further updates will be brought to the Authority based on the periods ending 30/9/20, 31/12/20 and 28/2/21.

COVID-19 UPDATE – FINANCIAL IMPLICATIONS

6. The Service has been responding to the COVID-19 crisis and costs have been incurred on staffing, Personal Protective Equipment (PPE) and also IT equipment to support remote working. Limited costs were incurred before the close of the 2019/20 financial year (£9k).
7. Further costs have been incurred in the current financial year as the Service's response to the crisis has intensified. Spend and commitments up to 30 June 2020 in the current year are £360k leaving £550k remaining of the £919k COVID-19 grant from MHCLG.
8. Further details on all of these areas are available electronically alongside the agenda papers on the Fire Authority's website at www.humbersidefire.gov.uk/fire-authority.

STRATEGIC PLAN COMPATIBILITY

9. The production of robust, timely and detailed information in relation to the Authority's financial position contributes to the Strategic Plan objective of a 'Stronger Organisation'. The information specifically underpins good governance and good financial management.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

10. Sound financial management contributes to the achievement of the Authority's objectives.

LEGAL IMPLICATIONS

11. No direct issues arising.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

12. No direct issues arising.

CORPORATE RISK MANAGEMENT IMPLICATIONS

13. The monthly Management Accounts help to ensure that the Authority meets its legal and regulatory requirements.

HEALTH AND SAFETY IMPLICATIONS

14. No direct issues arising.

COMMUNICATION ACTIONS ARISING

15. No direct issues arising.

DETAILS OF CONSULTATION AND/OR COLLABORATION

16. No direct issues arising.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

17. Working papers for 2020/21 Budget Monitoring.

RECOMMENDATIONS RESTATED

18. That Members take assurance from this report and the Authority's financial position for the period ending 30 June 2020.

K WILSON

Officer Contact: Kevin Wilson ☎ 01482 567183
Executive Director of Corporate Services/S.151 Officer

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

KW
14 July 2020

AUDITED STATEMENT OF ACCOUNTS 2019/20

SUMMARY

1. This report includes the audited version of the Fire Authority's Accounts for the financial year 2019/20. The audit of the Authority's 2019/20 Statement of Accounts has now been substantially completed.
2. In partnership with the Authority's external auditor, Mazars, a small number of adjustments to the draft Accounts have been undertaken in order to reach the final version. These are detailed in the 'External Audit – Audit Completion Report' elsewhere on this agenda. The final version of the Annual Accounts is attached at Appendix 1 of this report.

RECOMMENDATIONS

3. That Members approve the audited Statement of Accounts for 2019/20 and that they are signed by the Chair on behalf of the Fire Authority.

STATEMENT OF ACCOUNTS – 2019/20

4. Members will recall considering the draft unaudited Statement of Accounts for 2019/20 at the 26 June 2020 Fire Authority meeting.
5. Mazars, in close liaison with the Fire Authority's Finance team, have now substantially completed the audit of the 2019/20 Statement of Accounts and supporting papers.
6. The outturn position remains that which was reported to the 26 June 2020 meeting, a £120k underspend.
7. The 'External Audit – Audit Completion Report' is included elsewhere on this agenda. The Audit Completion Report gives an unqualified (clean) opinion on the Authority's Accounts for 2019/20 and an unqualified (clean) value for money conclusion. Both of these aspects are extremely pleasing and show another year of sound financial management.
8. This report represents the final stage in the sign-off of the 2019/20 Statement of Accounts. Once the Annual Accounts are approved, the 'Letter of Representation' will be duly signed and passed to the Authority's nominated Director at Mazars.
9. As covered by Mazars in their report there will be a delay in the issuing of the final audit certificate until the Pension Fund Auditor has completed their work and the Whole of Government Accounts process has been completed. The audit will be signed-off and a final audit certificate issued when these final two elements have been concluded.

STRATEGIC PLAN COMPATIBILITY

10. The Authority has produced a high quality and timely set of Accounts for 2019/20 which support the Strategic Plan objective of 'making the best use of the resources we have'.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

11. Robust and timely financial management information sits at the heart of good governance. The delivery of the 2019/20 Statement of Accounts ensures that the Authority understands its overall financial position going forward. Sound financial management contributes to the achievement of the Authority's objectives.

LEGAL IMPLICATIONS

12. The Fire Authority statutorily must approve its audited Accounts by 30 November for the 2019/20 financial year which is later than the usual deadline of 31 July due to the Covid-19 Accounts and Audit regulations introduced for 2019/20.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

13. No direct issues arising.

CORPORATE RISK MANAGEMENT IMPLICATIONS

14. The requirement to produce an accurate and timely financial position at outturn is implicit in underpinning the organisation's governance arrangements and the Strategic Risk Register.

HEALTH AND SAFETY IMPLICATIONS

15. No direct issues arising.

COMMUNICATION ACTIONS ARISING

16. The Annual Statement of Accounts for 2019/20 will be hosted on the Authority's website.

DETAILS OF CONSULTATION AND/OR COLLABORATION

17. No direct issues arising other than close working with Mazars since the start of the 2019/20 Accounts in January 2020. The statutory notice to allow members of the public in the Humberside area to inspect the Accounts was placed on the Authority's website in June.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

18. 26 June 2020 Fire Authority – 'Annual Statement of Accounts 2019/20'. 2019/20 Accounts Working Papers.

RECOMMENDATIONS RESTATED

19. That Members approve the audited Statement of Accounts for 2019/20 and that they are signed by the Chair on behalf of the Fire Authority.

K WILSON

Officer Contact: Kevin Wilson ☎ 01482 567183
Executive Director of Corporate Services/S.151 Officer

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

KW
14 July 2020

2019/20



HUMBERSIDE
Fire & Rescue Service

Humberside Fire Authority Annual Accounts 2019/20

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Narrative Report by the Executive Director of Corporate Services/Section 151 Officer

Introduction

The Statement of Accounts summarises the financial performance of the Authority for year ended 31 March 2020. These accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

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

Organisational Overview

About Humberside Fire and Rescue Service

Humberside Fire and Rescue Service (HFRS) serves the communities within the areas of East Riding of Yorkshire Council, Kingston upon Hull City Council, North East Lincolnshire Council and North Lincolnshire Council. Governance of Humberside Fire and Rescue Service is provided via the Humberside Fire Authority (HFA) made up of Elected Members nominated by each local authority. HFA is responsible for providing, training and equipping a Fire and Rescue Service capable of undertaking the following functions:

1. Fire prevention
2. Fire safety
3. Firefighting and rescue
4. Road traffic collision extrication and rescue
5. Other emergency rescue activities including responding to flooding and terrorist attack
6. Special discretionary services (these are subject to charging)

HFRS serves a population of almost one million people, across a geographically and demographically diverse area of 1,358 square miles. Each of the Unitary Authority areas present us with different challenges, consisting of urban, rural and coastal communities with some affluent areas and some areas suffering from significant deprivation.

Our service area also includes a broad range of industrial and heavy commercial risks; we have the second highest number of high hazard industrial sites in the UK. These include major petrochemical sites, natural gas storage, pharmaceutical industries and large port complexes. Almost a quarter of the UK's sea borne trade passes through the Humber ports of Hull, Immingham, Grimsby and Goole including 25 percent of the country's petroleum.

A detailed assessment of risk is completed each year in the form of an Integrated Risk Management Plan (IRMP), this includes a wide ranging assessment of both risk and the mitigation measures we have in place. The IRMP is published on our website at: http://www.humbersidefire.gov.uk/uploads/files/IRMP_2018-21.pdf

Key Statistics:

Number of fire stations: 31

Number of fire engines: 46 frontline and 10 reserve

Number of specialist emergency response vehicles: 25

Number of Co-Responding and Falls vehicles: 18

Number of staff: 1,030

- **What we do**

We have a legal duty to provide a fire and rescue service that meets the needs of the local communities. We are prepared to deal with a wide-range of emergencies, from house fires and road traffic collisions, to floods and chemical spills. We are also responsible for the enforcement of fire prevention, petroleum, and explosives legislation. We work with our communities to help keep people and property safe, providing a fire and rescue service for the people that live, work and visit the Humberside area.

We have recently introduced intervention schemes aimed at assisting the health service. Our emergency medical response teams are trained to respond immediately to life threatening calls received by the ambulance service, providing first responder intervention and increasing the chances of survival. In partnership with other agencies in the Hull area we have formed a Falls Intervention Response Safety Team, to deal with non-immediate life threatening incidents, predominantly following a fall, aiming to prevent the medical impact of such incidents increasing and to reduce the impact of less urgent calls on frontline services for both the health service and HFRS.

We believe the most effective way to save lives, reduce injuries and thus reduce the broader community impact from emergencies is to reduce the number of incidents that occur. To help us do this, we work closely with partner organisations and communities to develop and deliver initiatives aimed at preventing emergency incidents, including:

- ✓ Dedicated teams employed to work within the community as Safety Advocates to access and engage with those people most vulnerable to fire, providing information, education and where necessary, additional protection measures.
- ✓ We have legal responsibilities to enforce fire safety legislation and we do this by providing free advice to businesses to support compliance with legislative requirements. If it is necessary, to keep the public and our firefighters safe, we will prohibit or restrict the use of premises and prosecute persons responsible for breaches of legislation.
- ✓ We support and signpost people who are vulnerable from issues not directly related to the fire service such as older people who may be at risk from severe weather, or household security.
- ✓ We actively engage with other organisations to improve the safety of the community, including providing wide ranging education programmes from school visits to The Prince's Trust programmes.

- **When Emergency Incidents Do Occur**

When we do have to attend emergency incidents our response performance is measured against locally determined response standards. As with many other public services we are facing challenging economic times, which can impact upon our resources. Despite this we routinely get fire engines to incidents quicker than our target time and we will continue to strive to make our communities safer from the risk of fire.

Our Incident Response Standards:

We will send two fire engines to every fire in a home and to road traffic collisions. On at least 90% of occasions, the first fire engine will be there in the following times:

High Risk Area: 8 Minutes

Medium Risk Area: 12 Minutes

Low Risk Area: 20 Minutes

Road Traffic Collision: 15 Minutes

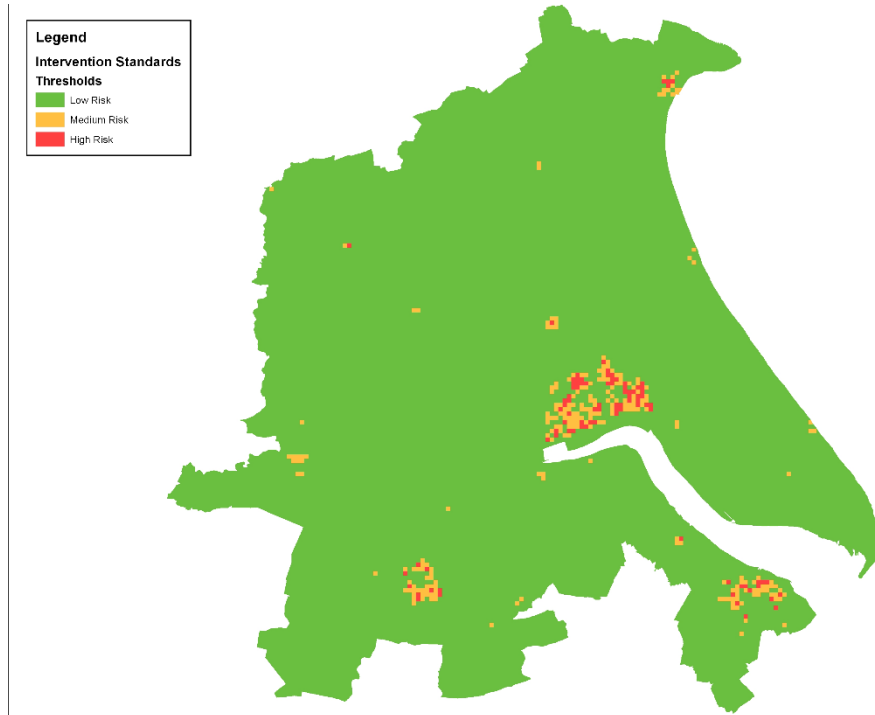
Secondly, on at least 80% of occasions we will get a second fire engine to the incident within five minutes of the first one arriving.

Optimum Crewing Model – Our optimum crewing availability model is informed and managed against Service intervention standards which are: 100% Full-Time, 95% On-Call (First Engine) & 80% On-Call (Second Fire Engine).

The following table provides an overview of emergency incident response and our performance, additional information regarding our performance and other details relating to audit and assurance are available at: <http://www.humbersidefire.gov.uk/about-us/our-vision/our-performance>

Strategic Objective	Service Performance Indicator Number	Service Target 2019-20	Actual Performance 2019-20
Preventing loss of life, injuries and the community impact from emergency incidents.	SPI 1: Total Fatalities	Aspirational Zero	2
	SPI.1: Total Casualties	Aspirational Zero	31
Responding quickly and effectively to emergencies when requested.	SPI 2: 1 st Fire Engine Intervention	On 90% of occasions	96.96%
	SPI 2.1: 2nd Fire Engine Intervention	On 80% of occasions	89.12%
	SPI 2.2: Total Deliberate Primary Fires	549	498
	SPI 2.3: Total Accidental Fires	395	429
	SPI 2.4: Total Deliberate Secondary Fires	1,986	2,029
	SPI 2.5: Total Automated Fire Alarms in non-domestic property	1,402	1,236

Risk Map:



Fire Station Locations:



Key Statistics:

The last year has seen a decrease in the number of fire related incidents we attended, we continue to work with partners to identify and address the underlying causes. There has been a positive decrease in the number of Automated Fire Alarms in non-domestic properties we attend. Intervention and availability standards have been exceeded in this year.

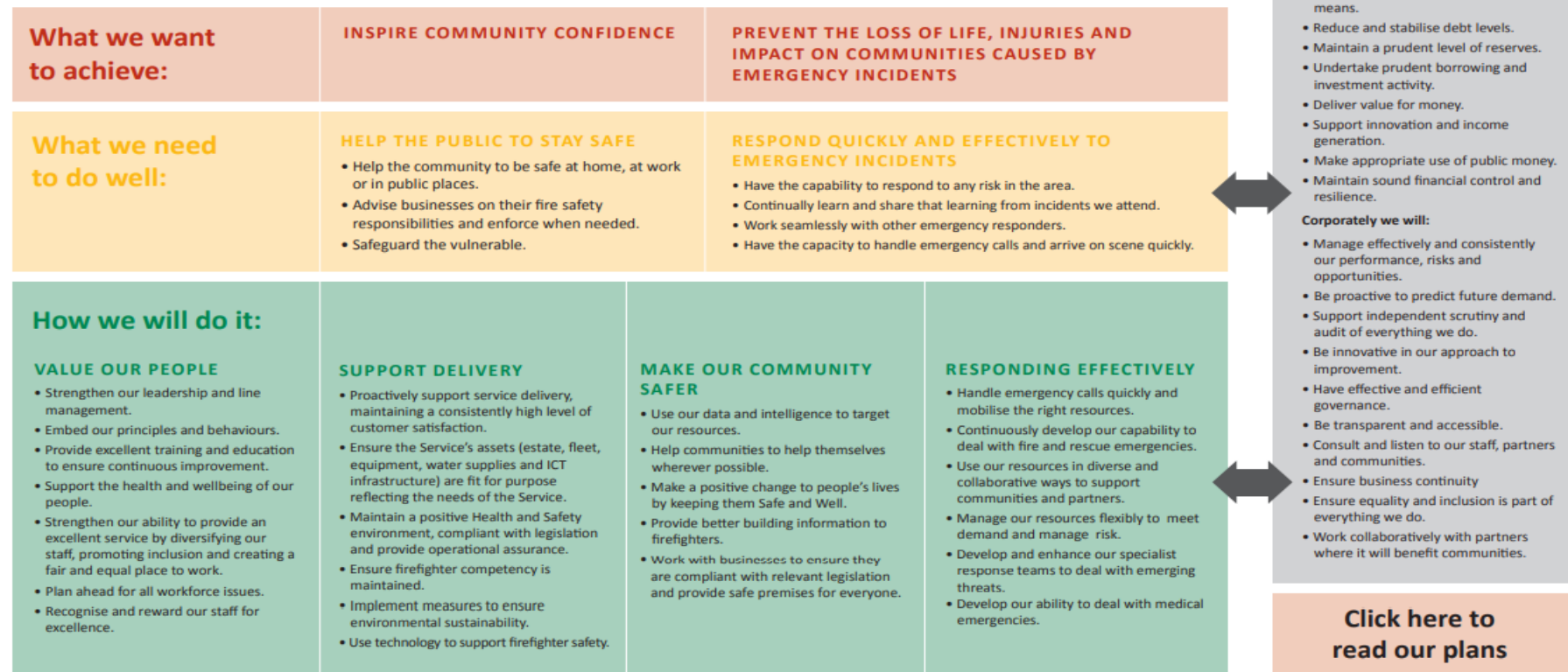
Our Strategic Plan

We have introduced our Strategic Plan on a page from 2018. A copy of this can be found over the page.



Strategic Plan: 2018–2021

Keeping communities in the Humber area safe, keeping our firefighters safe, and contributing to the firefighting and rescue capabilities of the United Kingdom.



The Authority's Accounts for the year 2019/20 are set out on pages 1-70 and in addition to this narrative report they consist of:

The Statement of Responsibilities details the responsibilities of the Authority and the Executive Director of Corporate Services/S.151 Officer for the Accounts. This statement is signed and dated by the Executive Director of Corporate Services/S.151 Officer under a statement that the Accounts give a True and Fair View of the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2020.

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

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

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

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

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

2019/20 Financial Year

Since 2011/12 the Authority has suffered a circa 40% reduction in external funding which equates to approximately £11.5m.

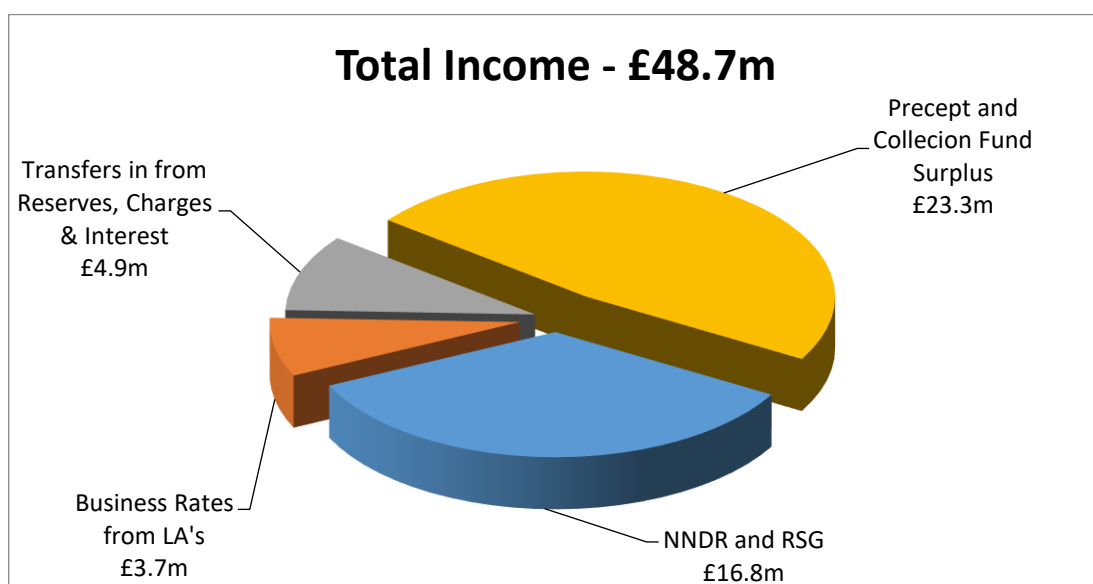
Despite these significant challenges the Authority continues to take a very prudent approach to its finances. To this end, £11.5m of efficiencies have been implemented over the years 2011 to 2019.

Historically, the Authority has lived within its means and delivered a modest underspend in recent years. The 2019/20 financial year has seen the Authority deliver a small underspend which signifies a tightening of available financial resources coupled with an increase in cost pressures, e.g. the costs associated with the recruitment and training of firefighters and also pressure from annual pay awards for staff.

The Authority's position over the medium-term is sound, but careful attention will need to be paid to any cost pressures arising and also any changes to the funding mechanism that is used by Government for Fire and Rescue Services.

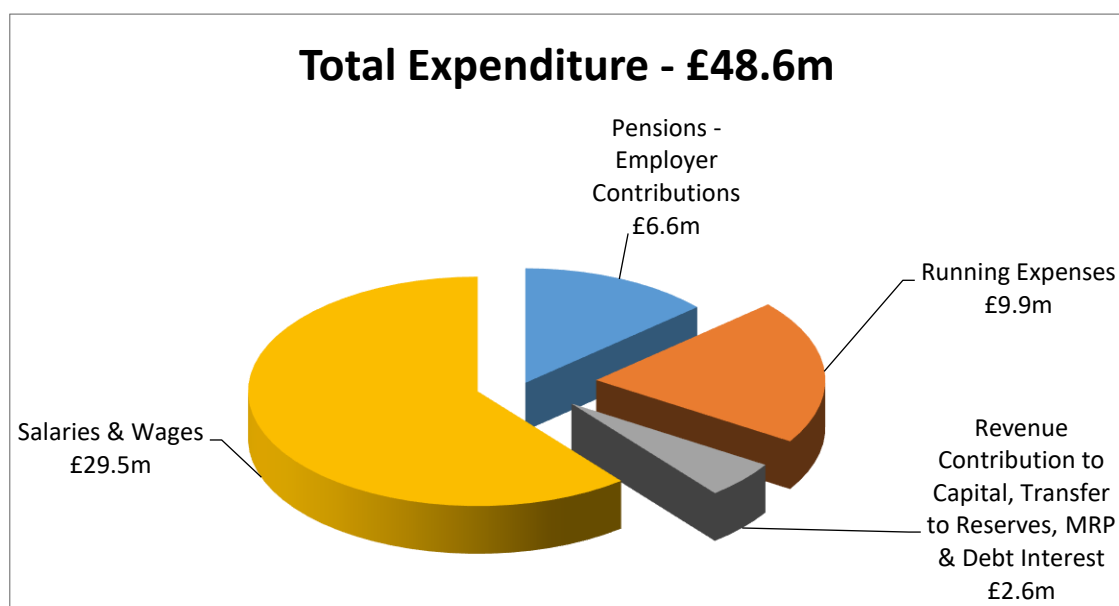
The medium-term position will be kept under continuous review particularly in the context of the Service's response to the current COVID-19 pandemic. Limited costs were incurred in the 2019/20 financial year but the expenditure is more significant in the current 2020/21 financial year. Government has allocated funding to Local Authorities and Fire and Rescue Services to help meet these costs (£919K allocated to Humberside Fire Authority). The impacts beyond the immediate future may also be on the Authority's precept/council tax income if collection rates are adversely impacted by the COVID-19 pandemic. This will be monitored carefully during 2020/21.

Income



In 2019/20, the Authority received Revenue Support Grant and an allocation of pooled National Non-Domestic Rates directly from Central Government. It also sets a Precept (council tax) throughout the Humberside area for the balance of its expenditure requirements. The Precept set for 2019/20 was £22.99m (2018/19 was £21.97m) which equated to a Council Tax Band D Equivalent of £84.94 (2018/19 was £82.51).

Expenditure



Budget Outturn Position

Income of £48.677m was received by the Authority of which £48.557m was incurred on expenditure during 2019/20 leaving a surplus of £120k (appendix 2 shows how this reconciles with the Movement in Reserves Statement and the Expenditure and Funding Analysis in note 2).

Analysis of the Major Revenue Variances (a comprehensive table is presented in Appendix 2)

Pay Variances

During 2019/20, the overall pay variance on full-time firefighter, on-call firefighter and support staff pay was an under-spend of £287k. This was due to a combination of having a number of support posts vacant as well as lower pension contributions as staff tapered into the 2015 Firefighters Pension Scheme.

Non Pay Variances

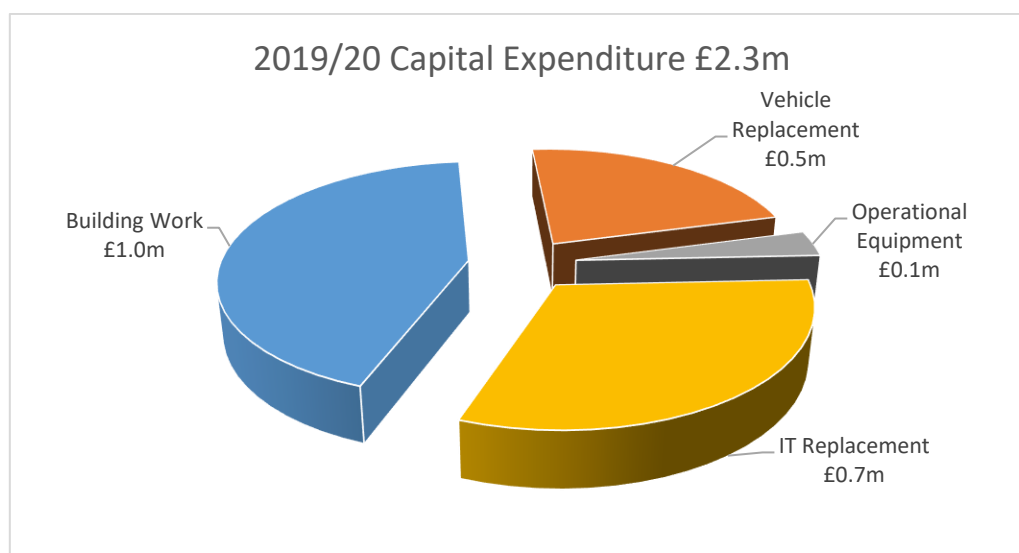
During 2019/20, the overall variance across all non-pay budgets was an over-spend of £684k. This was primarily due to additional repairs and maintenance of firefighter kit due to age, purchase of additional IT equipment and software.

Income

During 2019/20 the Authority received £517k additional income relating mainly to staff secondments, the Hull Falls Intervention Response Safety Team, the Road Safety team, delivery of BTEC courses and rental of PPE and plant to HFR Solutions.

Capital Expenditure

During 2019/20 £2.3m was invested in capital projects. These projects include various building works across the estate, replacement programmes for vehicles, operational equipment and IT replacement. (A more detailed breakdown is provided in Appendix 3).



Financing of Capital Expenditure

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

Humberside Fire Authority Reserves

Balances at 1 April 2019 stood at £10.190m. £634k was transferred to Earmarked Reserves during 2019/20. £12k was transferred from the General Reserve and by adding £120k, the surplus for the year, balances at 31st March 2020 now stand at £10.932m (exclusive of the ESFM (Humberside) Ltd Reserve).

Future Spending Plans

The Authority has published a Medium-Term Financial Plan for 2020/21 – 2023/24 which sets out the overall shape of the Authority's budget. It establishes how available resources will best deliver corporate objectives and mitigate corporate risks identified in the Strategic Plan. The current level of borrowing, including long-term leases held by the Authority, is £14.584m. The operational boundary is £25.1m and the authorised limit is

£31.1m (these are part of the Authority's prudential indicators that have been previously agreed in the Authority's Treasury Management report; Fire Authority March 2020).

International Accounting Standard 19 (IAS 19)

IAS 19 requires employers to report the full cost of pension benefits as they are earned, regardless of whether they have been paid for. The total liability is £622.414m (2018/19 was £658.379m); this is split between the Local Government Pension Scheme £5.804m (2018/19 was £10.489m) and the Firefighters' Pension Scheme £616.610m (2018/19 was £647.890m). The Authority's liability includes the Firefighters' Pension Scheme 1992, the Firefighters' Pension Scheme 2006, Firefighters' Pension Scheme 2015 and the Modified Firefighters' Pension Scheme. It should be noted that IAS 19 does not impact upon the level of balances held by the Authority. (Under IAS19 injury awards are now recognised in the accounts of the Authority).

Humberside Fire Authority Pension Fund Account

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

Change in Statutory Function

There have been no changes to the Authority's statutory functions during 2019/20.

Significant Change in Accounting Policies

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

Material Events after 31 March

Non Adjusting Event – COVID19

The medium-term position will be kept under continuous review particularly in the context of the Service's response to the current COVID-19 pandemic. Limited costs were incurred in the 2019/20 financial year but the expenditure is more significant in the current 2020/21 financial year. Government has allocated funding to Local Authorities and Fire and Rescue Services to help meet these costs (£919K allocated to Humberside Fire Authority). The impacts beyond the immediate future may also be on the Authority's precept/council tax income if collection rates are adversely impacted by the COVID-19 pandemic. This will be monitored carefully during 2020/21.

We will continue to respond to the Covid-19 pandemic and continue to work with relevant partners to mitigate the impact of Covid-19 on our local communities, and to work together with others to promote recovery to a state of normality. We will deliver a structured recovery phase that will focus on improving the service by embedding the lessons learned around remote engagement with the public, partnership working and organisational efficiency.

Going Concern

The savings proposals previously agreed have resulted in a balanced budget for 2020/21 and over the life of the Medium-Term Financial Plan. The Authority will remain a Going Concern.

Further Information

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

Further information about the accounts is available from the Finance Section, Service Headquarters, Summergroves Way, Hull, HU4 7BB. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised in the local press throughout the Humberside area and on the Authority's website www.humbersidefire.gov.uk.

Acknowledgment

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

Kevin J Wilson BSc Econ (Hons), FCPFA

Executive Director of Corporate Services/Section 151 Officer – June 2020

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Statement of Responsibilities for the Statement of Accounts

The Authority's Responsibilities

The Authority is required:

- To make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Authority that officer is the Executive Director of Corporate Services and Section 151 Officer;
- To manage its affairs to ensure economic, efficient and effective use of resources and to safeguard its assets;
- To approve the Statement of Accounts.

I confirm that these accounts were approved at the Fire Authority meeting held on 24 July 2020.

Signed	Date
---------------	-------------

Executive Director of Corporate Services and Section 151 Officer Responsibilities

The Executive Director of Corporate Services and Section 151 Officer is responsible for the preparation of the Authority's Statement of Accounts which, in accordance with the *Code of Practice on Local Authority Accounting in Great Britain* (the 'Code of Practice'), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) is required to present fairly the financial position of the Authority at the accounting date, and its income and expenditure for year ended 31 March 2020.

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

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

The Executive Director of Corporate Services and Section 151 Officer has also:

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

In accordance with regulation 9(1) of the Accounts and Audit Regulations 2015, I certify that the attached Statement of Accounts presents a True and Fair View of the financial position of the Authority as at 31 March 2020 and its income and expenditure for the year

Signed	Date
---------------	-------------

STATEMENT OF ACCOUNTS
MOVEMENTS IN RESERVES STATEMENT

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

2019/20

	Earmarked Reserves	General Fund Balance	Usable Capital Receipts Reserve	Total Usable Reserves	Pensions Reserve	Capital Adjustment Account	Revaluation Reserve	Collection Fund Adjustment Account	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Note(s)	6	10			4	6	6		
Balance at 31 March 2019	5,448	5,251	-	10,701	(658,389)	24,764	5,349	524	(617,052)
Surplus or (Deficit) on Provision of Services (accounting basis)		(31,604)		(31,604)					(31,604)
Other Comprehensive Income and Expenditure				-	66,022		(375)		65,647
Total Comprehensive Income and Expenditure	-	(31,604)	-	(31,604)	66,022	-	(375)	-	34,043
Adjustments between Accounting Basis & Funding Basis under Regulations (Note 10)		32,447	-	32,447	(30,047)	(2,282)	(63)	(54)	-
Net Increase / (Decrease) before transfers to Earmarked Reserves	-	843	-	843	35,975	(2,282)	(438)	(54)	34,043
Transfers to / (from) Earmarked Reserves	336	(336)		-					-
Increase / (Decrease) in Year	336	507	-	842	35,975	(2,282)	(438)	(54)	34,043
Balance at 31 March 2020	5,784	5,758	-	11,544	(622,414)	22,482	4,909	470	(583,009)

The accompanying notes form part of these Financial Statements.

MOVEMENT IN RESERVES STATEMENT

2018/19

Note(s)	Earmarked Reserves £'000	General Fund Balance £'000	Usable Capital Receipts Reserve £'000	Total Usable Reserves £'000	Pensions Reserve £'000	Capital Adjustment Account £'000	Revaluation Reserve £'000	Collection Fund Adjustment Account £'000	Total Authority Reserves £'000
Balance at 31 March 2018	6 5,045	10 5,282	-	10,327	4 (606,110)	6 26,221	6 5,578	186	(563,797)
Surplus or (Deficit) on Provision of Services (accounting basis)		(48,324)		(48,324)					(48,324)
Other Comprehensive Income and Expenditure				-	(4,766)		(163)		(4,929)
Total Comprehensive Income and Expenditure	-	(48,324)	-	(48,324)	(4,766)	-	(163)	-	(53,253)
Adjustments between Accounting Basis & Funding Basis under Regulations (Note 10)		48,696	-	48,696	(47,513)	(1,457)	(64)	338	-
Net Increase / (Decrease) before transfers to Earmarked Reserves	-	372	-	372	(52,279)	(1,457)	(228)	338	(53,253)
Transfers to / (from) Earmarked Reserves	403	(403)		-					-
Increase / (Decrease) in Year	403	(31)	-	372	(52,279)	(1,457)	(228)	338	(53,253)
Balance at 31 March 2019	5,448	5,251	-	10,701	(658,389)	24,764	5,349	524	(617,052)

The accompanying notes form part of these Financial Statements.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

Year ended 31 March 2019				Year ended 31 March 2020			
£'000	£'000	£'000			£'000	£'000	£'000
Gross Expenditure	Gross Income	Net Expenditure		Note(s)	Gross Expenditure	Gross Income	Net Expenditure
3,693	(330)	3,363	Community Fire Safety		3,950	(391)	3,559
32,291	(1,040)	31,251	Fire Fighting & Rescue Operations *		39,269	(870)	38,398
16,437	(895)	15,542	Management and Support		16,776	(871)	15,904
134		134	Corporate and Democratic Core		133		133
45		45	Corporate Management		33		33
6		6	Non Distributed Cost/(Income)		2,818		2,818
24,920		24,920	Exceptional Item	15			-
77,526	(2,265)	75,261	Cost of Services		62,979	(2,132)	60,845
564	(64)	500	Other Operating Expenditure	11	388	(9)	379
16,067	(56)	16,011	Financing and Investment Income and Expenditure	11	16,858	(69)	16,789
	(43,448)	(43,448)	Taxation and Non-Specific Grant Income	11		(46,408)	(46,408)
		48,324	(Surplus) or Deficit on Provision of Services				31,604
		163	(Surplus) or Deficit on Revaluation of Non Current Assets	5			375
		4,766	Remeasurement of the net defined liability / (asset)	4			(66,022)
		4,929	Other Comprehensive Income and Expenditure (Surplus)/Deficit				(65,647)
		53,253	Total Comprehensive Income and Expenditure (Surplus)/Deficit				(34,043)

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

The accompanying notes form part of these Financial Statements.

BALANCE SHEET

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

31 March 2019		31 March 2020
£'000	Note(s)	£'000
48,064 Property, Plant & Equipment	5	46,515
245 Intangible Assets	5	132
48,309 Long-Term Assets		46,647
402 Inventories		469
4,501 Short-Term Investments	7	5,004
8,284 Short-Term Debtors	8	8,966
202 Cash and Cash Equivalents	16	114
13,389 Current Assets		14,553
(4,390) Short-Term Creditors	8	(7,211)
(1,498) Short-Term Borrowing	7	(736)
(5,888) Current Liabilities		(7,947)
(13,530) Long-Term Borrowing	7	(12,896)
(659,332) Other Long-Term Liabilities	4/7	(623,366)
(672,862) Long-Term Liabilities		(636,262)
<u>(617,052) Net Assets/(Liabilities)</u>		<u>(583,009)</u>
10,701 Usable Reserves	6/10	11,544
(627,753) Unusable Reserves	4/6	(594,553)
<u>(617,052) Total Reserves</u>		<u>(583,009)</u>

The accompanying notes form part of these Financial Statements.

CASH FLOW STATEMENT

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

31 March 2019		31 March 2020
£'000	Note(s)	£'000
(48,324) Net Surplus or (Deficit) on the Provision of Services	2	(31,604)
Adjust Net Surplus or Deficit on the Provision of Services for Non		
53,925 Cash Movements	16	34,890
Adjust for items included in the Net Surplus or Deficit on the		
(64) Provision of Services that are Investing and Financing Activities	16	(9)
5,537 Net Cash Flows from Operating Activities		3,277
(4,742) Investing Activities	16	(1,978)
269 Financing Activities	16	(1,387)
1,064 Net Increase or (Decrease) in Cash and Cash Equivalents		(88)
Cash and Cash Equivalents at the Beginning of the		
(862) Reporting Period	16	202
Cash and Cash Equivalents at the End of the Reporting		
202 Period	16	114
1,064 Total Movement		(88)

The accompanying notes form part of these Financial Statements.

Notes to the Financial Statements

1. Accounting Policies

The Financial Statements must meet the accounting requirements of the CIPFA Code of Practice on Local Authority Accounting which has been agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting 2019/20. The accounting policies contained in the CIPFA Code of Practice follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to Local Authority Accounts, as determined by HM Treasury, who are advised by the Financial Reporting Advisory Board. Where the CIPFA Code of Practice on Local Authority Accounting permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the Authority for the purpose of presenting fairly the position of the Authority is selected. The particular policies adopted by the Authority are described below and they have been applied consistently in dealing with items considered material in relation to the Accounts.

Accounting Convention

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

Acquisitions and Discontinued Operations

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

Going Concern

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

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Authority's accounting policies, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised and if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements in Applying Accounting Policies

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

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

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

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

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

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

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

Key Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Authority's Balance Sheet at 31 March for which there is a significant risk of material adjustment in the following financial year are as follows:

Pensions Liability and Reserve

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

Valuation and Depreciation Charges

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

Revenue

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

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

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

Accruals of Income and Expenditure

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

- Revenue from the provision of services is recognised when the Authority can measure reliably the completion of the transaction.
- Supplies are recorded as expenditure when they are consumed.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Fees, charges and rents due are accounted for as income at the date the Authority provides the relevant goods or services.

- Interest payable on borrowings and receivable on investments is accounted for as expenditure or income respectively on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where income and expenditure has been recognised but cash has not yet been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Overheads and Support Services

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

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

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

Agency Income

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

Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include benefits such as salaries, paid annual leave and flexitime, bonuses and non-monetary benefits (for example cars) for current employees and are recognised as an expense in the year in which employees render service to the Authority. The CIPFA Code of Practice on Local Authority Accounting requires the Authority to recognise the amount of untaken annual leave at the 31st March as a liability which is reflected on the Balance Sheet. To ensure consistency, annual leave costs have been reflected in the year in which the annual leave is taken and the value of the Liability has not been reflected in the financial statements if it is below £300,000. The annual leave Liability that has not been taken during 2019/20 was less than £300,000.

Termination Benefits

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

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

Retirement Benefits

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

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

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

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

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

Service cost comprising:

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

Remeasurements comprising:

- The return on plan assets (LGPS only) – this excludes amounts included in net interest on the net defined benefit Liability and is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- Actuarial gains and losses – changes in the net pensions Liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the

actuaries have updated their assumptions. This is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

- Contributions paid / benefits paid – cash paid as employer's contribution by the Authority either to LGPS or directly to pensioners to reduce the scheme Liabilities.

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

Other Expenses

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

Property, Plant and Equipment

Recognition

Property, plant and equipment is capitalised if:

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

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

Valuation

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

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

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

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

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

Reserve are reported as other comprehensive income in the Comprehensive Income and Expenditure Statement.

Subsequent Expenditure

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

Disposals

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

Intangible Assets

Recognition

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

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

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

Measurement

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

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

Depreciation, Amortisation and Impairments

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

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

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

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

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

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

Government Grants

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

Non-Current Assets Held for Sale

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

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

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

Leases

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

The Authority As A Lessee

The Authority has a single Asset held under a Finance Lease. The outstanding Liability relating to Finance Leases is reflected in the Authority's Balance Sheet, with the Assets acquired under Finance Leases added to the Authority's Asset register and the value reflected in the Property, Plant and Equipment total on the Balance Sheet. Interest costs relating to Finance Leases are reflected in the Comprehensive Income and Expenditure Statement. Payments for Finance Leases are made in equal amounts over the term of the lease. Operating Lease payments are recognised as an

expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a Liability and subsequently as a reduction of rentals on a straight-line basis over the lease term. Where a lease is for land and buildings, the land and building components are separated. Leased land is treated as an Operating Lease. Leased buildings are assessed as to whether they are Operating Leases or Finance Leases.

Inventories

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

Cash and Cash Equivalents

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

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

Provisions

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

Contingencies

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

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

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

Reserves

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

- General Reserve
- Capital Funding Reserve
- Ark Reserve
- Resilience Reserve
- Emergency Services Fleet Management (Humberside) Ltd Reserve
- Insurance Reserve
- ESMCP Reserve

The Authority has three capital reserves:

- Capital Adjustment Account
- Revaluation Reserve
- Capital Receipts Reserve

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

- Pensions Reserve
- Collection Fund Adjustment Account

Financial Assets

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

Financial Assets are classified into the following categories: Financial Assets at Fair Value through profit and loss; held to maturity investments; available for sale Financial Assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and Receivables

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

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

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

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

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

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

Financial Liabilities

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

Foreign Currencies

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

Joint Operations

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

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

- IFRS 16 Leases

The above accounting standards have been issued but are not be adopted until 1st April 2021. This is not expected to have a material impact on future financial statements.

Accounting Standards Issued That Have Been Adopted Early

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

Exceptional Items

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

Prior Period Adjustments

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

Events After The Reporting Period

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

Group Accounts

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

VAT

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

2. Expenditure and Funding Analysis

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

Year ended 31 March 2019

£'000	£'000	£'000	
Net Expenditure Chargeable to the General Fund	Adjustments between the funding and accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	
2,766	(597)	3,363	Community Fire Safety
23,703	(7,548)	31,251	Fire Fighting & Rescue Operations
13,734	(1,808)	15,542	Management and Support
134		134	Corporate and Democratic Core
45		45	Corporate Management
	(24,926)	24,926	Non Distributed Cost
40,382	(34,879)	75,261	Net Cost of Services
(40,351)	(13,414)	(26,937)	Other Income and Expenditure
31	(48,293)	48,324	(Surplus) or Deficit
5,282			Opening General Fund Balance
31			Less/Plus (Surplus) or Deficit on the General Fund in the Year
5,251			Closing General Fund Balance at 31 March

Year ended 31 March 2020

	£'000	£'000	£'000
Note	Net Expenditure Chargeable to the General Fund	Adjustments between the funding and accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
10	2,725	(834)	3,559
10	27,165	(11,233)	38,398
10	13,697	(2,207)	15,904
10	133	0	133
10	33	0	33
10		(2,818)	2,818
	43,753	(17,092)	60,845
10	(44,260)	(15,020)	(29,240)
	(507)	(32,112)	31,604
	5,251		
	(507)		
	5,758		

3. Material Risk and Uncertainty

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions Liability (Firefighters' Pension Scheme)	The estimation of the net Liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement and mortality ages. The Authority receives advice from two separate actuaries, one for the Firefighters' Pension Schemes and one for the Local Government Pension Scheme.	The opening balance on the Firefighters' pension Liabilities at 1 April 2019 was £647.910m. The effects on the net pension Liabilities of changes in individual assumptions can be measured. For instance a 0.5% decrease in the discount rate would result in an increase in the pension liabilities of £57m. However, the assumptions interact in complex ways so changes in individual assumptions should be treated with caution.
Pensions Liability (Local Government Pension Scheme)	The estimation of the net Liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement and mortality ages and expected returns on investment funds. The Authority receives advice from two separate actuaries, one for the Firefighters' Pension Scheme and one for the Local Government Pension Scheme.	The opening balance on the Local Government pension Liabilities at 1 April 2019 was £51.544m (The opening balance on scheme Assets was £41.055m). The effects on the net pension Liabilities of changes in individual assumptions can be measured. For instance a 0.5% decrease in the real discount rate would result in an increase in the pension Liabilities of £5.032m. However, the assumptions interact in complex ways so changes in individual assumptions should be treated with caution.
Property, Plant and Equipment	Assets are regularly re-valued by an external valuer to ensure values are a true reflection of the market at the 31 March. Asset values could be under or overstated. Depreciation is calculated based on the estimated useful life of the asset.	For each 1% of under/over statement the value of Property would need to be adjusted by £323k. The carrying value of Property, Plant and Equipment is £46.550m. If the estimated useful life is under or overestimated by one year then the depreciation charge to the Comprehensive Income and Expenditure would be increased or reduced by £193k. The Depreciation charge is £2.069m.

4. Pensions

Participation in Pension Schemes

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

The Authority participates in five pension schemes:

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

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

Key Features	1992 Firefighters' Scheme	2006 Firefighters' Scheme	Modified (1992) Pension Scheme	2015 Firefighters' Scheme	Local Government Pension Scheme
Status	Closed	Closed	Closed	Open	Open
Contribution Rate <ul style="list-style-type: none"> • employee • employer • ill health 	11% to 17% 37.3% 5.2%	8.5% to 12.5% 27.4% 3.2%	11% to 17% 37.3%	11% to 14.5% 28.8%	5.5% to 12.5% 16.8%
Benefits <ul style="list-style-type: none"> • maximum pension • minimum lump sum 	2/3 final salary	½ final salary		CARE Scheme	Varies Nil or 3/80ths
Maximum pensionable service	30 years	None	30 years	None	None
Normal retirement age	55 years	60 years	55 Years	60 years	68 years
Accrual rate	1/60 th for 20 years 2/60 th for 20+ years up to a maximum of 30 years	1/60 th	1/45 th	1/59.7 th	1/49 th

Transactions Relating to Retirement Benefits

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

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

		Firefighters' 1992 Pension Scheme		Firefighters' 2006 Pension Scheme		Firefighters' 2015 Pension Scheme		Local Government Pension Scheme	
		2019/20 £'000	2018/19 £'000	2019/20 £'000	2018/19 £'000	2019/20 £'000	2018/19 £'000	2019/20 £'000	2018/19 £'000
<i>Net Cost of Service</i>									
	Current Service Cost	(1,990)	(2,790)	(360)	(370)	(12,780)	(5,950)	(2,513)	(2,083)
	Unfunded Benefits								
	Past Service Costs	(2,500)	(22,070)	-	(2,850)	-	-	(318)	(6)
<i>Net Operating Expenditure</i>									
	Interest Cost	(14,010)	(13,750)	(960)	(880)	(880)	(570)	(1,264)	(1,213)
	Expected Return on Assets in the Scheme							993	1,029
Retirement costs included in the Comprehensive Income and Expenditure Statement		(18,500)	(38,610)	(1,320)	(4,100)	(13,660)	(6,520)	(3,102)	(2,273)

In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Account (shown in the table above), actuarial gains of £66.022m were included in the Statement of Comprehensive Income and Expenditure, losses of £4.069m were included for 2018/19.

The estimated contributions payable to the Authority's pension schemes for 2020/21 is £7.024m. (£6.565m for 2019/20).

Actuarial gains and losses comprise:

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

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

Assets and Liabilities in Relation to Retirement Benefits

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

Period ended 31 March	Firefighters' 1992 Pension Scheme Assets		Firefighters' 1992 Pension Scheme Obligation		Firefighters' 1992 Pension Scheme Net Obligation		Firefighters' Injury Awards Assets		Firefighters' Injury Awards Obligation		Firefighters' Injury Awards Net Obligation	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of employer assets					-	-					-	-
Present value of funded liabilities					-	-					-	-
Present value of unfunded liabilities			(566,870)	(534,450)	(566,870)	(534,450)			(13,160)	(12,530)	(13,160)	(12,530)
Opening Position as at 31 March	-	-	(566,870)	(534,450)	(566,870)	(534,450)	-	-	(13,160)	(12,530)	(13,160)	(12,530)
Service Cost												
Current Service Cost			(1,730)	(2,650)	(1,730)	(2,650)			(260)	(140)	(260)	(140)
Past Service Cost (inc curtailments)			(2,500)	(22,070)	(2,500)	(22,070)					-	-
Effect of Settlements					-	-					-	-
Total Service Cost	-	-	(4,230)	(24,720)	(4,230)	(24,720)	-	-	(260)	(140)	(260)	(140)
Net Interest												
Interest income on plan assets					-	-					-	-
Interest cost on defined benefit obligation			(13,690)	(13,430)	(13,690)	(13,430)			(320)	(320)	(320)	(320)
Impact of asset ceiling on net interest					-	-					-	-
Total net interest	-	-	(13,690)	(13,430)	(13,690)	(13,430)	-	-	(320)	(320)	(320)	(320)
Total defined benefit cost recognised in Income and Expenditure	-	-	(17,920)	(38,150)	(17,920)	(38,150)	-	-	(580)	(460)	(580)	(460)
Cashflows												
Plan participants' contributions	380	600	(380)	(600)	-	-					-	-
Employer Contributions	941	886			941	886					-	-
Contributions in respect of unfunded benefits					-	-					-	-
Benefits paid	(20,690)	(18,850)	20,690	18,850	-	-	(480)	(480)	480	480	-	-
Unfunded benefits paid					-	-					-	-
Expected closing position	(19,369)	(17,364)	(564,490)	(554,350)	(583,859)	(571,714)	(480)	(480)	(13,260)	(12,510)	(13,740)	(12,990)
Remeasurements												
Changes in demographic assumptions					-	-					-	-
Changes in financial assumptions	19,369	17,364	36,770	(13,920)	56,139	3,444	480	480	270	(260)	750	220
Other experience			4,320	1,400	4,320	1,400			520	(390)	520	(390)
Return on assets excluding amounts included in net interest					-	-					-	-
Changes in assumptions underlying the present value of the retained settlement					-	-					-	-
Changes in asset ceiling					-	-					-	-
Total remeasurements recognised in Other Comprehensive Income	19,369	17,364	41,090	(12,520)	60,459	4,844	480	480	790	(650)	1,270	(170)
Exchange differences												
Effect of business combinations and disposals												
Fair Value of employer assets												
Present value of funded liabilities												
Present value of unfunded liabilities	-	-	(523,400)	(566,870)	(523,400)	(566,870)	-	-	(12,470)	(13,160)	(12,470)	(13,160)
Closing position as at 31 March	-	-	(523,400)	(566,870)	(523,400)	(566,870)	-	-	(12,470)	(13,160)	(12,470)	(13,160)

Period ended 31 March

Fair value of employer assets

Present value of funded liabilities

Present value of unfunded liabilities

Opening Position as at 31 March

Service Cost

Current Service Cost

Past Service Cost (inc curtailments)

Effect of Settlements

Total Service Cost

Net Interest

Interest income on plan assets

Interest cost on defined benefit obligation

Impact of asset ceiling on net interest

Total net interest**Total defined benefit cost recognised in Income and Expenditure**

Cashflows

Plan participants' contributions

Employer Contributions

Contributions in respect of unfunded benefits

Benefits paid

Unfunded benefits paid

Expected closing position

Remeasurements

Changes in demographic assumptions

Changes in financial assumptions

Other experience

Return on assets excluding amounts included in net interest

Changes in assumptions underlying the present value of the retained settlement

Changes in asset ceiling

Total remeasurements recognised in Other Comprehensive Income

Exchange differences

Effect of business combinations and disposals

Fair Value of employer assets

Present value of funded liabilities

Present value of unfunded liabilities

Closing position as at 31 March

Firefighters' 2006 Pension Scheme Assets		Firefighters' 2006 Pension Scheme Obligation		Firefighters' 2006 Pension Scheme Net Obligation		Firefighters' 2015 Pension Scheme Assets		Firefighters' 2015 Pension Scheme Obligation		Firefighters' 2015 Pension Scheme Net Obligation	
2019/20 £'000	2018/19 £'000	2019/20 £'000	2018/19 £'000	2019/20 £'000	2018/19 £'000	2019/20 £'000	2018/19 £'000	2019/20 £'000	2018/19 £'000	2019/20 £'000	2018/19 £'000
				-	-					-	-
				-	-					-	-
-	-	(39,120)	(34,330)	(39,120)	(34,330)	-	-	(28,740)	(18,530)	(28,740)	(18,530)
-	-	(39,120)	(34,330)	(39,120)	(34,330)	-	-	(28,740)	(18,530)	(28,740)	(18,530)
Service Cost											
Current Service Cost		(360)	(370)	(360)	(370)			(12,780)	(5,940)	(12,780)	(5,940)
Past Service Cost (inc curtailments)			(2,850)	-	(2,850)					-	-
Effect of Settlements				-	-					-	-
-	-	(360)	(3,220)	(360)	(3,220)	-	-	(12,780)	(5,940)	(12,780)	(5,940)
Net Interest											
Interest income on plan assets				-	-					-	-
Interest cost on defined benefit obligation		(960)	(880)	(960)	(880)			(880)	(570)	(880)	(570)
Impact of asset ceiling on net interest				-	-					-	-
-	-	(960)	(880)	(960)	(880)	-	-	(880)	(570)	(880)	(570)
-	-	(1,320)	(4,100)	(1,320)	(4,100)	-	-	(13,660)	(6,510)	(13,660)	(6,510)
Cashflows											
200	280	(200)	(280)	-	-	2,190	1,810	(2,190)	(1,810)	-	-
255	164			255	164	4,418	1,946			4,418	1,946
				-	-					-	-
(280)	(300)	280	300	-	-	(160)	(100)	160	100	-	-
				-	-					-	-
175	144	(40,360)	(38,410)	(40,185)	(38,266)	6,448	3,656	(44,440)	(26,750)	(37,992)	(23,094)
Remeasurements											
Changes in demographic assumptions				-	-					-	-
(175)	(144)	2,290	(1,510)		(1,654)	(6,448)	(3,656)	1,620	(1,430)	(4,828)	(5,086)
		(470)	800	(470)	800			620	(560)	620	(560)
Return on assets excluding amounts included in net interest				-	-					-	-
Changes in assumptions underlying the present value of the retained settlement				-	-					-	-
Changes in asset ceiling				-	-					-	-
(175)	(144)	1,820	(710)	1,645	(854)	(6,448)	(3,656)	2,240	(1,990)	(4,208)	(5,646)
Exchange differences											
Effect of business combinations and disposals											
-	-	(38,540)	(39,120)	(38,540)	(39,120)	-	-	(42,200)	(28,740)	(42,200)	(28,740)
-	-	(38,540)	(39,120)	(38,540)	(39,120)	-	-	(42,200)	(28,740)	(42,200)	(28,740)

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

Period ended 31 March	Local Government Pension Scheme Assets		Local Government Pension Scheme Liability		Local Government Pension Scheme Net Obligation	
	2019/20 £'000	2018/19 £'000	2019/20 £'000	2018/19 £'000	2019/20 £'000	2018/19 £'000
Fair value of employer assets	41,055	37,831			41,055	37,831
Present value of funded liabilities			(51,471)	(44,026)	(51,471)	(44,026)
Present value of unfunded liabilities			(73)	(75)	(73)	(75)
Opening Position as at 31 March	41,055	37,831	(51,544)	(44,101)	(10,489)	(6,270)
Service Cost						
Current Service Cost			(2,513)	(2,083)	(2,513)	(2,083)
Past Service Cost (inc curtailments)			(318)	(6)	(318)	(6)
Effect of Settlements					-	-
Total Service Cost	-	-	(2,831)	(2,089)	(2,831)	(2,089)
Net Interest						
Interest income on plan assets	993	1,029			993	1,029
Interest cost on defined benefit obligation			(1,264)	(1,213)	(1,264)	(1,213)
Impact of asset ceiling on net interest					-	-
Total net interest	993	1,029	(1,264)	(1,213)	(271)	(184)
Total defined benefit cost recognised in Income and Expenditure	993	1,029	(4,095)	(3,302)	(3,102)	(2,273)
Cashflows						
Plan participants' contributions	357	338	(357)	(338)	-	-
Employer Contributions	924	987			924	987
Contributions in respect of unfunded benefits	7	7			7	7
Benefits paid	(818)	(705)	818	705	-	-
Unfunded benefits paid	(7)	(7)	7	7	-	-
Expected closing position	42,511	39,480	(55,171)	(47,029)	(12,660)	(7,549)
Remeasurements						
Changes in demographic assumptions			2,178	-	2,178	-
Changes in financial assumptions			4,932	(4,512)	4,932	(4,512)
Other experience			3,927	(3)	3,927	(3)
Return on assets excluding amounts included in net interest	(4,181)	1,575			(4,181)	1,575
Changes in asset ceiling					-	-
income	(4,181)	1,575	11,037	(4,515)	6,856	(2,940)
Exchange differences						
Effect of business combinations and disposals						
Fair Value of employer assets	38,330	41,055			38,330	41,055
Present value of funded liabilities			(44,134)	(51,471)	(44,134)	(51,471)
Present value of unfunded liabilities			(73)	(75)	-	(73)
Closing position as at 31 March	38,330	41,055	(44,134)	(51,544)	(5,804)	(10,489)

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

Reconciliation of opening and closing surplus/(deficit):

Scheme History

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Present Value of Liabilities					
Local Government Pension Scheme	(35,411)	(42,410)	(44,101)	(51,544)	(44,134)
Firefighters' 1992 Pension Scheme	(480,260)	(573,080)	(534,450)	(566,870)	(523,400)
Firefighters' Injury Awards	(10,650)	(11,750)	(12,530)	(13,160)	(12,470)
Firefighters' 2006 Pension Scheme	(13,410)	(20,150)	(34,330)	(39,120)	(38,540)
Firefighters' 2015 Pension Scheme	(3,860)	(11,330)	(18,530)	(28,740)	(42,200)
Fair Value of Assets					
Local Government Pension Scheme	27,334	35,917	37,831	41,055	38,330
Firefighters' 1992 Pension Scheme	-	-	-	-	-
Firefighters' Injury Awards	-	-	-	-	-
Firefighters' 2006 Pension Scheme	-	-	-	-	-
Firefighters' 2015 Pension Scheme	-	-	-	-	-
Surplus/(Deficit) in the Scheme					
Local Government Pension Scheme	(8,077)	(6,493)	(6,270)	(10,489)	(5,804)
Firefighters' 1992 Pension Scheme	(480,260)	(573,080)	(534,450)	(566,870)	(523,400)
Firefighters' Injury Awards	(10,650)	(11,750)	(12,530)	(13,160)	(12,470)
Firefighters' 2006 Pension Scheme	(13,410)	(20,150)	(34,330)	(39,120)	(38,540)
Firefighters' 2015 Pension Scheme	(3,860)	(11,330)	(18,530)	(28,740)	(42,200)
	<u>(516,257)</u>	<u>(622,803)</u>	<u>(606,110)</u>	<u>(658,379)</u>	<u>(622,414)</u>

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

The Liabilities show the underlying commitments that the Authority has in the long-run to pay retirement benefits. The total net Liability of £622.414m (£658.379m in 2018/19) has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet, resulting in a negative overall balance of £582.815m (£617.052m in 2018/19). However, there are statutory provisions (most recently, S13 of the Local Government Act 2003) for funding any Local Authority deficit. In addition, the deficit on the Local Government Scheme will be made good by increased contributions over the remaining working life of employees as assessed by the scheme actuary.

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

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the Projected Unit Method by Hymans Robertson, an independent firm of actuaries for the Local Government Pension Scheme and by the Government Actuaries Department (GAD) in relation to the Firefighters' Pension Schemes. Estimates for the Local Government Pension Scheme administered by the East Riding of Yorkshire Council have been based on the latest full valuation of the scheme as at 31 March 2019.

The principal assumptions used by the actuaries have been:

	Local Government Pension Scheme		Firefighters' Pension Schemes	
	2019/20	2018/19	2019/20	2018/19
Long-term expected rate of return on assets in the scheme :				
Equity Investments	4.6%	8.7%		
Bonds	4.6%	8.7%		
Property	4.6%	8.7%		
Other	4.6%	8.7%		
Longevity at 65 for current pensioners:				
Men	20.9	21.7	21.3	21.9
Women	23.3	24.2	21.3	21.9
Longevity at 65 for future pensioners: (45 for Firefighters' Pension Scheme)				
Men	21.8	23.7	23.0	23.9
Women	24.8	26.4	23.0	23.9
Rate of Inflation	1.8%	2.5%	2.0%	2.4%
Rate of increase in salaries	2.7%	2.7%	4.0%	4.4%
Rate of increase in pensions	1.8%	2.5%	4.0%	4.4%
Rate for discounting scheme liabilities	2.3%	2.4%	2.3%	2.5%
Take-up of option to convert annual pension into retirement lump sum	60.0%	60.0%	25.0%	25.0%

Mortality rates are projected to 2008 using the standard '92-series' mortality improvements and rated down one year. Future mortality improvements from 2008 are in line with the 2008-based UK national population projections.

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

Asset Category	Period Ended 31 March 2020				Period Ended 31 March 2019			
	Quoted prices in active markets £(000)	Quoted prices not in active markets £(000)	Total £(000)	Percentage of Total Assets	Quoted prices in active markets £(000)	Quoted prices not in active markets £(000)	Total £(000)	Percentage of Total Assets
Equity Securities:								
Consumer			0.0	0%	910.7		910.7	2%
Manufacturing			0.0	0%	884.6		884.6	2%
Energy and Utilities			0.0	0%	189.8		189.8	0%
Financial Institutions			0.0	0%	613.2		613.2	1%
Health and Care			0.0	0%	372.7		372.7	1%
Information Technology			0.0	0%	405.3		405.3	1%
Other	3,331.6		3,331.6	9%	20.6		20.6	0%
Debt Securities:								
Corporate Bonds (investment grade)			0.0	0%	543.0		543.0	1%
Corporate Bonds (non-investment grade)	401.1	2,230.0	2,631.1	7%	614.0	1,944.1	2,558.1	6%
UK Government	1,702.1		1,702.1	4%	1,800.8		1,800.8	4%
Other	725.9		725.9	2%	1,111.2		1,111.2	3%
Private Equity:								
All	534.8	1,500.1	2,034.9	5%	850.9	1,233.1	2,084.0	5%
Real Estate:								
UK Property	1,481.9	3,618.9	5,100.8	13%	1,430.7	3,413.3	4,844.0	12%
Overseas Property			0.0	0%			0.0	0%
Investment Funds and Unit Trusts:								
Equities	16,351.5		16,351.5	43%	19,238.6		19,238.6	47%
Bonds	884.4		884.4	2%			0.0	0%
Hedge Funds			0.0	0%			0.0	0%
Commodities			0.0	0%			0.0	0%
Infrastructure	547.5	1,722.5	2,270.0	6%	439.4	1,550.4	1,989.8	5%
Other	285.6	1,198.9	1,484.5	4%	688.8	1,176.7	1,865.5	5%
Derivatives:								
Inflation			0.0	0%			0.0	0%
Interest Rate			0.0	0%			0.0	0%
Foreign Exchange			0.0	0%			0.0	0%
Other			0.0	0%			0.0	0%
Cash and Cash Equivalents:								
All	1,813.2		1,813.2	5%	1,623.2		1,623.2	4%
Totals	28,060	10,270	38,330	100.00%	31,738	9,318	41,055	100.00%

The Actuarial Gains identified as movements on the Pensions Reserve in 2019/20 can be analysed into the following categories, measured as a percentage of Assets or Liabilities at the 31 March 2020:

	2015/16 %	2016/17 %	2017/18 %	2018/19 %	2019/20 %
Local Government Pension Scheme					
Difference between the expected and actual return on assets	1.80	25.17	0.47	4.16	(10.18)
Experience gains and (losses) on liabilities	12.41	(13.92)	2.34	2.33	1.93
Firefighters' Pension Scheme 1992					
Experience gains and (losses) on liabilities	11.77	(18.50)	6.96	(2.34)	7.25
Firefighters' Injury Awards					
Experience gains and (losses) on liabilities	11.13	(9.39)	(6.64)	(5.19)	0.06
Firefighters' Pension Scheme 2006					
Experience gains and (losses) on liabilities	46.39	(42.58)	(66.05)	(2.07)	4.65
Firefighters' Pension Scheme 2015					
Experience gains and (losses) on liabilities	n/a	(77.20)	(1.68)	(10.75)	7.79

The Fire Authority of Humberside, along with other Fire Authorities, currently have a number of claims lodged against them with the Central London Employment Tribunal.

The claims are in respect of alleged unlawful discrimination arising from the Transitional Provisions in the Fire Pension Regulations 2015.

Claims of unlawful discrimination have also been made in relation to the changes to the Judiciary and Firefighters Pension regulations.

The Central London Employment Tribunal have upheld the claims and the remedy needed to make good these claims is currently under development by government and will be published in the future.

The Actuaries (GAD and Hymans Robertson) have included a reasonable estimate for the effect of the McCloud judgement within the overall scheme liabilities.

The impact of an increase in scheme liabilities arising from these claims will be measured through the pension valuation process, which determines employer and employee contribution rates.

The next Fire Pension valuation is due to take place in 2020 with implementation of the results planned for 2023/24 and Fire Authorities will need to plan for the impact of this on employer contribution rates alongside other changes identified through the valuation process.

The impact of an increase in annual pension payments arising from McCloud / Sargeant is determined through The Fire Pension Fund Regulations 2007.

These require a Fire Authority to maintain a fire pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the fire pension fund does not have enough funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the Fire Authority in the form of a central government top-up grant.

5. Non-Current Assets

	Operational Assets				Operational Assets (Intangible)	Non-operational Assets		
	Land and Buildings	Vehicles	Plant and Equipment	TOTAL	Intangible Assets*	Assets Under Construction	Surplus Assets	Total Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation								
1 April 2019	33,708	16,907	4,658	55,273	452	648	190	56,563
Additions/Enhancement	966	500	784	2,250	0	8	2	2,260
Revaluation increases / (decreases) to Revaluation Reserve	(697)	0	0	(697)	0	0	0	(697)
Revaluation increases / (decreases) to Comprehensive Income and Expenditure Statement	(1,096)	0	0	(1,096)	0	0	(10)	(1,106)
Derecognition - Disposals	0	(325)	(488)	(813)	(196)	0	0	(1,009)
Other movements	0	581	0	581	0	(581)	0	0
At 31 March 2020	32,881	17,663	4,954	55,498	256	75	182	56,011
Depreciation/Impairment								
1 April 2019	557	5,382	2,272	8,211	207	0	0	8,418
Charge for the year	712	866	417	1,995	49	0	2	2,046
Depreciation written out to the Revaluation Reserve	(322)	0	0	(322)	0	0	0	(322)
Derecognition - Disposals	0	(160)	(328)	(488)	(132)	0	0	(620)
At 31 March 2020	947	6,088	2,361	9,396	124	0	2	9,522
Net Book Value								
1st April 2019	33,151	11,525	2,386	47,060	245	648	190	48,141
31 March 2020	31,934	11,575	2,593	46,102	132	75	180	46,486

*£161k is included in non-current assets (on the Balance Sheet) that are owned by ESFM (Humberside) Ltd, please see note 12 for details.

2018/19 Comparatives

	Operational Assets				Operational Assets (Intangible)	Non-operational Assets		
	Land and Buildings	Vehicles	Plant and Equipment	TOTAL	Intangible Assets*	Assets Under Construction	Surplus Assets	Total Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation								
1 April 2018	33,331	16,467	4,871	54,669	651	32	0	55,352
Additions/Enhancement	1,551	1,175	583	3,309	37	616	0	3,962
Revaluation increases / (decreases) to Revaluation Reserve	(321)	0	0	(321)	0	0	(3)	(324)
Revaluation increases / (decreases) to Comprehensive Income and Expenditure Statement	(653)	0	0	(653)	0	0	(7)	(660)
Derecognition - Disposals	0	(735)	(796)	(1,531)	(236)	0	0	(1,767)
Other movements	(200)	0	0	(200)	0	0	200	0
At 31 March 2019	33,708	16,907	4,658	55,273	452	648	190	56,563
Depreciation/Impairment								
1 April 2018	0	4,958	2,441	7,399	313	0	0	7,712
Charge for the year	714	866	419	1,999	68	0	3	2,070
Depreciation written out to the Revaluation Reserve	(157)	0	0	(157)	0	0	(3)	(160)
Derecognition - Disposals	0	(442)	(588)	(1,030)	(174)	0	0	(1,204)
At 31 March 2019	557	5,382	2,272	8,211	207	0	0	8,418
Net Book Value								
1st April 2018	33,331	11,509	2,430	47,270	338	32	0	47,640
31 March 2019	33,151	11,525	2,386	47,060	245	648	190	48,141

*£168k is included in non-current assets (on the Balance Sheet) that are owned by ESFM (Humberside) Ltd, please see note 12 for details.

Asset Classes

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

Category of Asset	No. Held 31 March 2020	No. Held 31 March 2019
Operational Land & Buildings		
Service Headquarters	1	1
Fire Stations	31	31
Other Offices	2	2
Operational Vehicles		
Fire Appliances	72	72
Lorries	1	1
Vans	27	28
Cars	143	129
Others	4	3
New Dimensions Assets	7	7

Capital Financing Requirement

Movements in the Capital Financing Requirement for the year 2019/20 are shown in the table below:

	2019/20 £'000	2018/19 £'000
Opening Capital Financing Requirement	16,829	14,661
Capital Investment		
Operational Assets	2,252	3,345
Non Operational Assets	8	616
Sources of Finance		
Capital Receipts	(9)	(64)
Minimum Revenue Provision	(1,209)	(1,079)
Revenue Contributions to Capital Outlay	-	(650)
	17,871	16,829
Explanation of Movements in Year		
Increase/(Decrease) in the Underlying Need to Borrow Unsupported by Government Financial Assistance	1,042	2,168
	1,042	2,168

Valuation of Property carried at Current Value

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

2019/20

	Operational Assets			Non Operational Assets		Total £'000
	Other Land & Buildings	Vehicles	Plant & Equipment	Assets Under Construction	Surplus Assets	
	£'000	£'000	£'000	£'000	£'000	
Value as at Historical Cost		11,575	2,593	75		14,243
Value at Current Value in:						
2019/20	10,967					10,967
2018/19	1,391				180	1,571
2017/18	19,575					19,575
Value as at 31 March 2020	31,933	11,575	2,593	75	180	46,356
Nature of asset holding						
Leased	744					744
Owned	31,189	11,575	2,593	75	180	45,612
	31,933	11,575	2,593	75	180	46,356

Note: the above valuations as at 31 March 2020 are net of accumulated Depreciation to that date.

2018/19

	Operational Assets			Non Operational Assets		Total £'000
	Other Land & Buildings	Vehicles	Plant & Equipment	Assets Under Construction	Surplus Assets	
	£'000	£'000	£'000	£'000	£'000	
Value as at Historical Cost		11,525	2,386	648		14,559
Value at Current Value in:						
2018/19	8,080				190	8,270
2017/18	25,071					25,071
Value as at 31 March 2020	33,151	11,525	2,386	648	190	47,900
Nature of asset holding						
Leased	770					770
Owned	32,381	11,525	2,386	648	190	47,130
	33,151	11,525	2,386	648	190	47,900

Capital Expenditure

Capital Expenditure incurred by the Authority during 2019/20 with comparatives for 2018/19 and the sources of financing are as follows:

Category of Asset	2019/20 £'000	Category of Asset	2018/19 £'000
Land & Buildings (Including those under Construction)		Land & Buildings (Including those under Construction)	
Clough Road Training	196	Clough Road Training	13
Bridlington	34	Kirton Lindsey	137
Service Headquarters	162	Service Headquarters	20
Goole	13	Barton	3
Howden	5	Market Weighton	3
Scunthorpe	36	Brough	12
Cleethorpes	49	Calvert Lane	3
Dignity Works	470	BA Training	368
Ark	8	Ark	36
Co-Location	3		
Vehicles (including those under Construction)	500	Vehicles (including those under Construction)	1,756
Plant & Equipment (Including Equipment under Construction)		Plant & Equipment (Including Equipment under Construction)	
IT Equipment	706	IT Equipment	297
Equipment	78	Equipment	286
Intangibles		Intangibles	37
	2,260		2,971
Source of Finance		Source of Finance	
	£'000		£'000
Loans - Unsupported Borrowing	2,251	Loans - Unsupported Borrowing	2,257
Capital Contributions (including capital receipts)	9	Capital Contributions (including capital receipts)	714
	2,260		2,971

The Authority had outstanding commitments under capital contracts as at 31 March 2020 to the value of £1.075m which will take place during 2020/21.

Finance Leases

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

	2019/20 £'000	2018/19 £'000
Property, Plant and Equipment	744	770
	744	770

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

	2019/20	2018/19
	£'000	£'000
Finance Lease Liability	966	979
Finance Costs		
Current	84	86
Non Current	1,223	1,307
	2,273	2,372

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

	Minimum Lease		Finance Lease	
	2019/20	2018/19	2019/20	2018/19
	£'000	£'000	£'000	£'000
Not later than one year	99	99	14	13
Later than one year and not later than five years	395	395	71	65
Later than five years	1,779	1,878	881	901
	2,273	2,372	966	979

Operating Leases

The Authority does not have any material operating leases.

6. Reserves held by the Authority

Useable Reserves

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

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

Earmarked Reserves - These reserves are retained to fund particular items of expenditure and are reviewed each year, currently the Earmarked Reserves balance is £5.784m (£5.448m at the end of 2018/19). Please see the description of each reserve below.

31 March 2019 £'000	Earmarked Reserves	31 March 2020 £'000
300	Resilience Reserve	300
2,400	Capital Funding Reserve	3,000
500	Insurance Reserve	500
400	Change Management Reserve	-
1,000	Ark Reserve	1,000
510	Share of ESFM (Humberside) Ltd Net Assets	611
338	ESMCP Reserve	373
5,448	Total Earmarked Reserves	5,784

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

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

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

Change Management Reserve – This reserve was to facilitate changes in the structure or development of Humberside Fire and Rescue Service.

Ark Reserve – This funding is identified to fund 'The Ark, National Flood Resilience Centre' development with Hull University.

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

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

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

Unusable Reserves

The Authority now retains four unusable reserves:-

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

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

Pensions Reserve – Please see Note 4 Pensions.

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

Movement on Capital Reserves**Revaluation Reserve**

	2020 £'000	2019 £'000
Gains on Revaluation of Non Current Assets	(584)	(160)
Losses on Revaluation of Non Current Assets	959	324
Compensatory adjustment from the Revaluation Reserve to convert current value depreciation debits to historical cost.	63	64
Total Movement on Reserve	<u>439</u>	<u>228</u>
Balance Brought Forward 1 April	(5,350)	(5,578)
Balance Carried Forward at 31 March	<u>(4,910)</u>	<u>(5,350)</u>

Capital Adjustment Account

	2020 £'000	2019 £'000
Net Book Value of Assets disposed of	388	564
Depreciation	2,069	2,090
Impairments	1,106	660
Compensatory adjustment from the Revaluation Reserve to convert current value depreciation debits to historical cost.	(63)	(64)
Deferred Grants and Contributions applied	(9)	(714)
Provision for Repayments of External Loans (MRP)	(1,209)	(1,079)
Total Movement on Reserve	<u>2,282</u>	<u>1,457</u>
Balance Brought Forward 1 April	(24,764)	(26,221)
Balance Carried Forward at 31 March	<u>(22,482)</u>	<u>(24,764)</u>

7. Borrowing and Investments

Long Term Liabilities

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

	2019/20			2018/19		
	Total	Repayable within 12 months	Repayable after 12 months	Total	Repayable within 12 months	Repayable after 12 months
	£'000	£'000	£'000	£'000	£'000	£'000
Public Works Loan Board	13,618	722	12,896	15,003	1,473	13,530
Finance Leases	966	14	952	968	25	943
Pension Liability - Firefighters' Pension Fund	616,610		616,610	647,900		647,900
Pension Liability - Local Government Pension Scheme	5,804		5,804	10,489		10,489
	636,998	736	636,262	674,360	1,498	672,862

The outstanding borrowings of the Authority at 31 March 2020 which were repayable within a period in excess of 12 months were as follows:

Source of Loan	Interest Rate Payable %	Amount Outstanding at	
		31 March 2020	31 March 2019
		£'000	£'000
Public Work Loans Board	2.10	1,000	1,000
Public Work Loans Board	2.14	1,000	1,000
Public Work Loans Board	3.70	1,000	1,000
Public Work Loans Board	3.75	1,000	1,000
Public Work Loans Board	3.84	1,000	1,000
Public Work Loans Board	3.88	1,000	1,000
Public Work Loans Board	4.40	428	428
Public Work Loans Board	4.45	-	634
Public Work Loans Board	4.55	4,400	4,400
Public Work Loans Board	4.63	827	827
Public Work Loans Board	4.75	95	95
Public Work Loans Board	4.90	246	246
Public Work Loans Board	5.00	900	900
		12,896	13,530

Loans analysed by maturity are as follows:

	31 March 2020	31 March 2019
	£'000	£'000
Maturing in 1-2 Years	827	634
Maturing in 2-5 Years	3,241	3,227
Maturing in 5-10 Years	6,828	4,669
Maturing in More Than 10 Years	2,000	5,000
	12,896	13,530

Provision for the Repayment of External Loans

The Authority is required by statute to set aside a Minimum Revenue Provision (MRP) for the redemption of external debt. The method of calculating the Provision is defined by statute. The MRP for 2019/20 is as follows:

	2019/20 £'000	2018/19 £'000
MRP based on Option 1 - 4% of CFR/Supported Borrowing	563	586
MRP based on Option 3(a) - Equal Instalments of Self Financed Borrowing	633	463
MRP for Assets acquired under Finance Leases Matched to the Principal repaid	13	30
	<u>1,209</u>	<u>1,079</u>

Short Term Investments

The Authority places funds with counter-parties on a commercial basis, these loans are made to counter-parties who meet a specified criteria. The loans are short-term (less than a year). Accrued interest is included in the Balance Sheet at 31 March. The value of these investments is £5.004m at 31 March. (2018/19 was £4.501m).

8. Other Creditors and Debtors

- Long-Term Creditors

There are no long-term creditors at 31 March 2020.

- Short-Term Creditors

Analysis of short term creditors is as follows: -

	31 March 2020 £'000	31 March 2019 £'000
Central Government Bodies	2,092	1,152
Other Local Authorities	1,299	191
Bodies External to General Government	3,820	3,047
	<u>7,211</u>	<u>4,390</u>

*included in the Short-Term Creditors figure on the Balance Sheet is £80k relating to ESFM (Humberside) Ltd, please see note 12 for details.

- Long-Term Debtors

There were no long-term debtors at 31 March 2020.

- Short-Term Debtors

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

	31 March 2020 £'000	31 March 2019 £'000
Central Government Bodies	3,343	2,453
Other Local Authorities	222	128
NHS Bodies	21	45
Bodies External to General Government	5,380	5,658
	<u>8,966</u>	<u>8,284</u>

*included in Short-Term Debtors is £486k relating to ESFM (Humberside) Ltd, please see note 12 for further details.

9. Financial Instruments

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

Amortised Cost

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

Fair Value

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

Compliance

The Authority has complied with the following:

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

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

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

	Long Term		Current	
	31 March		31 March	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Investments at Amortised Cost				
Loans and Receivables at Amortised Cost			5,004	4,501
Total Investments at Amortised Cost	-	-	5,004	4,501
Debtors				
Financial Assets (including Trade Debtors and General and Other Debtors and Long Term Debtors)			2,831	2,029
Total Debtors	-	-	2,831	2,029
Borrowings at Amortised Cost				
Financial Liabilities at Amortised Cost	(13,848)	(14,473)	(736)	(1,498)
Total Borrowings at Amortised Cost	(13,848)	(14,473)	(736)	(1,498)
Creditors				
Financial Liabilities Carried at Contract Amount			(1,721)	(1,250)
Total Creditors	-	-	(1,721)	(1,250)

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

	31 March	
	2020	2019
	£'000	£'000
Financial Liabilities		
Current		
Creditors	(1,721)	(1,250)
Public Works Loans Board Loans and Finance Leases	(736)	(1,498)
	<u>(2,457)</u>	<u>(2,748)</u>
Long Term		
Public Works Loans Board Loans	(12,896)	(13,530)
Finance Leases	(952)	(943)
	<u>(13,848)</u>	<u>(14,473)</u>
	<u>(16,305)</u>	<u>(17,221)</u>
Financial Assets		
Current		
Debtors	2,831	2,029
Investments	5,004	4,501
	<u>7,835</u>	<u>6,530</u>

Gains and losses recognised in the Comprehensive Income and Expenditure Account for 2019/20 in relation to financial instruments are made up as follows:

	2019/20				2018/19			
	Financial Liabilities	Financial Assets		Total	Financial Liabilities	Financial Assets		Total
	Measured at amortised cost	Loans and Receivables	Available for sale Assets		Measured at amortised cost	Loans and Receivables	Available for sale Assets	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Interest Expense	(727)	-	-	(727)	(683)	-	-	(683)
Loss on derecognition	-	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-	-
Interest payable and similar charges	(727)	-	-	(727)	(683)	-	-	(683)
Interest income	-	69	-	69	-	56	-	56
Losses on revaluation	-	-	-	-	-	-	-	-
Amounts recycled to the Income and Expenditure Account after impairment	-	-	-	-	-	-	-	-
Interest and investment income	-	69	-	69	-	56	-	56
Gains on revaluation			-	-			-	-
Losses on revaluation			-	-			-	-
Amounts recycled to the Income and Expenditure Account after impairment			-	-			-	-
Surplus arising on revaluation of financial assets			-	-			-	-
Net gain/(loss) for the year	(727)	69	-	(658)	(683)	56	-	(627)

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

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

Methods and Assumptions in Valuation Technique

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

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

The rates quoted in this valuation were obtained by our treasury management consultants from the market on 31 March 2020, using bid prices where applicable.

The calculations are made with the following assumptions:

For Public Works Loans Board debt, the discount rate used is the rate for new borrowing as per rate sheet number 127/19. For other market debt and investments the discount rate used is the rate available for a Financial Instrument with the same terms from a comparable lender. Interpolation techniques have been used between available rates where the exact maturity period was not available. No early repayment or impairment is recognised.

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

The Fair Values are calculated as follows:

	31 March 2020		31 March 2019	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Financial Liabilities	(14,584)	(15,102)	(15,971)	(17,031)
Loans and Receivables	5,004	5,004	4,501	4,501

The increase in the Fair Value of Financial Liabilities over the carrying amount is because the interest rate payable on the Authority's portfolio of fixed rate loans is higher than the rates for similar loans as at the Balance Sheet date. The decrease in the Fair Value of the Loans and Receivables over the carrying amount is due to the interest rate receivable on the Authority's portfolio of fixed rate investments being lower than the rates for similar loans as at the Balance Sheet date.

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

Credit Risk

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

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

	31 March 2020	Historical experience of default	Historical experience adjusted for market conditions at 31 March 2020	Estimated maximum exposure to default and uncollectability 31 March 2020
	£'000	%	%	£'000
Deposits with banks and financial institutions	5,004	0.00	0.00	-
Bonds	-	0.00	0.00	-
Customers	1,750	0.43	0.43	8
	<u>6,754</u>			<u>8</u>

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

Debtors

The Authority does not generally allow credit for customers, such that only £31k of the £1.750m balance is past its due date for payment. The past due amount can be analysed by age as follows:

	31 March 2020 £'000	31 March 2019 £'000
Less than three months	2	7
Three to six months	29	30
Six months to one year	-	-
More than one year	-	-
	<u>31</u>	<u>37</u>

Liquidity Risk

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

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

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

Market Risk

Interest Rate Risk

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

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

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

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

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

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

According to this investment strategy, at 31 March 2020, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	31 March 2020 £'000	31 March 2019 £'000
Decrease in Fair Value of fixed rate investment assets	-	-
Increase in Fair Value of fixed rate borrowing liabilities	861	54

Price Risk

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

Foreign Exchange Risk

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

Financial Guarantees

The Authority does not provide any financial guarantees.

10. Note to Expenditure and Fundings Analysis

Year ended 31 March 2019				Year ended 31 March 2020			
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
(6)	(591)		(597)	(3)	(831)		(834)
(2,348)	(5,200)		(7,548)	(2,796)	(8,437)		(11,233)
(396)	(1,412)		(1,808)	(376)	(1,831)		(2,207)
			- Corporate and Democratic Core				-
			- Corporate Management				-
	(24,926)		(24,926)		(2,818)		(2,818)
(2,750)	(32,129)	-	(34,879)	(3,175)	(13,917)	-	(17,092)
1,229	(15,384)	741	(13,414)	830	(16,130)	290	(15,020)
			Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services				
(1,521)	(47,513)	741	(48,293)	(2,345)	(30,047)	290	(32,112)

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

	2019/20 £000s	2018/19 £000s
Other Operating Expenditure		
(Profit)/Loss on the disposal of assets	379	500
Total Other Operating Expenditure	379	500
Financing and Investment Income and Expenditure		
Interest Payable	727	683
Interest Receivable	(69)	(56)
Net interest cost on the net defined pension liability		
- Firefighters' Pension Scheme	15,860	15,200
- Local Government Pension Scheme	271	184
Total Financing and Investment Income and Expenditure	16,789	16,011
Taxation and Non Specific Grant Income		
Council Tax Payers	23,390	22,350
General Government Grants (See breakdown below)	2,552	-
Localised Business Rates	3,811	3,427
National Non Domestic Rates and Revenue Support Grant	16,655	17,671
Total Taxation and Non Specific Grant Income	46,408	43,448
General Government Grants		
Additional Pensions Grant	2,543	-
COVID19 Funding	9	-
	2,552	-

Precepts

The Authority, at its meeting on 11 February 2019, set a precept for 2019/20 equivalent to a Band D Council Tax of £84.94. Precepts and Collection Fund balances received from the four constituent Authorities for 2019/20 are as follows:

	Precepts 2019/20 £'000	Collection Fund Residual 2018/19 £'000	Surplus/(Deficit) 31 March 2020 £'000	Total 2019/20 £'000
Kingston upon Hull City Council	5,221	(25)	142	5,338
East Riding of Yorkshire Council	9,899	22	152	10,073
North East Lincolnshire Council	3,673	30	83	3,786
North Lincolnshire Council	4,200	12	(19)	4,193
	22,993	39	358	23,390

	Precepts 2018/19 £'000	Collection Fund Residual 2017/18 £'000	Surplus/(Deficit) 31 March 2019 £'000	Total 2018/19 £'000
Kingston upon Hull City Council	4,954	(9)	74	5,019
East Riding of Yorkshire Council	9,492	(34)	185	9,643
North East Lincolnshire Council	3,516	(7)	106	3,615
North Lincolnshire Council	4,010	(11)	74	4,073
	21,972	(61)	439	22,350

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

12. Related Parties

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

Central Government

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

Pensions

See note 4 in the Notes to the Financial Statements.

Members

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

East Riding of Yorkshire Council: Mike Bryan, Chad Chadwick, Phil Davison, Caroline Fox, Helen Green, Barbara Jefferson, Pat Smith, Kay West.

Kingston upon Hull City Council: Linda Chambers, Jackie Dad, Shane McMurray, Rosie Nicola, Christine Randall, Abhimanya Singh.

North East Lincolnshire Council: Ian Barfield, Ros James, Ron Shepherd, Stewart Swinburn.

North Lincolnshire Council: John Briggs, Mick Grant, Nigel Sherwood, Rob Waltham MBE.

The total of Members' allowances paid in 2019/20 is shown in note 13. During 2019/20 no Members of the Authority, or their close relations, undertook any declarable related party transactions with the Authority. The Authority requires Members to complete a declaration of related party transactions, and these declarations are used as the basis of this note.

Officers

During the course of 2019/20 no senior officers of the Authority (with the exception of the one member of staff that is a Director of HFR Solutions, two members of staff that are Directors of Emergency Services Fleet Management (Humberside) Ltd and two members of staff that are seconded to Humberside Police), or their close relations, undertook any declarable related party transactions with the Authority. The Authority requires senior officers to complete a declaration of related party transactions, and these declarations are used as the basis of this note.

One officer of the Authority is also a Director of HFR Solutions Community Interest Company (CFO Chris Blacksell).

The Authority/HFR Solutions supplied goods and services to each other during 2019/20; the value of the supplies to HFR Solutions was £0.3m (£0.5m during 2018/19), HFR Solutions supplied goods and services to the Authority with a negligible value (£0.1m in 2018/19) and made under normal commercial terms. £0.1m was owed to the Authority at 31 March 2020 (£0.2m was outstanding at 31 March 2019).

Two officers of the Fire Authority are also Directors of Emergency Services Fleet Management (Humberside) Ltd (Executive Director/S.151 Officer Kevin Wilson and Director Steve Topham). Emergency Services Fleet Management (Humberside) Ltd is a joint arrangement that provides vehicle maintenance services to the Authority and Humberside Police. Emergency Services Fleet Management (Humberside) Ltd supplied goods and services during 2019/20 with a value of £1.2m (£1.2m during 2018/19) to Humberside Fire Authority.

Two officers of the Fire Authority are also seconded to Humberside Police on a part time basis (Executive Director/S.151 Officer Kevin Wilson and Head of Finance Martyn Ransom). Humberside Police supplied goods and services to the Authority during 2019/20 with a value of £2.2m (£1.5m during 2018/19). The Authority supplied goods and services to Humberside Police during 2019/20 with a value of £0.2m (negligible during 2018/19).

The Authority retains joint control of Emergency Services Fleet Management (Humberside) Ltd with Humberside Police on a 50/50 split. The Authority's share of the net assets and reserves for 2019/20 are £0.6m (£0.5m 2018/19) and have been consolidated into the Financial Statements of the Authority. These amounts are taken from the Emergency Services Fleet Management (Humberside) Ltd draft accounts at 31 March 2020

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

13. Members' Allowances

From 1 April 2003, the Authority is required to have its own scheme of Members' Allowances under the terms of the Local Authorities (Members' Allowances) (England) Regulations 2003. The total amount paid to Members under this scheme for 2019/20 was £131,022 (2018/19 was £127,483).

14. Officers' Emoluments

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

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

Remuneration Band	Number of Officers in Band					
	2019/20			2018/19		
	Operational	Non Operational	Total	Operational	Non Operational	Total
£150-154,999	-	-	-	-	-	-
£145-149,999	1	-	1	-	-	-
£140-144,999	-	-	-	-	-	-
£135-139,999	-	-	-	1	-	1
£130-134,999	-	-	-	-	-	-
£125-129,999	1	-	1	-	-	-
£120-124,999	-	-	-	1	-	1
£115-119,999	-	-	-	-	-	-
£110-114,999	-	-	-	-	-	-
£105-109,999	-	1	1	-	-	-
£100-104,999	-	-	-	-	1	1
£95-99,999	-	-	-	-	-	-
£90-94,999	-	-	-	-	-	-
£85-89,999	-	-	-	-	-	-
£80-84,999	3	-	3	-	-	-
£75-79,999	-	-	-	3	-	3
£70-74,999	2	1	3	1	-	1
£65-69,999	1	-	1	1	1	2
£60-64,999	9	-	9	10	-	10
£55-59,999	12	2	14	7	1	8
£50-54,999	25	1	26	23	4	27
	54	5	59	47	7	54

The following table sets out the remuneration disclosures for senior officers whose salary is less than £150,000 but equal to or more than £50,000 per year:

Disclosure for 2019/20

Post Title	Salary (Including fees & Allowances)	Benefits in Kind (e.g. Car Allowance)	Total Remuneration excluding employer's pension contributions 2019/20	Employer's pension contributions 2019/20	Total Remuneration including employer's pension contributions 2019/20
Chief Fire Officer & Chief Executive	147,335	-	147,335	-	147,335
Deputy Chief Fire Officer & Director of Service Delivery	125,236	-	125,236	46,713	171,949
Executive Director of Corporate Services & S151 Officer*	104,422	1,720	106,142	17,326	123,469
Director of Service Delivery Support	81,756		81,756	23,543	105,298
Director of Service Improvement	82,120		82,120	23,543	105,663
Director of Service Delivery	81,745		81,745	23,543	105,288
Director of People & Development	70,721	1,352	72,073	-	72,073
Temporary Director of People & Development - (16 March 20 - 31 March 20)	3,085		3,085	518	3,603
Area Manager Projects	42,216		42,216	10,392	52,608
	738,636	3,072	741,708	145,578	887,286

* w/e 1st January 2020 this post is shared with Humberside PCC

Disclosure for 2018/19

Post Title	Salary (Including fees & Allowances)	Benefits in Kind (e.g. Car Allowance)	Total Remuneration excluding employer's pension contributions 2018/19	Employer's pension contributions 2018/19	Total Remuneration including employer's pension contributions 2018/19
Chief Fire Officer & Chief Executive - (1 Apr 18 - 11 Sep 18)	71,032	-	71,032	13,950	84,982
Chief Fire Officer & Chief Executive - (12 Sep 18 - 14 Oct 18)	12,996	-	12,996	2,820	15,816
Chief Fire Officer & Chief Executive - (15 Oct 18 - 31 Mar 19)	66,461	-	66,461	-	66,461
Deputy Chief Fire Officer & Director of Service Delivery - (1 Apr 18 - 11 Sep 18)	54,275	15,000	69,275	11,778	81,052
Deputy Chief Fire Officer & Director of Service Delivery - (12 Sep 18 - 14 Oct 18)	11,047	139	11,186	1,856	13,042
Deputy Chief Fire Officer & Director of Service Delivery - (15 Oct 18 - 31 Mar 19)	56,492	-	56,492	12,259	68,751
Executive Director Service Support & Section 151 Officer - (1 Apr 18 - 11 Sep 18)	44,999	695	45,694	7,560	53,254
Executive Director Service Support & Section 151 Officer - (15 Oct 18 - 28 Feb 19)	38,138	695	38,833	6,407	45,240
Executive Director of Corporate Services & Section 151 Officer - (1 Mar 19 - 31 Mar 19)	8,385	139	8,524	1,409	9,933
Director of Service Support - (1 Apr 18 - 28 Feb 19)	73,112	-	73,112	10,455	83,567
Director of Service Delivery Support - (1 Mar 19 - 31 Mar 19)	6,646	-	6,646	950	7,596
Director of Emergency Response - (1 Apr 18 - 30 Apr 18)	6,459	-	6,459	713	7,172
Director of Emergency Response - (1 Apr 18 - 28 Feb 19)	73,112	-	73,112	10,455	83,567
Director of Service Improvement - (01 Mar 19 - 31 Mar 19)	6,646	-	6,646	950	7,596
Director of Public Safety - (1 Apr 18 - 28 Feb 19)	73,118	-	73,118	10,456	83,574
Director of Service Delivery - (1 Mar 19 - 31 Mar 19)	6,647	-	6,647	951	7,598
Director of Human Resources - (1 Apr 18 - 28 Feb 19)	63,246	1,329	64,575	-	64,575
Director of People & Development - (1 Mar 19 - 31 Mar 19)	5,750	121	5,870	-	5,870
	678,561	18,117	696,678	92,969	789,647

There were no costs in relation to exit packages during 2019/20 (no costs during 2018/19).

15. Other Notes To The Financial Statements

Contingent Liabilities

There are no contingent liabilities.

Exceptional Items

There are no exceptional items.

Material Items Of Income and Expenditure

There were no material items of income and expenditure during 2019/20 that are not disclosed elsewhere within the Statement of Accounts.

Heritage Assets

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

Audit Fees

During 2019/20 the Authority incurred £25k in Audit fees (£25k in 2018/19) from Mazars relating to external audit.

Prior Period Adjustments

There have been no prior period adjustments during 2019/20.

Events After The Balance Sheet Date

Adjusting Event

There have been no adjusting events since the Balance Sheet date.

Non Adjusting Event – COVID19

The medium-term position will be kept under continuous review particularly in the context of the Service's response to the current COVID-19 pandemic. Limited costs were incurred in the 2019/20 financial year but the expenditure is more significant in the current 2020/21 financial year. Government has allocated funding to Local Authorities and Fire and Rescue Services to help meet these costs (£919K allocated to Humberside Fire Authority). The impacts beyond the immediate future may also be on the Authority's precept/council tax income if collection rates are adversely impacted by the COVID-19 pandemic. This will be monitored carefully during 2020/21.

We will continue to respond to the Covid-19 pandemic and continue to work with relevant partners to mitigate the impact of Covid-19 on our local communities, and to work together with others to promote recovery to a state of normality. We will deliver a structured recovery phase that will focus on improving the service by embedding the lessons learned around remote engagement with the public, partnership working and organisational efficiency.

Long Term Commitments

The Authority has entered into a commitment to repay £600k to Humberside Police and Crime Commissioner from March 2016 in respect of additional work undertaken at the joint workshops facility at Melton. The remaining amount will be repaid over the next 5 years at £60k per annum.

16. Cash Flow notes

Movements in Cash and Cash Equivalents

	31 March 2020 £'000	31 March 2019 £'000	Movement £'000
Bank In Hand/(Overdrawn)	114	202	(88)
	114	202	(88)

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

	2019/20 £'000	2018/19 £'000
Depreciation/Amortisation & Impairment	3,159	2,750
Increase/(decrease) in Creditors	2,045	(395)
(Increase)/decrease in Debtors	(682)	3,755
(Increase)/decrease in Inventories	(68)	(59)
Increase/(decrease) in Provisions	-	(197)
Movement in Pension Liability	30,047	47,507
Carrying amount of non-current assets held for sale, sold or de-recognised	388	564
	34,890	53,925

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

	2019/20 £'000	2018/19 £'000
Proceeds from short-term and long-term investments		
Proceeds from the sale of Property, Plant and Equipment and Intangible Assets	(9)	(64)
Any other items for which the cash effects are investing or financing cash flows		
	(9)	(64)

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

	2019/20 £'000	2018/19 £'000
Interest Received	69	56
Interest Paid	(727)	(607)
	(658)	(551)

Cash Flow Statement – Cash Flows from Investing Activities

	2019/20 £'000	2018/19 £'000
Payments to acquire property, plant and equipment, investment property and intangible assets	(2,260)	(2,971)
Opening Capital Creditors	(115)	(230)
Closing Capital Creditors	891	115
Purchase of short term investments	(503)	(1,720)
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	9	64
Net cash flows from investing activities	(1,978)	(4,742)

Cash Flow Statement – Financing Activities

	2019/20	2018/19
	£'000	£'000
Cash receipts of short and long-term borrowing		1,025
Appropriation to/from Collection Fund Adjustment Account		(26)
Repayments of short and long-term borrowing	(1,385)	(700)
Principal on Finance Leases	(2)	(30)
Net cash flows from financing activities	(1,387)	269

Government Grants

An analysis of other Government grants received during 2019/20 is given in note 11 of the notes to the Financial Statements.



HUMBERSIDE
Fire & Rescue Service

Humberside Fire Authority Pension Fund Account 2019/20

FIREFIGHTERS' PENSION FUND ACCOUNT

The following table analyses movements on the Fund for the year 2019/20

2018/19		2019/20
£'000s		£'000s
	Contributions receivable:	
(3,243)	Employers' contributions receivable	(5,839)
(2,573)	Firefighters' contributions	(2,541)
<u>(5,816)</u>		<u>(8,380)</u>
<u>(126)</u>	Transfers in from other authorities	<u>(238)</u>
	Benefits payable:	
15,273	Pensions	16,122
3,955	Commutations & lump sum retirement benefits	5,040
<u>19,228</u>		<u>21,162</u>
	Payments to and on account leavers	
8	Transfers out to other authorities	72
<u>13,294</u>	Net amount payable for the year	<u>12,616</u>
<u>(13,294)</u>	Top-up grant receivable to the Firefighters' Pension Fund	<u>(12,616)</u>
-	Fund Account balance	-

	<u>Net Assets Statement</u>	
2018/19		2019/20
	Current Assets	
2,354	Home Office grant debtor	3,141
1,353	Pensions Paid in Advance	1,423
	Current Liabilities	
(3,707)	Humberside Fire Authority	(4,564)
<u>-</u>		<u>-</u>

Notes to the Firefighters' Pension Fund Account

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

The Pension Fund is administered by Humberside Fire Authority.

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

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

The Pension Fund is an unfunded scheme, consequently:

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

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

Employee and employer contribution levels are based on percentages of pensionable pay set nationally by HO and are subject to triennial revaluation by the Government Actuary's Department. The employers' contribution rates are determined nationally by the Government Actuary's Department and are currently 21.7% for the 1992 FPS, 11.0% for the 2006 FPS, 21.7% for the Modified FPS and 14.3% for the 2015 FPS.

The membership for the pensions fund is as follows;

Category of Member	31/3/2020 1992 FPS	31/3/2020 2006 NFPS	31/3/2020 Modified Pension Scheme	31/3/2020 2015 FPS	31/3/2019 1992 FPS	31/3/2019 2006 NFPS	31/3/2019 Modified Pension Scheme	31/3/2019 2015 FPS
Contributors	53	7	36	627	93	7	42	580
Deferred Pensioners	48	113	11	98	49	115	13	74
Pensioners	972	18	58	11	952	17	52	4

Statement of Accounting Policies

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

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

- Estimation of top-up grant receivable

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

CERTIFICATIONS

We, the undersigned, certify that:-

The Statement of Accounts represents a True and Fair View of the financial position of Humberside Fire Authority as at 31 March 2020 and the Comprehensive Income and Expenditure for the year ended 31 March 2020.

.....

Chris Blacksell – Chief Fire Officer/Chief Executive

.....

Councillor John Briggs – Chair

.....

Kevin Wilson – Executive Director of Corporate Services/Section 151 Officer

24th July 2020 (authorised for issue date)

Appendix 1

Revenue Variance Analysis

2018/19		2019/20		
		Revised Estimate	Actual	Variance
£'000	Expenditure	£'000	£'000	£'000
35,991	Employees	38,813	38,526	(287)
2,604	Premises	2,645	2,728	83
865	Transport	638	661	23
3,371	Supplies and Services	3,253	3,845	592
187	Support Services	204	149	(55)
2,751	Capital Charges	1,981	3,112	1,131
45,769	Total Expenditure	47,534	49,021	1,487
(2,636)	Income	(1,615)	(2,132)	(517)
43,133	Net Expenditure	45,919	46,889	970
683	Interest Payable	687	727	40
(56)	Interest Receivable	(50)	(69)	(19)
(1,022)	Accounting Adjustments	(792)	(1,903)	(1,111)
210	Contributions to / (from) Reserves	699	699	-
42,948	Net Budget Requirement	46,463	46,343	(120)
-	General Government Grant	(2,552)	(2,552)	-
(3,427)	Business Rates	(3,811)	(3,811)	-
(17,307)	NNDR	(16,830)	(16,830)	-
(22,376)	Precepts	(23,270)	(23,270)	-
(162)	Net (Surplus)/Deficit	-	(120)	(120)

£'000	Movement on the General Fund	£'000
(162)	(Surplus)/Deficit as above	(120)
12	Reserve Movements as per Fire Authority	(400)
181	Budgeted Transfer From General Reserve	13
31	(Surplus)/Deficit on the General Fund in the Year	(507)

	Overspend / (Underspend) £'000
Employees	(287)
a) Lower Firefighters' Pension contributions due to staff tapering into the 2015 scheme	
b) A number of vacant support role posts	
c) Higher level of ill health contributions than originally anticipated	
d) Additional spend of agency staff to cover the vacant support roles	
Premises	83
a) Additional spend in relation to cleansing of offices/stations following COVID19 (offset by government grant)	
b) Higher premises insurances than originally anticipated	
Transport	23
Higher level of fuel consumed during 2019/20 than originally anticipated	
Supplies and Services	592
a) An overspend on uniforms primarily due to additional repairs and maintenance due to the age of the kit	
b) Purchase of additional IT equipment and software	
Support Services	(55)
Lower spend on legal fees during 2019/20	
Asset Rental Interest	1,131
Impairment and depreciation of the estate has caused this variance (offset with accounting adjustment note)	
Income	(517)
a) Additional income in relation to secondments	
b) Additional grant income received from DCLG	
c) Rental of PPE and plant to HFR Solutions	
d) Additional income in respect of BTEC	
e) Funding of the Road Safety Team has been received	
Accounting Adjustments	(1,111)
Impairment and depreciation of the estate has caused this variance (offset with asset rental interest note)	

Appendix 2

Capital Expenditure Breakdown and Variance Analysis

Project	2019/20		
	Revised Estimate	Actual	Variance
	£'000	£'000	£'000
Buildings			
Invest to Save	142	-	(142)
Goole	400	13	(387)
Scunthorpe	500	36	(464)
Clough Road Training	853	196	(657)
Bridlington	450	34	(416)
BA Training Refurbishment	23	5	(18)
HQ Phase 2	28	28	-
HQ OTC	82	48	(34)
HQ Minor Capital Works	45	50	5
Capital Furniture and Fixtures	117	30	(87)
Dignity Works	639	471	(168)
Co-Location	100	3	(97)
Cleethorpes	85	49	(36)
Howden	200	5	(195)
ARK	-	8	8
Vehicles			
Operational	500	198	(302)
Support	389	302	(87)
Plant & Equipment			
IT Equipment	926	706	(220)
PPE	1,000	-	(1,000)
Equipment	129	78	(51)
	6,608	2,260	(4,348)

Analysis of the most significant capital variances:

	Overspend/ (Underspend)
	£'000
Goole Work anticipated to be completed during 2020/21	(387)
Scunthorpe Work anticipated to be completed during 2020/21	(464)
Clough Road Training Facility Work anticipated to be completed during 2020/21	(657)
Bridlington Work anticipated to be completed during 2020/21	(416)
Vehicles An appliance and TRV have slipped into 2020/21	(302)
Plant & Equipment The rollout of replacement PPE has slipped into 2020/21	(1,000)

Appendix 3

Glossary of terms

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

and not merely maintains, the value of an existing non-current Asset.

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

future events not wholly within the control of the Authority, or

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

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

size or incidence to give fair presentation of the Accounts.

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

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

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

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

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

Appendix 4

Feedback form

Humberside Fire Authority

STATEMENT OF ACCOUNTS 2019/20 FEEDBACK FORM

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

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

We will attempt to incorporate any comments received by 31 March 2021 into the 2020/21 Statement of Accounts where possible and the Authority will try to include any comments received after that date into future years' documents.

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

Local Tax Payer

☐

Local Business

☐

Other, please specify

.....

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

Yes

☐

No

☐

If not why not?

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

Yes

☐

No

☐

If no, why?

4. Any other comments you have would be welcome:

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

Business Reply
Licence Number
RTRC-GLXU-LCJT



HUMBERSIDE
Fire & Rescue Service



2



Humberside Fire Service
Brigade Headquarters
Summergroves Way
Hull
HU4 7BB

Humberside Fire Authority

ANNUAL GOVERNANCE STATEMENT 2019/20

Scope of Responsibility

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

The purpose of the governance framework

5. The governance framework comprises the systems and processes, culture and values, by which the HFA is directed and controlled. The framework demonstrates how the HFA accounts to, engages with and leads within the community. It enables the HFA to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
6. The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.
7. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the HFA's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
8. The governance framework has been in place at the HFA for the year ended 31 March 2020 and up to the date of approval of the Annual Performance Report and Statement of Accounts.

The Governance Framework 2019/20

9. The key elements of the HFA's governance framework included:
 - a) The Constitution of the Authority which includes:
 - Committee Membership and Terms of Reference;
 - Scheme of Delegation to Officers;

- Financial Procedure Rules;
- Contract Procedure Rules;
- *Members' Code of Conduct;
- *Employees' Code of Conduct;
- Protocol for Member and Officer Relationships;
- Code of Corporate Governance.

* The Authority's Code of Conduct is aligned to the Seven Principles of Public Life (The 'Nolan Principles') and applies equally to Members and all employees of the Authority. The Nolan Principles include:

1. Selflessness - Holders of public office should act solely in terms of the public interest.
 2. Integrity - Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
 3. Objectivity - Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
 4. Accountability - Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
 5. Openness - Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
 6. Honesty - Holders of public office should be truthful.
 7. Leadership - Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.
- b) The Governance, Audit and Scrutiny (GAS) Committee, as well as the HFA itself, received regular reports on the Service's performance arrangements.
 - c) An approved Corporate Risk/Opportunity Management Policy.
 - d) An approved 'Local Code of Corporate Governance' in accordance with the CIPFA/SOLACE Framework for Corporate Governance.
 - e) The designation of the Chief Fire Officer as Chief Executive responsible to the HFA for all aspects of operational management.
 - f) The designation of the Executive Director Service Support as S.151 Officer (Local Government Act 1972) in accordance with Section 112 of the Local Government Finance Act 1988 and conforming with the governance requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government (2010).
 - g) The designation of the Secretary as Monitoring Officer with the requirement to report to the full HFA if it is considered that any proposal, decision or omission would give rise to unlawfulness or maladministration.

- h) The Strategic Leadership Team (SLT) have considered a strategic overview of the HFA control environment including the response to external audit, performance management, strategic planning and scrutiny of Risk and Opportunity Management.
- i) The production of quarterly Management Accounts which are distributed to all Members of SLT and are considered at the GAS Committee meetings and the HFA.
- j) The Service and Finance Planning process.
- k) In accordance with the Service Business Planning Framework the Strategic Plan and Integrated Risk Management Plan (IRMP) for 2018/21 ensure a three-year plan, linked to financial planning.
- l) The Strategic Plan 2018/21 includes strategic objectives and Directorate responsibilities.
- m) The IRMP 2018/21 takes account of the requirements of the 2018 Fire and Rescue National Framework for England, providing a detailed assessment of the risks facing our communities and personnel and the measures taken to mitigate those risks.
- n) Current Anti-Fraud and Corruption, Anti-Bribery and Anti-Money Laundering Policies. We publish these and other such Policies, associated data and information on the HFRS Website under Data Transparency, please follow this [Link](#).
- o) Subscription to the services of whistleblowing charity Protect. Staff are informed of this service via updates in wage slips as well as via the Whistleblowing Policy which is published on the external website.
- p) A 'Strategic Demand Group' has been established, membership includes HFRS, Humberside Police, our four Local Authorities and our four Clinical Commissioning Groups. Partners are represented at Chief Executive level or similar to consider issues relating to demand and resourcing across the Humber Area. The group have commissioned research and development work around vulnerability and mental health, intelligence sharing agreements and data sharing protocols to better enable collaborative working. This group is now leading on information sharing across the Humber area with the intention of developing something along the lines of a Humber Office for Data Analytics. The group links in with Place Based Boards in the four Local Authority areas.
- q) A Fire and Police Transformation Board has been established to develop a number of collaborative workstreams. These have been categorised under the main headings as follows:
 - Organisation;
 - Delivery of Service;
 - Estates;
 - Futurist.

Directors have been allocated lead HFRS responsibility for specific workstreams.

- r) Outcomes from a far-reaching and in-depth Organisational Health Check undertaken by Zeal Solutions have been considered and have been included in the Service Improvement Plan to ensure that our culture and the concerns and positive areas raised by our staff are included in the development of the organisation.
- s) Member and Officer Development Programmes. During 2019/20 Officers undertook a facilitated development programme which included input around PRINT psychometric profiling for Middle Managers, Access to the T2Hub of Management and Leadership Self Development resources, Continual Professional Development through Leadership Forum Guest Speakers and Directors completing the Executive Leadership Programme. Member development during 2019/20

included Unwanted Fire Signals, Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services, Operational Cancer Risk and EU Exit preparations.

- t) 6 scheduled Member Days.
- u) An approved Treasury Management Policy and Prudential Indicators.
- v) An approved HFA Performance and Risk Framework supported by the Performance and Risk Framework Policy and incorporating, amongst others, the following guidance notes:
 - Performance Measurement;
 - Corporate Reporting of Performance;
 - Project and Programme Management;
 - Organisational Risk and Opportunity Management.
- w) A Protective Marking Scheme (based upon the Her Majesty's Government Security Framework).
- x) HFRS is in the fourth and final year of implementing a four-year Public Sector Equality Duty (PSED) action plan to implement its priorities. Actions within this plan has been fully integrated within the LGA FRSEF Self-assessment/action planning process. Consultation work will begin in 2020 to identify further PSED priorities.
- y) The strategic decision to more closely align service delivery with our Local Authorities (Hull, East Riding, North Lincolnshire and North East Lincolnshire) through District management teams, is helping partnership work and assists us to be closer and more accountable to local communities.
- z) Retention of the Customer Service Excellence Award, conducted in February each year.
- aa) Annual Performance and Quarterly Performance Reports to HFA are published on our Website.
- bb) A Pension Board, as required under The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015, was formed in 2015 to oversee compliance in the operation of the Firefighters' Pension Scheme (FPS). The Pension Board met twice during 2019/20 and also had a training input session.
- cc) The Deputy Chief Fire Officer chairs a Joint Consultative Committee attended by all Representative Bodies to discuss any matters relating to staff terms and conditions.
- dd) Member Champions continue to support functional areas and are invited to attend local district performance meetings.
- ee) Consultation on our Council Tax Precept for 2020/21 drew a significant number of responses from our community (over 2000). This allowed Fire Authority Members to make an informed decision on this matter.
- ff) In line with legislative requirements HFRS published its third Gender Pay Gap Report by the end of March 2020.

Review of Effectiveness

10. The HFA has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Authority who have responsibility for the development and maintenance of the governance environment, the head of internal audit's annual

report, and also by comments made by the external auditors and other review agencies and inspectorates.

11. HFA reviews the effectiveness of the GAS Committee and receives an Annual Report at the HFA Annual General Meeting.
12. The GAS Committee produces an Annual Report which is considered by the HFA at its Annual General Meeting in June each year.
13. The GAS Committee has continued its scrutiny programme during 2019/20, including the scrutiny of the Cost Recovery Model for Emergency Medical Response, Business Safety Risk Based Inspection Programme and Training, Promotion and Development Opportunities.
14. The induction and training of new Members during 2019/20 has further enabled Members to discharge the functions of the HFA.
15. During the 2019/20 financial year, the HFA and Committees met as follows:
 - HFA 9 occasions;
 - GAS Committee 7 occasions;
 - Pension Board 2 occasions.
16. Members of the Pension Board receive reports against a number of key workstreams designed to ensure that the Board operates in compliance with the Pension Regulator's Code of Practice for Pension Boards, this encompasses three broad areas Governance, Administration and Communication.
17. The review of the effectiveness of the system of internal control is informed by:
 - The work of Senior Officers;
 - The work of Internal Audit;
 - Corporate Risk and Opportunity Management;
 - Performance information;
 - The Authority's External Auditor, in their Annual Governance Report, Annual Audit Letter and other reports.
18. Internal Audit has undertaken a number of reviews during 2019/20. The following areas were covered:
 - Finance and Resources
Key Financial Controls
Procurement
 - Operational Compliance
Fleet Management Usage
 - Information and Technology
Disaster Recovery
 - Governance and Leadership
Performance Management
Risk Management Framework
Business Planning

19. The overall Head of Internal Audit opinion for the period 1 April 2019 to 31 March 2020 provides Reasonable Assurance.
20. The effectiveness of the governance framework is considered throughout the year by SLT, the GAS Committee and HFA. Much of this is discharged through internal reports such as the quarterly Management Accounts and the quarterly Performance Reports as well as the work of Internal and External Audit. Any significant issues are captured via the risk management system and considered by the Fire Authority where appropriate.
21. A comprehensive Assurance Map for the Service has been developed to help inform the work of SLT, the GAS Committee and Internal Audit.
22. We have been advised on the implications of the result of the review of the effectiveness of the governance framework by SLT and the GAS Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Significant Governance Issues 2019/20

23. Members are assured that the Service has appropriate arrangements in place should use of the powers under the Regulation of Investigatory Powers Act (RIPA) 2000 be necessary. A nil return was made by HFRS for 2019 as there was no use of RIPA or requests for covert surveillance.
24. Whilst the Service seeks to resolve complaints in an open, transparent and expedient manner in doing so it also refers complainants who are unhappy with the outcome to the Local Government Ombudsman.
25. The Authority utilised the Public Sector Audit Appointments (PSAA) process for the appointment of External Auditors, Mazars, after previous arrangements concluded on 31 March 2018.
26. In February 2016 HMG published the Policing and Crime Bill to improve the efficiency and effectiveness of police forces. The Bill received Royal Assent in January 2017 and the Act now places a statutory duty upon Fire and Rescue, Police and Ambulance services to collaborate. The Act also enables Police and Crime Commissioners (PCC) to take responsibility for fire and rescue services, where a Business Case is formed and there is local public support. We continue to proactively identify collaborative opportunities with the Police and Ambulance services, and other bodies. This has included:
 - A joint Emergency Service Fleet Management workshop with the Police.
 - A joint Estates (Operational and Strategic) function with Humberside Police.
 - Provision of a medical First Responder scheme in partnership with Yorkshire Ambulance (YAS), East Midlands Ambulance Service (EMAS).
 - A Falls Response Team with YAS, City Health Care Partnership (CHCP), NHS Hull Clinical Commissioning Group (CCG) and Hull City Council.
 - An agreement with Yorkshire Ambulance Service (YAS) for them to provide Service wide Clinical Governance.
 - Memorandums of Understanding with Humberside Police and Ambulance Trusts to support response activities including:
 - Searching for Missing Persons
 - Fire Investigation
 - Forced Entry for Medical Rescues
 - Drone
 - Bariatric
 - An Integrated Health Centre incorporating a Full-Time fire station, in partnership with Hull CCG.
 - A Fire and Police Transformation Board continues to commission and review collaboration opportunities, including shared estate at appropriate locations.

- A Strategic Demand Group between HFRS, Humberside Police, our four Local Authorities and our four CCGs continues to consider issues relating to demand and resourcing across the Humber Area.
- HFRS, Humberside Police, East Midlands Ambulance Service, Yorkshire Ambulance Service meet on a quarterly basis to discuss collaborative opportunities.
- Shared provision of Health and Safety function.
- HFRS providing Financial Management support to Humberside PCC.
- 'Don't Cross the Line' campaign to support stopping attacks on Emergency Service Workers.

Details of all collaboration and partnership initiatives are available on the HFRS Website at <http://www.humbersidefire.gov.uk/about-us/what-we-do/collaboration>.

27. Following the first inspection of Effectiveness, Efficiency and People, by HMICFRS in November 2018, steps have been taken to react to inspection outcomes and prepare the Service for inspection taking place in 2021. This includes development of a Service Improvement Plan, performance monitoring through a Strategic Leadership Team performance meeting held monthly and re-alignment of Director portfolios to incorporate a Director of Service Improvement.

Action Plan

28. The action points outlined below are included within our Strategic Risk and Opportunity Register and Action Plan, progress will be monitored throughout 2020/21.
- Incorporation of the Humberside PCC onto the HFA, including any arising changes to governance arrangements.
 - Impact of EU Exit.
 - Continued Scenario Planning to mitigate the effect of any further reductions or challenges on finances.
 - Impact of firefighter pension review judgement.
 - Cyber Security threats.
 - Outcome of the Grenfell Inquiry.
 - HMICFRS arising issues.
29. COVID-19 Pandemic.
Influenza Management Business Continuity Plans have been implemented enabling a very good level of Service to be maintained. This includes daily Influenza Management Team (IMT) and Business Interruption Management Team (BIMT) Meetings. A separate IMT Risk Register has been produced. Widespread support is being provided to NHS partners and Local Authorities co-ordinated via the Local Resilience Forum.

Conclusions

30. This Annual Governance Statement for 2019/20 provides Members with a high level of assurance on the Authority's governance arrangements.

Signed

.....
Chair of the Authority

.....
Chief Fire Officer & Chief Executive

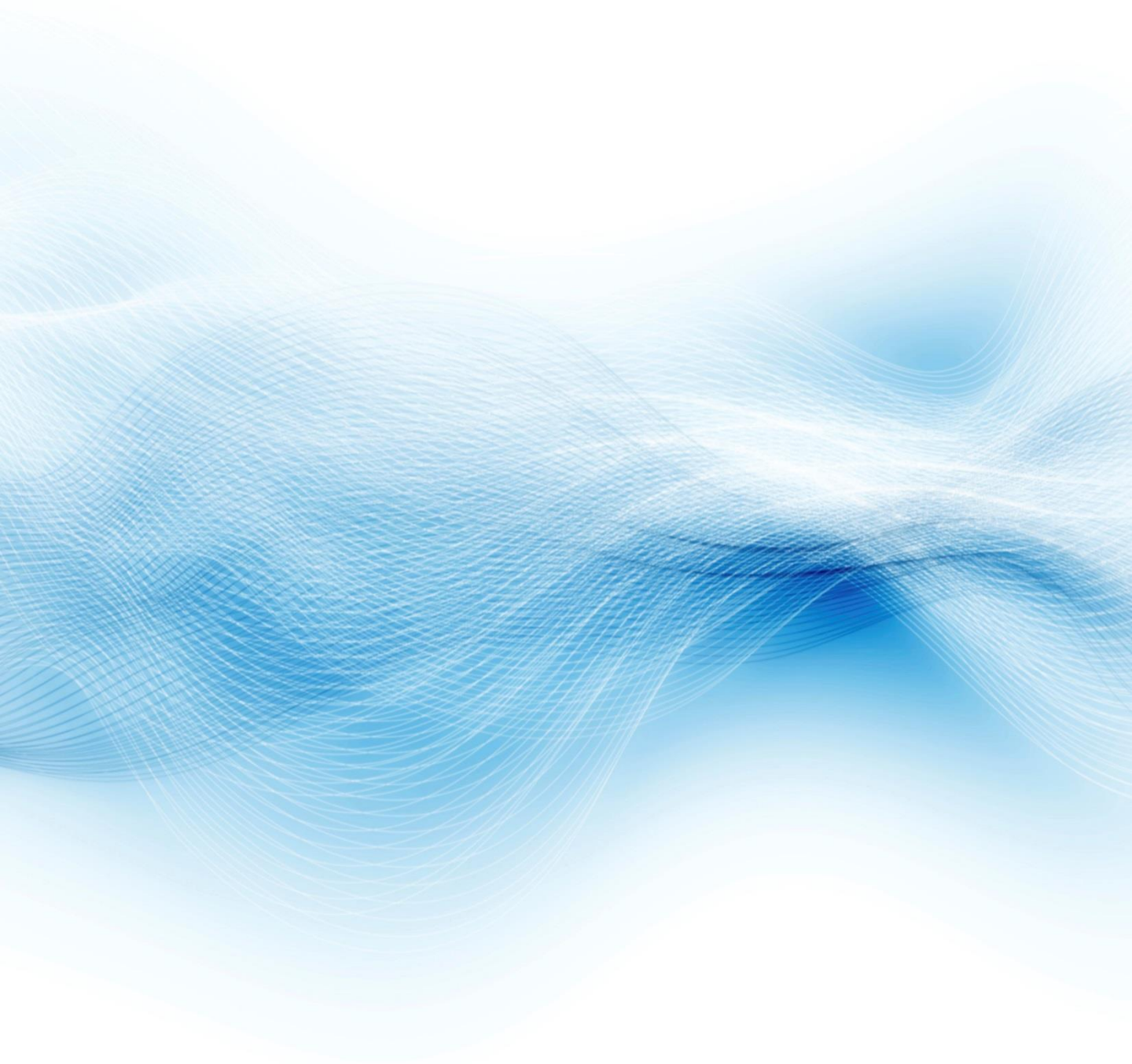
.....
S.151 Officer

.....
Secretary & Monitoring Officer



Audit Completion Report

Humberside Fire Authority
Year ending 31 March 2020



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1. Executive summary
2. Significant findings
3. Internal control recommendations
4. Summary of misstatements
5. Value for Money conclusion

Appendix A – Draft management representation letter

Appendix B – Draft auditor's report

Appendix C – Independence

Our reports are prepared in the context of the 'Statement of Responsibilities of auditors and audited bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. Reports and letters prepared by appointed auditors and addressed to the Authority are prepared for the sole use of the Authority and we take no responsibility to any member or officer in their individual capacity or to any third party. Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales.

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Humberside Fire Authority and Governance, Audit and Scrutiny Committee
Humberside Fire and Rescue Service Headquarters
Summergroves Way
Hull HU4 7BB

14 July 2020

Dear Members

Audit Completion Report – Year ended 31 March 2020

We are pleased to present our Audit Completion Report for the year ended 31 March 2020. The purpose of this document is to summarise our audit conclusions.

The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our Audit Strategy Memorandum which we presented on 24 January 2020. Since we issued our Audit Strategy Memorandum the UK has been subject to the challenges and restrictions of COVID-19. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

One implication of COVID-19 for the Authority was that the deadlines for submission of the draft and audited financial statements were pushed back to 31 August and 30 November respectively. We would like to express our thanks for the assistance of your team in preparing accounts and enabling us to substantially complete our audit to the original timetable.

This version of our Audit Completion Report updates an earlier version dated 10 July 2020 which was presented to the Governance, Audit and Scrutiny Committee on 13 July 2020.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 07896 684771.

Yours faithfully

Signed: 
Gavin Barker (Jul 14, 2020 18:01 GMT+1)

Gavin Barker
Mazars LLP

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We are registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861.
VAT number: 839 8356 73

1. EXECUTIVE SUMMARY

Purpose of this report and principal conclusions

The Audit Completion Report sets out the findings from our audit of Humberside Fire Authority ('the Authority') for the year ended 31 March 2020, and forms the basis for discussion at the Governance, Audit and Scrutiny Committee meeting on 13 July 2020 and the full Authority meeting on 24 July 2020.

The detailed scope of our work as your appointed auditor for 2019/20 is set out in the National Audit Office's (NAO) Code of Audit Practice. Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards of Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

Sections 2 and 5 of this report outline the detailed findings from our work on the financial statements and our conclusion on the Authority's arrangements to achieve economy, efficiency and effectiveness in its use of resources. Section 2 also includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include:

- Management override of control
- Valuation of land and buildings; and
- Defined benefit liability valuation.

Status of our work

As we outline on the following page, our work is substantially complete. Subject to the satisfactory completion of the outstanding work, at the time of issuing this report we have the following conclusions:

Opinion on the financial statements

We anticipate issuing an unqualified opinion, without modification, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B.

Value for Money conclusion

We anticipate concluding that the Authority had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources. Our draft auditor's report, including proposed conclusion, is provided in Appendix B.

Whole of Government Accounts (WGA)

The NAO have not yet issued group instructions so the timing of our review of your WGA submission is to be confirmed. We will report the results in our Annual Audit Letter.

Wider powers

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Authority and to consider any objection made to the accounts. Further details on the exercise of our wider powers are provided in section 2.

1. EXECUTIVE SUMMARY

Status of our audit work

We have substantially completed our work on the financial statements and Value for Money conclusion for the year ended 31 March 2020. At the time of preparing this report the following matters remain outstanding:

Audit area	Status	Description of outstanding matters
Pensions	●	We are awaiting assurance from the pension fund auditor. The pension fund audit has been delayed which means that we may not be able to issue our audit opinion and VFM conclusion until late August or September 2020.
WGA	●	We are awaiting group instructions from the National Audit Office. This may impact on the timing of issuing our audit certificate to formally conclude and close the audit.
Closing Procedures	●	Review and closure processes, including final consideration of post balance sheet events.

Status

- Likely to result in material adjustment or significant change to disclosures within the financial statements
- Potential to result in material adjustment or significant change to disclosures within the financial statements
- Not considered likely to result in material adjustment or change to disclosures within the financial statements

We will provide the Governance, Audit and Scrutiny Committee and the full Authority with an update in relation to these outstanding matters in a follow-up letter, prior to signing the auditor’s report.

Our audit approach

We provided details of our intended audit approach in our Audit Strategy Memorandum in January 2020. We have not made any changes to our audit approach since we presented our Audit Strategy Memorandum.

Materiality

We set materiality at the planning stage of the audit at £1,372K using a benchmark of 2% of Gross Operating Expenditure. Our final assessment of materiality, based on the final financial statements and qualitative factors is £1,582K, using the same benchmark. We set our trivial threshold (the level under which individual errors are not communicated to the Governance, Audit and Scrutiny Committee and the full Authority) at £47K based on 3% of overall materiality.

2. SIGNIFICANT FINDINGS

Set out below are the significant findings from our audit. These findings include:

- our audit conclusions regarding significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 7 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year; and
- any significant difficulties we experienced during the audit.

Significant risks and key areas of management judgement

As part of our planning procedures we considered the risks of material misstatement in the Authority's financial statements that required special audit consideration. Although we report identified significant risks at the planning stage of the audit in our Audit Strategy Memorandum, our risk assessment is a continuous process and we regularly consider whether new significant risks have arisen and how we intend to respond to these risks. No new risks have been identified since we issued our Audit Strategy Memorandum.

Significant risk	Description of the risk
Management override of controls	In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.
<hr/>	
How we addressed this risk	
We addressed this risk through performing audit work over:	
<ul style="list-style-type: none">• Accounting estimates impacting on amounts included in the financial statements;• Consideration of identified significant transactions outside the normal course of business; and• Journals recorded in the general ledger and other adjustments made in preparation of the financial statements.	
<hr/>	
Audit conclusion	
Our audit work has provided the assurance we sought and has not identified any material issues to bring to your attention. There is no indication of management override of controls.	

2. SIGNIFICANT FINDINGS (CONTINUED)

Significant risk	Description of the risk
Property, Plant and Equipment Valuation	<p>The financial statements contain material entries on the Balance Sheet as well as material disclosure notes in relation to the Authority's holding of PPE. Although the Authority uses a valuation expert to provide information on valuations, there remains a high degree of estimation uncertainty associated with the revaluation of PPE due to the significant judgements and number of variables involved in providing revaluations. We therefore identified the valuation of PPE to be an area of significant risk.</p>
	<p>How we addressed this risk</p> <p>We addressed this risk by considering the Authority's arrangements for ensuring that PPE values are reasonable and engaged our own expert to provide data to enable us to assess the reasonableness of the valuations provided by the external valuer. We also assessed the competence, skills and experience of the valuer.</p> <p>We discussed methods used with the valuer and examined supporting information. We used indices provided by our own expert to confirm the assets not revalued are unlikely to have materially changed in value. We tested all revaluations in year to valuation reports and supporting calculation sheets and re-performed the calculations to ensure that they were correct and source data agreed with floor plans and relevant indices.</p>
	<p>Audit conclusion</p> <p>We have not identified any material issues to bring to your attention. Two immaterial errors by the valuer in applying source data were identified and disclosed as an adjusted error on page 12. Management also accepted that they had not fully corrected the error made by the valuer in previous years relating to the inclusion of finance costs in valuations and this is also recorded as an adjusted error on page 12.</p>

2. SIGNIFICANT FINDINGS (CONTINUED)

Significant risk	Description of the risk
Defined benefit liability valuation	<p>The financial statements contain material pension entries in respect of retirement benefits. The calculation of these pension figures, both assets and liabilities, can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. Moreover, in 2019/20 the local government pension fund assets and liabilities were subject to triennial revaluation. This resulted in an increased risk of material misstatement.</p>
How we addressed this risk	
<p>We discussed with key contacts any significant changes to the pension estimates. In addition to our standard programme of work in this area, we evaluated the management controls that you have in place to assess the reasonableness of the figures provided by the Actuary and considered the reasonableness of the Actuary's output, referring to our expert's report on all actuaries nationally.</p> <p>We reviewed the appropriateness of the key assumptions included within the valuations, compared them to expected ranges and reviewed the methodology applied in the valuation. We also considered the adequacy of disclosures in the financial statements.</p>	
Audit conclusion	
<p>Subject to the completion of outstanding work, our work has provided the assurance sought. At this stage we have not identified any errors in respect of the valuation of pensions.</p>	

2. SIGNIFICANT FINDINGS (CONTINUED)

Qualitative aspects of the Authority’s accounting practices

We have reviewed the Authority’s accounting policies and disclosures and concluded that they comply with the requirements of the Code of Practice on Local Authority Accounting (the Code), appropriately tailored to the Authority’s circumstances. The Authority has taken advantage of the exception permitted by the Code to exclude immaterial disclosure notes and this has resulted in financial statements that are relatively streamlined. It also means we have not reported the omission of immaterial figures from disclosure notes as errors.

Draft accounts were received from the Authority on 11 June 2020 and were of a good quality and working papers were provided by the scheduled audit start date of 15 June 2020 and were likewise of good quality.

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management. Officers have been very helpful and responsive in addressing our audit queries, and we are grateful for the assistance provided.

Given the Government’s COVID-19 instruction for the public to work from home if possible, our audit was completed remotely but this did not cause significant difficulties during the audit because:

- we used technology, such as video conferencing, to ensure the audit was completed to the required standards;
- all working papers provided were electronic and of the usual high standard;
- we used a team of public sector audit specialists with the same manager and team leader as in 2018/19; and
- we were able to re-assign staff from other audits that were working to the extended deadlines when required in order to prioritise completion of this audit.

2. SIGNIFICANT FINDINGS (CONTINUED)

Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2019/20 audit. 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. We have not yet received any questions or objections in respect of Humberside Fire Authority, although we note that the public inspection period does not conclude until 24 July 2020.

3. INTERNAL CONTROL RECOMMENDATIONS

The purpose of our audit is to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements. We do this in order to design audit procedures to allow us to express an opinion on the financial statement and not for the purpose of expressing an opinion on the effectiveness of internal control, nor to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our work this year has not identified any issues to bring to your attention.

Follow up of previous internal control points

We set out below an update on internal control points raised in the prior year.

Description of deficiency

We reported in the 2018/19 audit that the Authority sent out annual positive declarations to those charged with governance to identify whether there were any relevant related party transactions that required disclosure in the financial statements, but one member did not return the relevant form in 2019 and has now since the Authority.

Potential effects

There was a risk that relevant related party transactions that should have been disclosed in the financial statements had not been identified and disclosed.

Recommendation

We recommended that the Authority should work with principal authorities to ensure that all members return these declarations within two months of financial year-end.

2019/20 update

We found that declarations had been returned by all members in 2019/20.

4. SUMMARY OF MISSTATEMENTS

We set out below the misstatements identified for adjustment during the course of the audit, above the level of trivial threshold of £47k.

The first table outlines the misstatements that were identified during the course of our audit which management has assessed as not being material, either individually or in aggregate, to the financial statements and does not currently plan to adjust.

The second table outlines the misstatements that have been adjusted by management during the course of the audit.

Unadjusted misstatements 2019/20

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Creditors: Receipts in advance Cr: Taxation and Non-Specific Grant Income		216	216	
<p>The first tranche COVID-19 funding received in March was without conditions and there is no indication of potential clawback if any is unspent. Accordingly, it should have been fully recognised upon approval, whereas the unspent element of the grant was credited to receipts in advance in the accounts. It has been fully spent in 2020/21 so whilst if adjusted it would have increased the Authority's reserves at 31 March 2020 the decision to adjust or not adjust does not impact on the Authority's current financial position.</p>					
Total unadjusted misstatements			216	216	

4. SUMMARY OF MISSTATEMENTS (CONTINUED)

Adjusted misstatements 2019/20

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Revaluation Reserve			67	
	Dr: Firefighting and Rescue Operations expenditure	57			
	Cr: Property Plant and Equipment				124
	Dr: Capital Adjustment Account			57	
	Cr: Adjustments between accounting and funding basis		57		

The Valuer agreed that in one case he had mistyped a land area when performing his calculations and in another he had used an inappropriate index for building costs. Accordingly, property, plant and equipment had been overstated by £124K in the accounts and the valuer provided a revised valuation report to allow the above adjustments to be made.

2	Dr: Firefighting and Rescue Operations income	118			
	Cr: Taxation and Non-Specific Grant Income		118		

The first two months of Localised Business Rates income was incorrectly coded to Firefighting & Operations within net cost of services on the CIES. The income was fully accounted for but classified incorrectly.

3	Dr: Revaluation Reserve			64	
	Cr: Property, Plant and Equipment				64

Whilst most of the stations that were revalued incorrectly in 2017/18 or 2018/19 have been corrected in 2019/20, 2 stations were not corrected because the calculations were provided separately by the valuer and thus were not on the spreadsheet used to post the corrections. Accordingly, property, plant and equipment had been overstated by a further £64K in the accounts, bringing the total overstatement to £188K. These errors have all now been corrected.

Note: None of the above adjustments impact on the Authority's usable reserves.

Disclosure amendments

During our review of the financial statements we have identified amendments that were required to disclosures. The Authority has made these amendments:

- Note 1 (accounting policies) did not disclose the new implementation date for IFRS16 (leases);
- Note 4 (pensions) had not been updated to disclose the latest position on the McCloud case;
- Note 5 (PPE) did not correctly analyse revalued assets by the year of last valuation;
- Note 14 (Senior Officer Remuneration) omitted the last 2 rows from the totals so the columns did not add up and total costs were understated; and
- Note 15 (Post Balance Sheet Events) did not disclose the significance of the COVID-19 pandemic on the Authority's costs and revenues in 2020/21.

5. VALUE FOR MONEY CONCLUSION

Our approach to Value for Money

We are required to form a conclusion as to whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our conclusion, and sets out the criterion and sub-criteria that we are required to consider.

The overall criterion is that, *'in all significant respects, the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.'* To assist auditors in reaching a conclusion on this overall criterion, the following sub-criteria are set out by the NAO:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

It is important to clarify that the arrangements we consider in reaching this year's conclusion are those in place for the 2019/20 financial year.

Commentary against each of the sub-criteria, and an indication of whether arrangements are in place, is provided below.

Sub-criteria	Commentary	Arrangements in place?
Informed decision making	<p>We reviewed financial, performance and risk management reports throughout the year and attended meetings of the Governance, Audit and Scrutiny Committee. We did not identify any concerns regarding data quality or the decision-making process. The Authority reviewed management accounts through the year and when an overspend was forecast took early and effective action that ensured a small surplus was achieved by year-end.</p> <p>We considered the following aspects of proper arrangements specified by the National Audit Office as part of our risk assessment, and, based on our risk-based approach, we did not identify any significant issues or exceptions in the Authority's arrangements:</p> <p>a) Acting in the public interest, through demonstrating and applying the principles and values of sound governance;</p> <p>b) Understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management;</p> <p>c) Reliable and timely financial reporting that supports the delivery of strategic priorities; and</p> <p>d) Managing risks effectively and maintaining a sound system of internal control.</p>	Yes

5. VALUE FOR MONEY CONCLUSION (CONTINUED)

Sub-criteria	Commentary	Arrangements in place?
Sustainable resource deployment	<p>Financial and performance reports demonstrate a history of achieving cost reductions without adversely affecting services to date and a balanced medium term financial strategy is in place up to 2023/24 without the need for further savings and with general reserves of c£5m maintained. The fair funding review has been postponed and will not now impact until 2022/23 but the Authority has a strategy in place to meet several different funding scenarios.</p> <p>In June 2019 HMICFRS rated the Authority 'good' in two out of three inspection pillars and in 2019/20 the Authority has maintained performance in priority areas whilst implementing an improvement plan with particular focus on the inspection pillar rated as 'requires improvement'.</p> <p>We considered the following aspects of proper arrangements specified by the National Audit Office as part of our risk assessment, and, based on our risk-based approach, we did not identify any significant issues or exceptions in the Authority's arrangements:</p> <ul style="list-style-type: none">a) Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions;b) Managing and utilising assets effectively to support the delivery of strategic priorities; andc) Planning, organising and developing the workforce effectively to deliver strategic priorities.	Yes
Working with partners and other third parties	<p>The joint Emergency Service Fleet Management workshop and Estates Department with Humberside Police illustrate the Authority's commitment to increase collaboration and build on long-established partnership arrangements to improve community safety. In 2020/21 collaboration has been further enhanced through shared management within Finance and by sharing control room infrastructure with other fire authorities to increase resilience.</p> <p>We considered the following aspects of proper arrangements specified by the National Audit Office as part of our risk assessment, and, based on our risk-based approach, we did not identify any significant issues or exceptions in the Authority's arrangements:</p> <ul style="list-style-type: none">a) Working with third parties effectively to deliver strategic priorities;b) Commissioning services effectively to support the delivery of strategic priorities; andc) Procuring supplies and services effectively to support the delivery of strategic priorities.	Yes

5. VALUE FOR MONEY CONCLUSION (CONTINUED)

Significant Value for Money risks

The NAO’s guidance requires us to carry out work to identify whether or not a risk to the Value for Money conclusion exists. Risk, in the context of our Value for Money work, is the risk that we come to an incorrect conclusion rather than the risk of the arrangements in place at the Authority being inadequate. In our Audit Strategy Memorandum, we reported that we had not identified any significant Value for Money risks.

During March 2020, the significant impact of the COVID-19 pandemic began to have far reaching implications for us all, including an impact on the Authority. In particular, following the lockdown from 26 March 2020, the service needed to respond to the impact of the pandemic on its communities and also needed to adapt to new ways of working.

Our 2019/20 value for money conclusion is focused on the arrangements in place during the 2019/20 financial year. Given the timing of the major impact of the pandemic one week before the end of the financial year, the Authority did not have time to review its arrangements for informed decision making, sustainable resource deployment or working with partners and other third parties during the financial year under review. Consequently, we did not identify an additional significant risk relating to the COVID-19 pandemic in our 2019/20 value for money conclusion work.

The Authority’s response to the pandemic will be a major focus of our 2020/21 audit. With this in mind, we have continued to liaise with officers and gain an understanding of the arrangements that have been put in place in the new financial year.

Our overall Value for Money conclusion

Our draft auditor’s report included in Appendix B states that we intend to issue an unqualified Value for Money conclusion for the 2019/20 financial year.

APPENDIX A

DRAFT MANAGEMENT REPRESENTATION LETTER

From:
Executive Director of Corporate Services
Humberside Fire and Rescue Service Headquarters
Summergroves Way
Hull HU4 7BB

To:
Mr Gavin Barker
Director
Mazars LLP
Salvus House
Aykley Heads
Durham DH1 5TS

Date: July 2020

Humberside Fire Authority - audit for year ended 31 March 2020

This representation letter is provided in connection with your audit of the financial statements of Humberside Fire Authority for the year ended 31 March 2020 for the purpose of expressing an opinion as to whether the statement of accounts give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the Code).

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy myself that I can properly make each of the following representations to you.

My responsibility for the statement of accounts and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the statement of accounts in accordance with the Code.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the statement of accounts such as records, documentation and other material;
- additional information that you have requested from me for the purpose of the audit; and
- unrestricted access to individuals within the Authority you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Chief Financial Officer that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information. As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Authority and Committee meetings, have been made available to you.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with the Code and International Accounting Standard 8 and consider them appropriate for the year.

Accounting estimates, including those measured at fair value

I confirm that any significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.



APPENDIX A

DRAFT MANAGEMENT REPRESENTATION LETTER

(CONTINUED)

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Authority have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with Code.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Authority has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error

I acknowledge my responsibility as Chief Financial Officer for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

I have disclosed to you:

- all the results of my assessment of the risk that the statement of accounts may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Authority involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Authority’s financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances (including sales, purchases, loans, transfers, leasing arrangements and guarantees) have been appropriately accounted for and disclosed in accordance with the requirements of the Code.

I have disclosed to you the identity of the Authority’s related parties and all related party relationships and transactions of which I am aware.

Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

Charges on assets

All the Authority’s assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Future commitments

We have no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

APPENDIX A

DRAFT MANAGEMENT REPRESENTATION LETTER

(CONTINUED)

Going concern

I confirm that I have carried out an assessment of the potential impact of the COVID-19 Virus pandemic on the Authority, including the impact of mitigation measures and uncertainties and I am satisfied that the going concern assumption remains appropriate and that no material uncertainty has been identified.

To the best of my knowledge there is nothing to indicate that the Authority will cease to continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Unadjusted misstatements

I confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this letter as an Appendix.

Yours sincerely

Executive Director of Corporate Services

Date.....

PLEASE ADD THE APPENDIX OF UNADJUSTED MISSTATEMENTS TO THIS LETTER

APPENDIX B

DRAFT AUDITOR'S REPORT

Independent auditor's report to the members of Humberside Fire Authority

Report on the financial statements

Opinion

We have audited the financial statements of Humberside Fire Authority for the year ended 31 March 2020, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Firefighters' Pension Fund Account and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

In our opinion, the financial statements:

- give a true and fair view of the financial position of Humberside Fire Authority as at 31st March 2020 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Executive Director of Corporate Services' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Executive Director of Corporate Services has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Executive Director of Corporate Services is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Executive Director of Corporate Services for the financial statements

As explained more fully in the Statement of Responsibilities, the Executive Director of Corporate Services is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, and for being satisfied that they give a true and fair view. The Executive Director of Corporate Services is also responsible for such internal control as the Executive Director of Corporate Services determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

APPENDIX B

DRAFT AUDITOR’S REPORT (CONTINUED)

The Executive Director of Corporate Services is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and prepare the financial statements on a going concern basis, unless the Authority is informed of the intention for dissolution without transfer of services or function to another entity. The Executive Director of Corporate Services is responsible for assessing each year whether or not it is appropriate for the Authority to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Authority’s website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Conclusion on Humberside Fire Authority’s arrangements for securing economy, efficiency and effectiveness in the use of resources

Conclusion

On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, we are satisfied that, in all significant respects, Humberside Fire Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

Basis for conclusion

We have undertaken our review in accordance with the Code of Audit Practice issued by the Comptroller and Auditor General, having regard to the guidance on the specified criterion issued in April 2020, as to whether the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



APPENDIX B

DRAFT AUDITOR’S REPORT (CONTINUED)

Auditor’s responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice requires us to report to you our conclusion relating to proper arrangements. We are not required to consider, nor have we considered, whether all aspects of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Use of the audit report

This report is made solely to the members of Humberside Fire Authority as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Authority those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

THE FOLLOWING SECTION WILL DEPEND ON WHETHER WE HAVE BEEN ABLE TO REPORT ON WGA BEFORE WE ISSUE OUR REPORT EITHER:

Certificate

We certify that we have completed the audit of Humberside Fire Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

OR:

Delay in certification of completion of the audit

We can not formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Authority’s Whole of Government Accounts consolidation pack. We are satisfied that these matters do not have a material effect on the financial statements or on our conclusion on the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources.

IF THERE IS A DELAY IN ISSUING A CERTIFICATE, A CERTIFICATE WILL BE ISSUED AT A LATER DATE WHEN THE WGA REPORT HAS BEEN COMPLETED.

[Signature]

Gavin Barker
Director
For and on behalf of Mazars LLP
Salvus House
Aykley Heads
Durham DH1 5TS

[Insert date]

APPENDIX C

INDEPENDENCE

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.

CONTACT

Engagement lead

Gavin Barker

Mobile: 07896 684771

Email: gavin.barker@mazars.co.uk

Engagement manager

Ross Woodley

Mobile: 07881 283349

Email: ross.woodley@mazars.co.uk

DRAFT ANNUAL PERFORMANCE REPORT 2019/20

SUMMARY

1. Humberside Fire Authority (HFA) publishes Annual Performance Reports which include the full performance information for the previous year. The report incorporates detailed information covering the delivery of the Strategic Plan, a 'health check' of the Service and information relating to Service Delivery, Service Delivery Support and People & Development. The full draft report details is available for viewing electronically alongside the agenda papers on the Fire Authority's website at <https://humbersidefire.gov.uk/fire-authority/fire-authority-documents>.

RECOMMENDATIONS

2. That Members approve the report and take assurance from the proactive approach to performance management.

REPORT DETAIL

3. The Annual Performance Report provides a detailed overview of Service performance during 2019/20. The full draft report details is available for viewing electronically alongside the agenda papers on the Fire Authority's website at <https://humbersidefire.gov.uk/fire-authority/fire-authority-documents>. This is a draft report which will be sent for final formatting and branding once approved by the Fire Authority.

STRATEGIC PLAN COMPATIBILITY

4. This report allows Members, managers, stakeholders and the public to establish how well HFRS is delivering the Strategic Plan.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

5. The report shows the performance achieved with the resources available. There are examples in many areas of improved performance with the same, or reduced, resources.

6. LEGAL IMPLICATIONS

None directly arising.

7. EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

An Equality Analysis will be undertaken on any relevant aspects as required.

8. CORPORATE RISK MANAGEMENT IMPLICATIONS

The information can be used by Members and officers when taking decisions as to how best to mitigate strategic risks.

9. HEALTH AND SAFETY IMPLICATIONS

None directly arising.

10. COMMUNICATION ACTIONS ARISING

The report will be branded and published following approval from the Fire Authority.

11. DETAILS OF CONSULTATION

The Strategic Leadership Team, Governance Audit and Scrutiny Committee and other members of staff have been consulted as to content.

12. BACKGROUND PAPERS AVAILABLE FOR ACCESS

Strategic Plan 2018/21
IRMP 2018/21

RECOMMENDATIONS RESTATED

13. That Members approve the report and take assurance from the proactive approach to performance management.

N. MCKINIRY

Officer Contact: Simon Rhodes ☎ 01482 567479
Head of Corporate Assurance

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

24 July 2020

ANNUAL STATEMENT OF ASSURANCE 2019/20

SUMMARY

1. The Fire and Rescue National Framework for England (Revised 2018) sets out a requirement for Fire and Rescue Authorities to provide annual assurance, based upon the Department for Communities and Local Government (DCLG) Guidance on Statements of Assurance for Fire and Rescue Authorities in England (2013), and show they have had due regard to the expectations set out in their Integrated Risk Management Plan and the requirements included in the Framework.
2. The areas covered are financial assurance, governance assurance and operational assurance.

RECOMMENDATIONS

3. That Members approve publication of the Annual Statement of Assurance for 2019/20.

REPORT DETAIL

4. The Annual Statement of Assurance 2019/20 can be viewed in Appendix 1.

STRATEGIC PLAN COMPATIBILITY

5. The Annual Statement of Assurance 2019/20 supports the achievement of the Authority's Strategic Plan objectives.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

6. None arising directly.

LEGAL IMPLICATIONS

7. None directly arising.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

8. None arising directly.

CORPORATE RISK MANAGEMENT IMPLICATIONS

9. This Statement demonstrates compliance with The Fire and Rescue National Framework for England (Revised 2018).

HEALTH AND SAFETY IMPLICATIONS

10. None arising directly.

COMMUNICATION ACTIONS ARISING

11. The Annual Statement of Assurance will be published on the HFRS website following approval by the Fire Authority.

DETAILS OF CONSULTATION AND/OR COLLABORATION

12. The Strategic Leadership Team and GAS have been consulted in the preparation of this Statement.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

13. As stated in Appendix 1.

RECOMMENDATIONS RESTATED

14. That Members approve publication of the Annual Statement of Assurance for 2019/20.

N. McKINIRY

Officer Contact: Simon Rhodes ☎ 01482 567479
Head of Corporate Assurance

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

SR
24 July 2020

HUMBERSIDE FIRE AUTHORITY STATEMENT OF ASSURANCE 2019/20

Introduction

1. The Fire and Rescue National Framework for England (Revised 2018) sets out a requirement for Fire and Rescue Authorities to provide annual assurance on financial, governance and operational matters and show they have had due regard to the expectations set out in their Integrated Risk Management Plan and the requirements included in the Framework.
2. The content of the Humberside Fire Authority (HFA) Statement of Assurance is based upon the Department for Communities and Local Government (DCLG) Guidance on Statements of Assurance for Fire and Rescue Authorities in England (2013).

Financial Assurance

3. The Authority places a great deal of emphasis on ensuring that its financial management arrangements meet the highest standards.
4. This is discharged through a number of key processes as follows:
 - The Annual Statement of Accounts is produced in line with accounting Codes of Practice, is scrutinised by an independent Governance, Audit and Scrutiny Committee, approved by the Fire Authority and audited by independent external auditors prior to publication;
 - Quarterly Management Accounts are distributed for consideration by the Strategic Leadership Team, the Governance, Audit and Scrutiny Committee and the Fire Authority;
 - An independent external audit view is given on an annual basis as to whether the Authority is delivering a value for money service.

Governance Assurance

5. The Authority has an approved 'Local Code of Corporate Governance' in accordance with the CIPFA/SOLACE Framework for Corporate Governance.
6. The Constitution of HFA includes:
 - Committee Membership and Terms of Reference;
 - Scheme of Delegation to Officers;
 - Financial Procedure Rules; □ Contract Procedure Rules;
 - Members' Code of Conduct;
 - Officers' Code of Conduct;
 - Protocol for Member and Officer Relationships;
 - Code of Corporate Governance.
7. An [Annual Governance Statement](#) is produced explaining how the HFA has complied with the code of corporate governance and also meets the requirements of regulation 4(3) of the Accounts and Audit (England) Regulations 2011.

Operational Assurance

8. The Strategic Plan and Integrated Risk Management Plan (IRMP) 2018/21 have a three-year life cycle, reviewed annually in accordance with the Business Planning Framework.
9. The HFA Strategic Plan 2018/2021 includes Strategic Objectives across the following headings: Value our People, Support Delivery, Make our Community Safer, Responding Effectively, Financially and Corporately Manage the Service.
10. The [IRMP 2018/21](#) takes account of the requirements of the National Framework (Revised 2018), providing a detailed assessment of the risks facing our communities and firefighters and the measures taken to mitigate those risks.
11. Mutual aid arrangements are in place with other services to provide resilience for large scale or complex incidents where additional resources need to be called on. HFRS actively contributes to national resilience and has made its assets available to support national emergencies.
12. An annual [Customer Service Excellence Audit](#) was conducted in February 2019. The Service retained the Award for another twelve months and received 3 areas of Compliance Plus and 7 areas of notable good practice.
13. Business Continuity plans exist for generic, key functions and building asset risks and have been developed over many years in conjunction with partners. There is a coordinated approach to Business Continuity Management across the Service including development, training, exercising and review. Arrangements are aligned to International Standard ISO22301
14. An [Annual Performance Report](#) and Quarterly Performance and Risk Reports are scrutinised by the Governance, Audit and Scrutiny Committee, before being reported to HFA.

Conclusions

15. Due regard has been paid to the requirements placed upon HFA through the National Framework and other governance and financial frameworks.

Signed

.....
John Briggs
Chair of Humberside Fire Authority

.....
Chris Blacksell
Chief Fire Officer and Chief Executive

Humberside Fire Authority
24 July 2020

**Report by Director of Service
Improvement**

STRATEGIC PLAN AND IRMP 2021 – 24 CONSULTATION

SUMMARY

1. Members approved the Strategic Planning Framework in December 2017, incorporating a Strategic Plan on a page 2018/21 and Integrated Risk Management Plan (IRMP) 2018-21. Both planning documents reach the end of their three-year life in 2020/21. This report outlines the approach being taken to develop the planning framework for internal and public consultation prior to approval by Members in December 2020.
2. The current Strategic Plan was developed in 2017 as a three year forward look at our objectives and priorities. The draft plan for 2021/24 has been developed along similar parameters, providing our strategic focus for a three-year period, with annual reviews programmed into the Business Planning Framework. The approach being taken is detailed in the body of this report, the outline draft of the plan is included at Appendix A. Members should note that the graphical format of the Strategic Plan will be developed and finalised for consultation.
3. Following the first round of HMICFRS inspections and publication of the National State of Fire Report the National Fire Chiefs Council (NFCC) commissioned a programme of work, the 'Community Risk Programme', to develop a new framework for IRMPs primarily to address the findings of the inspectorate. Members are reminded that HMICFRS identified inconsistency in risk analysis methodology and plan content across all Fire and Rescue Services inspected. We are supporting the work of the CRP and look forward to the outcomes and new guidance, expected in 2021.
4. In the interim period, our IRMP has been subject to a detailed refresh undertaken in particular to ensure that the Authority complies with current requirements for IRMPs, detailed within the National Framework 2018, that the plan reflects current national and local/community risk profiles and that our communities can take assurance from the mitigation measures the Authority has put in place.
5. Members will note that the IRMP and Strategic Plan are key reference documents for the HMICFRS inspection team, specific reference is made to the IRMP in particular throughout the HMICFRS Inspection Report (2018).
6. The refreshed IRMP is available electronically alongside the agenda papers on the Fire Authority's website at www.humbersidefire.gov.uk/fire-authority.

RECOMMENDATIONS

7. Members are asked to consider this report and approve the draft Strategic Plan 2021/24 and revised IRMP 2021/24 for an eight-week period of consultation and engagement. In accordance with the Business Planning Framework, Members will receive the final report for approval at the December 2020 HFA Meeting.

STRATEGIC PLANNING FRAMEWORK

8. When considering the development of our strategic planning objectives and priorities, arising significant internal or external factors may impact upon the delivery of our core functions and are therefore considered by the Strategic Leadership Team (SLT) during SLT Scenario Planning meetings. Of relevance to the development work for 2021/24:
- Our HMICFRS inspection outcomes and learning from 2018;
 - Publication of Her Majesty's Chief Inspector of Fire & Rescue Services' Annual Assessment of Fire and Rescue Services in England 2019;
 - Climate change impact on worst case scenario planning;
 - The NFCC Community Risk Programme.
 - The NFCC, National Employers (England) and LGA 'Fit for the Future' draft report.
9. Consideration of our current and future operating environment by SLT led to a Strategic Plan framework that acts as an enabler for Service improvement, creates a more structured planning and performance framework, clearly defines our role within the community, how we support and value our People and how we Corporately support and manage Service delivery.
10. The following principles were applied in the development of the draft plan:

Our Mission Statement describing our core purpose:

Safer Communities, Safer Firefighters

Keeping communities in the Humber area safe, keeping our firefighters safe, and contributing to the emergency response capabilities of the United Kingdom.

Four perspectives, used as focus areas for developing our objectives:

- a) What our public and business communities expect us to do well;
- b) What we must do well to deliver effective and efficient services, taking account of community expectations;
- c) What we must do well to efficiently and effectively manage the Service through financial and corporate governance;
- d) What we must do well to ensure we value and support the people we employ.

Objective Statements describing how we will do it:

Written as short statements that define what we must do to achieve our mission, with the following rules applied:

- Our Objectives are what we focus on for the duration of the Plan - aiming for consistent improvement;
 - They are Actionable and Achievable – avoiding focusing on something we can't affect or control.
 - They are Measurable and Accountable – supported by quantitative and qualitative performance measures and clear Director level accountability.
11. Each Strategic Plan objective outcome has been aligned to performance management, including Directorate accountability and quantitative or qualitative performance measures. Members will receive quarterly updates on the delivery of key outcomes via the cyclical Performance Reports, within the Business Planning Framework.

INTEGRATED RISK MANAGEMENT PLAN

12. Members are reminded that the production of an IRMP is a statutory requirement within the Fire and Rescue National Framework 2018. It is a living document which describes the risk

in the Service area and details how the Service organises itself to manage and respond to those risks.

13. The IRMP is an extensive document which provides in depth information about our risks and service provision. It is hosted as an electronic document on the website enabling readers to 'drill down' into the information they require. Printed copies are held at Service locations and are freely available on request from members of the public.
14. Members can be assured that a substantial level of activity takes place in order to inform our risk profile, particularly from engagement with the Local Resilience Forum (LRF), Unitary Authorities, Partner Agencies, Community Profiling, District based community and business engagement and extensive use of risk modelling data and profiling tools.
15. The NFCC Community Risk Programme will address a number of issues in relation to standardisation of IRMPs, in particular consistency in how risk is defined and assessed. We have contributed to initial fact finding and will continue to engage and support the programme moving forward. It is anticipated that outcomes will be delivered during 2021 and progress will be reported to Members at appropriate stages.
16. A joint programme commissioned by NFCC, the National Employers (England) and LGA is developing a set of improvement objectives and narrative that will support a national sense of direction for the Fire and Rescue sector, in order to meet the challenges of the 21st Century. The outline draft report, entitled 'Fit for the Future', will be made available for wider engagement in the near future.

CONSULTATION APPROACH

17. We will apply approaches and learning from our consultation plan for the IRMP refresh in 2019, when responses increased from 15 in 2018/19 to 956 in 2019/20. Social Media methodology, supplemented by District based personal engagement, Website and collaboration with partner engagement teams will form the basis of consultation and engagement for the 2021/24 Strategic Plan and IRMP. This will include a number of specific questions included at Appendix B.

STRATEGIC PLAN COMPATIBILITY

18. The Strategic Plan and IRMP are produced over a three-year cycle, with annual review but a fixed plan period. The Strategic Plan and associated workstreams are effectively the delivery action plan for the IRMP.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

19. The Strategic Plan describes the work to deliver, as a Service and in collaboration with partners, opportunities for improved efficiency and increased value for our communities.

LEGAL IMPLICATIONS

20. The Strategic Planning Framework will ensure the Authority's requirements under the Fire Services Act are met.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

21. An Equality Assessment will be completed for the final version of the Strategic Plan and IRMP in conjunction with the Equality Steering Group.

CORPORATE RISK MANAGEMENT IMPLICATIONS

22. The outcomes relating to delivery of the Strategic Plan are used when assessing and formulating strategic risks.

HEALTH AND SAFETY IMPLICATIONS

23. None directly arising.

COMMUNICATION ACTIONS ARISING

24. The IRMP will be published on the HFRS website as an electronic document, with a PDF version that can be printed in hard copy. The format of the Strategic Plan will be a single page infographic that is interactive in its digital format and printable for production of work location posters. The availability of the plans for consultation and engagement will be communicated by the Corporate Communications Team. Our Strategic Planning Framework documents are also distributed to all work locations across the Service and are freely available on request from members of the public.

DETAILS OF CONSULTATION AND/OR COLLABORATION

25. Consultation activity will be managed by the Corporate Communications team as described within this Report. SLT and the Leadership Forum have been consulted on the content of the draft plans.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

26. All internal planning framework documents are available on the HFRS Website. Fire and Rescue Service National Framework for England (2018).

RECOMMENDATIONS RESTATED

27. Members are asked to consider this report and approve the draft Strategic Plan 2021/24 and revised IRMP 2021/24 for an eight-week period of consultation and engagement. In accordance with the Business Planning Framework, Members will receive the final report for approval at the December 2020 HFA Meeting.

N MCKINIRY

Officer Contact: Simon Rhodes ☎ 01482 567479
Head of Corporate Assurance

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

24 July 2020

N.B. The planning version of the draft Strategic Plan shown here will be re-formatted into a single page infographic that is interactive in its digital format and printable for production of work location posters. Final formatting will be concluded for the consultation exercise, examples are provided below.

DRAFT STRATEGIC PLAN 2021 - 24				
Mission Statement	Safer Communities, Safer Firefighters Keeping communities in the Humber area safe, keeping our firefighters safe, and contributing to the emergency response capabilities of the United Kingdom			
What our public and business communities expect us to do well	1. We understand our community and the risks they face. 2. We help the public and businesses to stay safe. 3. We respond quickly and effectively to emergency incidents. 4. We treat everyone in an open, fair and equal manner.			
What we must do well to deliver effective and efficient services, taking account of community expectations	EFFECTIVENESS		EFFICIENCY	
	1. Our planning arrangements and interventions reduce fire related fatalities or casualties. 2. We will effectively deliver activities to prevent fires and other emergency incidents. 3. We will protect the public from fires and other risks by delivering fire regulation, legislation and Protection activities.		We will respond efficiently and effectively to meet current risks.	
What we must do well to efficiently and effectively manage the Service through financial and corporate governance	EFFICIENCY			
	We deliver sound financial control and resilience.	We make appropriate use of public money and deliver value for money.	We promote good governance and ensure openness, transparency and accessibility.	
What we must do well to ensure we value and support the people we employ	PEOPLE			
	We encourage and attract a diverse range of applicants to help us employ the right people.	We develop and cultivate a highly trained competent workforce.	We promote our values and expected behaviours and are ethical, transparent and accountable.	We ensure the health, safety and wellbeing of our staff.

Our Mission...

Safer communities, safer firefighters.
Keeping communities in the Humber area
safe, keeping our firefighters safe.
Contributing to the emergency response
capabilities of the UK.



HUMBERSIDE
Fire & Rescue Service

What we must do well

- Our planning arrangements and interventions reduce fire related fatalities or casualties.
- We will effectively deliver activities to prevent fires and other emergency incidents.
- We protect the public from fires and other risks by delivering fire regulation, legislation and protection activities.
- We respond efficiently and effectively to meet current risks.

We value and support the people we employ

- We encourage and attract a diverse range of applicants to help us employ the right people.
- We develop and cultivate a highly trained competent workforce.
- We promote our values and expected behaviours and are ethical, transparent and accountable.
- We ensure the health, safety and wellbeing of our staff.

What our communities expect us to do well

- We understand our community and the risks they face.
- We help the public and businesses to stay safe.
- We respond quickly and effectively to emergency incidents.
- We treat everyone in an open, fair and equal manner.

We efficiently manage the Service

- We deliver sound financial control and resilience.
- We make appropriate use of public money and deliver value for money.
- We promote good governance and ensure openness, transparency and accessibility.



STRATEGIC PLAN
2021 - 2024



Strategic Plan / IRMP Consultation Questions

*Our **Strategic Plan** identifies our objectives for a three-year period and gives us focus for our activities. We report our progress to the Humberside Fire Authority using performance measures and written reports. Chris Blacksell, our Chief Fire Officer and Chief Executive and his team of Directors are accountable for the delivery of the plan.*

*Having an **Integrated Risk Management Plan (IRMP)** is a statutory requirement for the Humberside Fire Authority. It documents all of the significant risks in our communities and provides information about how we manage them as your Fire and Rescue Service.*

1. What do you expect from your Fire and Rescue Service

When we develop plans for the delivery of our activities it is important that we take into account what our communities would expect us to do well.

We think the four headings below capture what is expected from us, but would welcome your feedback if you think we have missed something. Each heading is underpinned by a number of activities and outcomes we will deliver, you can read these in our draft Strategic Plan and in our IRMP.

- *We understand our community and the risks they face.*
- *We help the public and businesses to stay safe.*
- *We respond quickly and effectively to emergency incidents.*
- *We treat everyone in an open, fair and equal manner.*

1. Yes that meets my expectation of you.
2. I don't think you have covered my expectations of you.
3. Comments

2. Public Access to Advice and Guidance

Developments in technology and the wider use and understanding of on-line self-service enables us to provide help and advice to our communities, without always making physical visits. We will also continue to provide help and advice that doesn't rely on access to the internet. Our telephone contact details and addresses for our main Headquarters and our four District Headquarters at Grimsby, Scunthorpe, Hull and Beverley are published widely, including in telephone directories and through your local Council.

We would like to develop our current self-service approach to allow us to provide advice and guidance to members of the public and the business community by:

- Developing an App for accessing our non-emergency services, guidance and advice.
- Offering face to face video or telephone calls with your local team of fire safety and community safety specialists.
- Providing a virtual 'Chat Bot' on our website.
- Providing frequently asked questions and answers, via a self-service system.

The benefit for our communities is access to 24/7 advice and guidance. The benefit for us is reducing our need to make as many physical visits, reduced road travel time and cost, reduced size of the fleet of vehicles we have to currently maintain, and looking beyond the current COVID-19 Pandemic, reducing the need to come into close personal contact for the safety of our communities and our employees.

1. I support this development.
2. I don't support this development.
3. Comments.

3. Impact of Climate Change

In our consultation during 2019, we outlined our commitment to moving to electric vehicles as and when this becomes a practical alternative. Our community largely supported this approach and we have made good progress in developing an Environmental Sustainability Strategy that has made our buildings more energy efficient and we continue to investigate our options regarding alternative vehicles.

It is now widely understood that climate change seems to be increasing the likelihood, severity and impact of lengthy weather-related events. In our area we are at particular risk from inland and coastal flooding and we have to deal with things like large-scale flooding and moorland fires, either around our Service border, or wider afield in other areas of the Country, more often.

The training and specialist equipment we provide for our emergency response teams helps us deal with such incidents, whether they occur in our area or when we are requested to provide additional support to other Fire and Rescue Services.

We are reconsidering what this means for our 'worst case scenario' risk planning. Where previously our biggest planning risk was two large scale fires at the same time and/or lengthy weather events, we recognise that large scale flooding, wildfires or other similar events are more likely to happen. When they do happen, we respond alongside and in support of other emergency responders and local authorities, this places a huge burden on our staff and equipment.

Our re-assessment of risk and likelihood will also help us to consider the location and capability of the types of emergency response vehicles we use, including wider use of more compact designs that can get our responders and their equipment to incidents, alongside our traditional fire engines, quickly.

1. Based on your own experience, or awareness of the impact of changes in weather patterns, do you agree with our outline planning assumptions?
2. Do you think there are other new or developing risks that we will have to take into account?
3. Comments.

4 What do you think about us?

Our Principles and Behaviours underpin everything we do, they are Leadership, Passion, Innovation and Dependability. Under Leadership, we are committed to; lead by example and respect the views of others.

We are working hard to become more representative of the communities we serve and have set up an email, letusknow@humbersidefire.gov.uk, where members of our community can contact us if they feel excluded, unwelcome, not valued or not supported by us. If you have ever felt this way, it is important that you let us know so that we continue to learn and improve.

1. Based on your own experience, or awareness, is there anything you think we need to be aware of or that we need to change?
2. Do you think we are heading in the right direction?
3. Comments.

5. Is our Plan simple to understand?

We have tried to make our Strategic Plan clearly communicate what we want to achieve over the next three years. We will be using an interactive info-graphic for the on-line version and have provided a couple of examples. We would really appreciate your feedback on whether you find them understandable and which you prefer. If you think you have a better suggestion for the design, please feel free to share it with us and you will be entered into a draw for a family firefighter experience (arranged after the COVID-19 Pandemic).

1. Does the job
2. Doesn't really make sense
3. Comment

6. Feedback

Lastly, we always welcome any suggestions that you may have about how we can support our communities more effectively and also if there are any significant Fire and Rescue Service risks that you think we have not covered. We think we already do a great job but would love to hear what you think.

Comments