

Fire & Rescue Service Headquarters Summergroves Way Kingston upon Hull HU4 7BB
 Telephone 01482 565333

To: Members of the Fire Authority	Enquiries to: Samm Campbell Email: committeemanager@humbersidefire.gov.uk Tel. Direct: (01482) 393205 Date: 14 September 2022
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Dear Member

I hereby give you notice that a meeting of **HUMBERSIDE FIRE AUTHORITY** will be held on **FRIDAY, 23 SEPTEMBER 2022 at 10.30AM** at **HUMBERSIDE FIRE & RESCUE SERVICE HEADQUARTERS, SUMMERGROVES WAY, KINGSTON UPON HULL, HU4 7BB.**

Public and press attendance at meetings

Seating in the public gallery is limited to maximum of 4 people, therefore **places must be booked in advance** by contacting the Committee Manager on the contact details above.

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

Meeting ID: 879 5545 8566
Passcode: 670162

The business to be transacted is set out below.

Yours sincerely



for Lisa Nicholson
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	-	Monitoring Officer/ Secretary	To declare
3. Minutes of the Authority meeting held on 22 July 2022	(pages 1 - 4)	Chairperson	To approve
4. Minutes of the Governance, Audit and Scrutiny Sub-Committee held on 5 September 2022.	(pages 4 - 6)	Chairperson	To receive
5. Questions by Members	-	Monitoring Officer/ Secretary	To receive

Business		Page Number	Lead	Primary Action Requested
6.	Communications	-	Chairperson & Chief Fire Officer/ Chief Executive	To receive
7.	External Audit Completion Report	(pages 7 - 42)	Mazars	To receive
8.	Internal Audit Update	(pages 43 - 48)	TIAA	To receive
9.	Annual Accounts 2021/22	(pages 49 - 138)	Executive Director of Finance/ S151 Officer	To receive
10.	Financial Outlook 2022/23 Onwards	(pages 139 - 142)	Executive Director of Finance/ S151 Officer	To receive
11.	Equality, Diversity and Inclusion Annual Report 2021/22	(pages 143 - 158)	Executive Director of People and Development	To receive
12.	Gender Pay Gap Annual Report 2022/23	(pages 159 - 179)	Executive Director of People and Development	To receive
13.	Community Risk Management Plan Update	(pages 180 - 184)	Area Manager of Service Improvement	To receive
14.	HMICFRS Report	(pages 185 - 189)	Area Manager of Service Improvement	To receive
15.	Chief Fire Officer 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 & 2 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.				
16.	Industrial Action Planning and Response	Papers to follow	Assistant Chief Fire Officer	To receive
17.	East Coast and Hertfordshire Control Room Consortium (ECHCC) Update	Papers to follow	Assistant Chief Fire Officer	To receive

FRIDAY, 22 JULY 2022

PRESENT:**Members****Representing East Riding of Yorkshire Council:**

Councillors Abraham, Green, Jefferson JP, Smith and West

Representing Hull City Council:

Councillors Belcher, Dad Nicola and Neal

Representing North East Lincolnshire Council:

Councillors Lindley, Shepherd, Patrick and Swinburn

Representing North Lincolnshire Council:

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

Officers of Humberside Fire & Rescue Service

Phil Shillito - Deputy Chief Fire Officer/Executive Director of Corporate Services, Niall McKiniry - Assistant Chief Fire Officer, Christine Cooper - Executive Director of People and Development, Kevin Wilson - Executive Director of Finance/Section 151 Officer, Matthew Sutcliffe - Area Manager of Service Improvement, Simon Rhodes - Head of Corporate Assurance, Jamie Morris - Senior Service Improvement Officer, Gareth Naidoo - Senior Corporate Assurance Officer, Lisa Nicholson - Monitoring Officer/Secretary, Sam Campbell - Committee Manager and Robert Close - Committee Manager. Gavin Barker - Mazars (external audit) attended remotely.

Also in attendance:

Gavin Marshall of the Fire Brigades Union attended as an observer.

The meeting was held at Service Headquarters, Hessle.

87/22 APOLOGIES FOR ABSENCE - Apologies for absence were submitted from Jonathan Evison (Police and Crime Commissioner) and Councillors Chambers, Davison, Dennis, Fox, McMurray and Sherwood.

88/22 DECLARATIONS OF INTEREST - Councillor Abraham declared a non-pecuniary interest in Minute 84/22 insofar as she was a member of the Police and Crime Panel.

89/22 MINUTES - Resolved - That the minutes of the meeting of the Authority held on 24 June 2022 be received as a correct record.

90/22 MINUTES OF THE GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE - Resolved - That the minutes of the Governance, Audit and Scrutiny Committee meeting held on 4 July 2022 be received.

91/22 MINUTES OF THE PENSION BOARD - Resolved - That the minutes of the Pension Board meeting held on 11 July 2022 be received.

92/22 MINUTES OF THE APPOINTMENTS COMMITTEE - Resolved - That the minutes of the Appointments Committee meetings held on 20 July 2022 be approved and Niall McKiniry be appointed to the post of Deputy Chief Fire Officer.

93/22 QUESTIONS BY MEMBERS - None.

94/22 COMMUNICATIONS - The Chairman provided verbal updates on the following item:

- (i) **Pay Award** - Union representatives had rejected the National Joint Council's pay award offer. The Service had written to all members of staff in relation to this issue and the Chief Fire Officer/Chief Executive had written to local MPs to lobby for a centrally funded increased pay offer.

95/22 EXTERNAL AUDIT STRATEGY MEMORANDUM - Gavin Barker (Mazars) presented the External Audit Strategy Memorandum for the year ending 31 March 2022.

The Audit Strategy Memorandum had not significantly changed compared to those of previous years. Most of the associated work had been undertaken in June and July 2022, and the Service was likely to sign off its accounts earlier than many other organisations. The Memorandum focussed on the same three key risks as it had in the previous year, all of which were standard risks for fire and rescue services. Mazars had expressed no concerns around value for money and the audit process would take into account the outcomes of the Service's recent inspection by HMICFRS when the report was published in summer 2022. Mazars expected no changes to the currently agreed fees, and no changes to the Service's materiality.

Resolved - That the External Audit Strategy Memorandum be received.

96/22 MANAGEMENT ACCOUNTS PERIOD ENDING 30 JUNE 2022 - The Executive Director of Finance/Section 151 Officer submitted a report summarising the management accounts for the period ending 30 June 2022.

The Service estimated the following outturn position for the current financial year:

CATEGORY	2022/23 OUTTURN PROJECTION
HFA	
Revenue Budget	£0.285m underspend
Capital Programme	On budget against £7.292m allocation
Pensions Account	£12.750m deficit

Resolved - That management accounts for the period ending 30 June 2022 be received.

97/22 TREASURY MANAGEMENT ANNUAL REPORT 2021/22 - The Executive Director of Finance/Section 151 Officer submitted a report summarising the Treasury Management Annual Report 2021/22.

The investment income in 2021/22 was summarised as follows:

Interest Earned 2021/22	Rate of return 2021/22	Benchmark return 2021/22*	Difference (+ favourable)
£15,870	0.18%	0.14%	0.04%

The Service's performance in relation to prudential indicators was summarised in Appendix 1 to the report. The rate of return on the Authority's investments in 2021/22 had been lower than originally budgeted for due to lower interest rates than anticipated. No short-term borrowing was undertaken within the course of 2021/22, however, taking advantage of lower interest rates, the Service had secured a favourable rate of long-term borrowing. Generally, the Service benefitted from a good cash flow and a limited debt pressures.

Resolved - That the report be received.

98/22 DRAFT ANNUAL STATEMENT OF ASSURANCE 2021/22 - The Deputy Chief Fire Officer/Executive Director of Corporate Services submitted a report summarising the draft Annual Statement of Assurance 2021/22.

The Fire and Rescue National Framework for England (Revised 2018) set 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. The Statement provided assurance around finance, governance and operational matters. The Statement had been considered by the Governance, Audit and Scrutiny Committee at its meeting held on 4 July 2022.

Resolved - That the Annual Statement of Assurance 2021/22 be approved.

99/22 CUSTOMER SERVICE EXCELLENCE STANDARD 2022 - The Deputy Chief Fire Officer/Executive Director of Corporate Services submitted a report detailing the Service's achievement of the Customer Service Excellence Standard for 2022.

The Service had once again achieved the Customer Service Excellence Standard, a certification it had held since 2009. The Service had been assessed as having seven areas of good practice and four of 'compliance plus'.

Resolved - (a) That the report be received;

(b) that the Service's staff be congratulated for their hard work in achieving the Customer Service Excellence Standard.

100/22 REDUCTION OF UNWANTED FIRE SIGNALS - The Assistant Chief Fire Officer submitted a report detailing how the Service had addressed unwanted fire signals.

In April 2019, the Authority had approved the Unwanted Fire Signals Reduction Policy and, on 1 October 2019, the Service had released a position statement to clarify how it would implement it. The approach detailed in the policy had resulted in a 25 percent decrease in unwanted fire signals, from 1,402 in 2018/19 to 1,045 in 2021/22. The capacity released by the reduction of unwanted fire signals had enabled the Service to undertake significantly more prevention and protection activities. While, in 2018/19, operational crews had undertaken 6,453 prevention activities, this had risen to more than 15,000 in 2021/22. It was proposed that, at the Member Day due to be held on 9 September 2022, the Authority consider options to further reduce false alarms from commercial premises by reviewing the non-attendance aspect of the position statement.

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

(b) that, at the Member Day due to be held on 9 September 2022, the Authority consider options to further reduce false alarms from commercial premises by reviewing the non-attendance aspect of the position statement.

101/22 FIRE STANDARDS SUMMARY REPORT - The Deputy Chief Fire Officer/Executive Director of Corporate Services submitted a report detailing how the Service had implemented the Fire Standards.

Fire Standards were expected to be a feature of Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspection programme in future years. At the time of the meeting, 11 Standards had been issued, and others were subject to consultation. In total, 23 Standards were expected to be published as a result of HMICFRS recommendations in 2019 to standardise aspects of fire and rescue services' practice. The Standards sought to act as a key component of continuous improvement within the sector and to provide a common standard of service. The Fire Standards Board published a toolkit with each Standard to support their implementation and subsequent reporting. While no compulsory or recommended timescale had been issued for the adoption of the Standards, compliance was expected to be managed through each Fire and Rescue Service (FRS). The Authority delegated responsibility for maintaining compliance with Standards to the relevant directorates.

Resolved - That the report be received.

102/22 REFORMING OUR FIRE AND RESCUE SERVICE - WHITE PAPER HFA CONSULTATION RESPONSE - The Deputy Chief Fire Officer/Executive Director of Corporate Services submitted a report summarising the Authority's response to the Government's consultation on its white paper entitled, Reforming our Fire and Rescue Service.

On 18 May 2022, the Government had published a draft white paper for public consultation, seeking views on a wide range of issues and proposals associated with the reforming of fire and rescue services in England. The Authority had considered its response to the consultation at a Member Day held on 8 July 2022.

Resolved - That the Authority's response to the Government's consultation on its white paper entitled, Reforming our Fire and Rescue Service be approved and submitted.

103/21 REFORMING OUR FIRE AND RESCUE SERVICE WHITE PAPER AND CONSULTATION - The Deputy Chief Fire Officer/Executive Director of Corporate Services submitted a report summarising the Government's white paper and consultation in relation to fire and rescue services.

On 18 May, the Secretary of State for the Home Department (Home Secretary) published a white paper and consultation outlining a package of proposed reforms for fire and rescue services. The Government was seeking views on the proposals within the white paper, via formal thematic consultation questions. The consultation exercise would be live for ten-weeks from 18 May 2022 to 26 July 2022 and the questions had been reproduced at Appendix 1 to the report.

Resolved - That a draft response to the white paper and consultation be submitted for consideration to the Authority's meeting due to be held on 22 July 2022.

104/21 HMICFRS UPDATE - The Deputy Chief Fire Officer/Executive Director of Corporate Services provided a verbal update on the progress of the HMICFRS inspection report.

The report of HMICFRS's recent inspection of the Service was due to be published on 27 July 2022.

Resolved - That the update be received.

105/21 CHIEF FIRE OFFICER UPDATE - The Deputy Chief Fire Officer/Executive Director of Corporate Services provided a verbal update.

The Deputy Chief Fire Officer/Executive Director of Corporate Services offered his thanks to the Service's staff for their diligent work during the recent extreme weather events. On 18 and 19 July 2022 alone, the Service had responded to 640 calls, including 321 fires in the open, 91 secondary fires and 18 primary fires.

Resolved - (a) That the update be received;

(b) that the Service's staff be thanked and congratulated for their diligent work under trialling circumstances during the recent extreme weather events, and

(c) that the Authority consider the impact of climate change on fire fighting at a future Member day.

HUMBERSIDE FIRE AUTHORITY
GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE

5 SEPTEMBER 2022

PRESENT: Independent Co-opted Members James Doyle (Chair) Chris Brown (remote), Kathryn Lavery, and Gerry Wareham.

Phil Shillito – Deputy Chief Fire Officer/Executive Director of Corporate Services, Jon Henderson – Director of Prevention and Protection, Steve Topham – Director of Emergency Response, Jamie Morris – Senior Service Improvement Officer, Nick King – Monitoring Officer/Secretary, Sam Campbell - Committee Manager, and Rob Close – Committee Manager were also present. Ross Woodley - External Auditor (Mazars) attended remotely.

The meeting was held at the Humberside Fire and Rescue Service Headquarters, Kingston upon Hull. The meeting commenced at 10.00 a.m.

PROCEDURAL

61/22 APOLOGIES FOR ABSENCE – Apologies for absence were received from Pam Jackson.

62/22 DECLARATIONS OF INTEREST – There were no declarations of interest.

63/22 MINUTES – *Resolved* – That the minutes of the meeting of the Committee held on 4 July 2022 be confirmed as a correct record as amended.

64/22 MATTERS ARISING FROM THE MINUTES, OTHER THAN ON THE AGENDA – There were no matters arising.

GOVERNANCE

65/22 UPDATE: MATTERS ARISING/FEEDBACK FROM FIRE AUTHORITY – The Monitoring Officer/Secretary provided feedback on items considered by the Fire Authority at its meetings of 22 July 2022.

Resolved - That the update be received.

AUDIT

66/22 EXTERNAL AUDIT COMPLETION REPORT - Ross Woodley (Mazars) presented a report updating the Committee on progress in relation to the external audit process.

The external audit was substantially completed and there appeared to be no matters that may affect the final audit opinion. Assurances were still outstanding from the pension fund auditor to allow for the significant risk resulting from the defined benefit pension liability valuation to be addressed. These assurances were however, expected to be received in advance of the deadline. Moreover, the billing authorities' 2021/22 accounts were now available so the external auditors could assess that the accuracy of the estimates used by the Authority remained appropriate. No significant weaknesses to internal control or value for money were identified during the 2021/22 audit. A misstatement value of £263,000 was identified and would be corrected at the next valuation.

Resolved - That the report be received.

67/22 Internal Audit Update - The Sub-Committee received a report of the internal auditors, TIAA.

Resolved - That the report be received

FINANCE AND PERFORMANCE

68/22 HMICFRS UPDATE - The Senior Service Improvement Officer delivered a verbal update advising the Committee on the December HMICFRS inspection prior to it being formally received at the Humberside Fire Authority. The Authority received a Good rating over the three pillars and increased four Requires Improvement ratings to Good, resulting in a universal Good rating throughout the sub-categories.

In response to a question seeking clarity on the higher than England average Firefighter cost per person, the Committee were advised there were a number of factors that may impact the cost per person including being a largely rural and coastal authority.

Resolved - That the updated be noted.

SCRUTINY PROGRAMME

69/22 GAS COMMITTEE SCRUTINY PROGRAMME 2022/23 - The Committee Manager submitted a report summarising the Committee's Scrutiny Programme 2022/23.

Under officers' advice, the Committee moved to defer the item titled 'Emergency Response Business Continuity' to be programmed for a future meeting stressing that they were keen for it to be scrutinised.

Resolved - That the item titled 'Emergency Response Business Continuity' be deferred with a view to consider it at a later date.

Audit Completion Report

Humberside Fire Authority Year ended 31
March 2022

August 2022



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- 02 Status of the audit
- 03 Audit approach
- 04 Significant findings
- 05 Internal control recommendations
- 06 Summary of misstatements
- 07 Value for Money

Appendix A: Draft management representation letter

Appendix B: Draft audit report

Appendix C: Independence

Appendix D: Other communications

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.



Humberside Fire Authority and Governance, Audit and Scrutiny Committee

Humberside Fire and Rescue Service Headquarters

Summergroves Way

Hull HU4 7BB

22 August 2022

Mazars LLP

The Corner

Bank Chambers

26 Mosley Street

Newcastle Upon Tyne

NE1 1DF

Dear Members

Audit Completion Report – Year ended 31 March 2022

We are pleased to present our Audit Completion Report for the year ended 31 March 2022. 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 7 March 2022. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks remain appropriate.

We would like to express our thanks for the assistance of your team during our audit.

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

Yours faithfully

Garvin Barker

Mazars LLP

Mazars LLP –The Corner

Bank Chambers

26 Mosley Street

Newcastle Upon Tyne

NE1 1DF

Tel: 0191 3636300 – www.mazars.co.uk

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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

01

Section 01:

Executive summary

1. Executive summary

Principal conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2021/22 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 on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include:

- Management override of controls;
- Property, plant and equipment valuation (now more tightly defined as the valuation of land and buildings); and
- Defined benefit pension liability valuation.

Misstatements and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements; unadjusted misstatements total £263,000 but have no impact on useable reserves. Section 7 outlines our work on the Authority’s arrangements to achieve economy, efficiency and effectiveness in its use of resources.

Status and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2022. At the time of preparing this report, significant matters remaining outstanding as outlined in section 2. We will provide an update to you in relation to the significant matters outstanding through issuance of a follow up letter.

Subject to the satisfactory conclusion of the remaining audit work, we have the following conclusions:



Audit opinion

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

We anticipate having no significant weaknesses in arrangements to report in relation to the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources. Further detail on our Value for Money work is provided in section 7 of this report.



Whole of Government Accounts (WGA)

We have not yet received group instructions from the National Audit Office (NAO) in respect of our work on the Authority’s 2021-22 WGA submission. We are unable to commence our work in this area until such instructions have been received. We have only just received group instructions in respect of 2020-21 and are still seeking notification from NAO of authorities that have been sampled for further procedures.



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. No questions or objections were received in respect of the Authority’s 2021-22 accounts.









02


Section 02:


Status of the audit


2. Status of the audit

Our work is substantially complete and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the outstanding matters detailed below.

Audit area	Status	Description of the outstanding matters
Pensions		We are awaiting assurance from the pension fund auditor. The pension fund audit is still in progress, which means that we are unable to conclude our work to address the significant risk in respect of the defined benefit pension liability valuation at this stage. We are expecting to receive the necessary assurance in time to give our opinion by 30 November 2022.
Movement in Reserves Statement (MIRS) and supporting notes		The pensions entries have a material impact on the MIRS and supporting notes so we have planned our audit of this area to follow the above work on pensions.
Collection Fund debtors and creditors		The Authority prepared its accounts earlier than the accounts of the four billing authorities and thus had to use estimates for collection fund debtors and creditors. Now that the billing authorities have provided 2021-22 accounts for audit we are seeking confirmation from their auditors that the estimates used by the Authority remain appropriate.
IT General controls		We are awaiting some evidence from the Authority to allow us to complete our testing of the design and implementation of IT general controls.
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 as it did in 2020-21.
Closing Procedures		Review and closure processes, including final consideration of post balance sheet events

 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.

03

Section 03: **Audit approach**

3. Audit approach

Changes to our audit approach

We provided details of our intended audit approach in our Audit Strategy Memorandum in March 2022. We have not made any changes to our audit approach since we presented our Audit Strategy Memorandum.

Materiality

Our provisional materiality at the planning stage of the audit was set at £1.45m using a benchmark of 2% of gross operating expenditure. Our final assessment of materiality, based on the final financial statements, is £1.44m using the same benchmark.

Use of experts

Management makes use of experts in specific areas when preparing the Authority's financial statements. We have used available third-party information to challenge the key valuation assumptions. Furthermore, no changes have been made to the planned approach as outlined in the Audit Strategy Memorandum.

Items of account	Management's expert	Our expert
Property valuations	Clark Weightman	
Defined benefit pension liability	Government Actuary's Department (FFPS) and Hymans Robertson (LGPS).	NAO's Consulting Actuary (PWC)
Financial instruments	Link Asset Services	

Service organisations

The table below summarises the service organisations used by the Authority and our planned audit approach.

Items of account	Service organisation	Audit approach
Processing the payroll system underpinning expenditure figures and remuneration disclosures within the financial statements.	East Riding of Yorkshire Council	We are also the auditor of the Council and have direct access to accounting records and staff. Accordingly, we can substantively test the financial statements in the same way as if the Authority did not rely on a service organisation. We reviewed and documented the controls in place for production of the financial statements and also within the material financial information systems.
Processing the treasury management system underpinning loans and investment figures and financial instrument disclosures within the financial statements.	Hull City Council	We are also the auditor of the Council and have direct access to accounting records and staff. Accordingly, we can substantively test the financial statements in the same way as if the Authority did not rely on a service organisation. We reviewed and documented the controls in place for production of the financial statements and also within the material financial information systems.



04

Section 04: **Significant findings**

4. Significant findings

- In this section we outline the significant findings from our audit. These findings include:
- our audit conclusions regarding the significant risks 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 13 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

Management	Description of the risk
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.
How we addressed this risk	
We addressed this risk through performing audit work over:	
<ul style="list-style-type: none">• Accounting estimates impacting 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.	
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.	

4. Significant findings

Valuation of land and buildings	Description of the risk
	<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 land and buildings. 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 land and buildings due to the significant judgements and number of variables involved in providing revaluations. In addition, the Authority have engaged a new valuer in 2021/22 and there are frequently significant revaluation movements in the year that an Authority changes its' valuer. We have therefore identified the valuation of land and buildings 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 land and building values are reasonable and we used data on valuation trends and relevant indices 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 their calculations. We used indices provided by NAO's valuation expert (Gerald Eve) to consider the reasonableness of the revaluation movement for each asset. We tested the revaluations in year to valuation reports and supporting calculation sheets and ensured that the calculations were correct and source data agreed with floor plans and indices. This included testing the calculation of the prior period adjustment relating to incorrect floor areas used by the previous valuer.</p>
	<p>Audit conclusion</p> <p>We have not identified any material issues to bring to your attention. Two calculation errors were identified in respect of professional fees. There was a partially offsetting error in respect of the prior period adjustment. The posting of revaluation movements between the revaluation reserve and net cost of services was also incorrect. These misstatements are disclosed as unadjusted misstatements on page 19.</p>

Valuation of Net Defined Benefit Pension Liability	Description of the risk
	<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. This results in an increased risk of material misstatement.</p>
	<p>How we addressed this risk</p> <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 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 an 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 considered the adequacy of disclosures in the financial statements.</p> <p>We have also sought assurance from the ongoing audit of East Riding Pension Fund, which is expected to be received before 30 November 2022.</p>
	<p>Audit conclusion</p> <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>

4. Significant findings

Qualitative aspects of the Authority’s accounting practices

We have reviewed the Authority’s accounting policies and disclosures and concluded they comply with the 2021/22 Code of Practice on Local Authority Accounting, 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 20 June 2022 and were of a 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.



4. Significant findings

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 2021/22 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. No such objections have been raised with us.



05

Section 05:

Internal control recommendations

5. Internal control recommendations

The purpose of our audit was 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 in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control or 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.

During 2021-22 we did not identify any significant weaknesses in internal control. Therefore, we have not made any internal control recommendations.

In 2020-21 we made two recommendations to improve IT controls. As stated on page 7 our 2021-22 testing of IT controls is ongoing at the time of drafting this report and we will report any significant weaknesses identified in a follow up letter. However, we have followed up the two 2020-21 recommendations on the next page.



5. Internal control recommendations

Follow up on previous internal control points

Description of deficiency

During the pandemic the Authority has not tested its disaster recovery plan and ability to restore its general ledger. The last such test was performed in February 2020.

Potential effects

There is a risk of data loss or delays in producing financial information and implementing key financial controls if the disaster recovery plan, including the restoration of its general ledger is not regularly tested.

Recommendation

The Authority should resume annual testing of its disaster recovery plan and restoration of its general ledger in 2021/22.

2021/22 update

The Authority experienced a cyber-attack in May 2022 and had to exercise its disaster recovery plan to restore its general ledger. The Authority was able to restore the ledger and recover critical data sufficiently to provide comprehensive accounts and working papers for audit by the planned audit start date of 20 June 2022. This experience illustrates the importance of annual testing of the disaster recovery plan.

Description of deficiency

When staff transfer between departments the Authority does not have a formal system for assessing whether or not their access rights to the general ledger need to be reviewed.

Potential effects

Due to the low number of authorised users of the general ledger it is probable that any inappropriate access would be identified when an employee’s role changes. However, there is a low risk that an employee might initiate or authorise a transaction that is inappropriate following their change in role.

Recommendation

The Authority should consider whether the payroll mover process should include an additional check to ensure access rights to the general ledger remain appropriate.

2021/22 update

The Authority formally considered in 2021/22 if a process is required to keep track of staff moving between roles and their access rights taking into account the time taken to implement such checks relative to the risk of inappropriate access. Given that there are only 10 staff that have access to the general ledger, other than for requisitioning, the introduction of a process for tracking movers was not considered a priority. Our 2021-22 testing of staff moving between roles did not identify any weaknesses.

06

Section 06:

Summary of misstatements

6. Summary of misstatements

This section outlines the misstatements identified during the course of the audit, above the trivial threshold for adjustment of £43,000. 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.

		Comprehensive Income and Expenditure Statement		Balance Sheet	
Unadjusted misstatements		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Property, plant and equipment			502	
	Cr: Revaluation Reserve				502
Valuer calculation errors regarding professional fees at two fire stations. In one case fees were deducted rather than added and in the other there was no allowance for professional fees.					
2	Dr: Capital Adjustment Account			272	
	Cr: :Property, Plant and Equipment				239
	Cr: Revaluation Reserve				33
Being an error in calculating and posting the prior period adjustment.					
3	Dr: Revaluation Reserve			466	
	Cr: Capital Adjustment Account				466
Being an error in posting the revaluation adjustments to reserves.					
Total unadjusted misstatements: Property, Plant and Equipment Revaluation Reserve Capital Adjustment Account				263	69 194



6. Summary of misstatements

Adjusted misstatements

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Creditors			896	
	Cr: Debtors				896
Collection Fund figures from 2020-21 were reversed incorrectly and so figures included within the balances in the 2021-22 accounts were incorrect.					
Total adjusted misstatements				896	896

6. Summary of misstatements

Disclosure amendments

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

- Note 1 (accounting policies) initially indicated that material estimation uncertainty was wider than was recorded at Note 3;
- Note 7 (borrowings) initially did not add up because a row in respect of one loan (£256,000) was hidden;
- Note 9 (financial instruments) initially understated 2020-21 debtors by £50,000; and
- Note 15 (prior period adjustment) was not specific enough initially to understand the need to restate the 2020-21 accounts.



07

Section 07: **Value for Money**

7. Value for Money

Approach to Value for Money

We are required to consider 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 and sets out the reporting criteria that we are required to consider. The reporting criteria are:

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

At the planning stage of the audit, we undertake work to understand the arrangements the Authority has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

We have not identified any risks of significant weaknesses in arrangements to date.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report.

The primary output of our work on the Authority's arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. We intend to issue the Auditor's Annual Report later in 2022.

Status of our work

We are yet to complete our work in respect of the Authority's arrangements for the year ended 31 March 2022. At the time of preparing this report, we have not identified any significant weaknesses in arrangements that require us to make a recommendation, however we continue to undertake work on the Authority's arrangements.

Our draft audit report at Appendix B outlines that we have not yet completed our work in relation to the Authority's arrangements. As noted above, our commentary on the Authority's arrangements will be provided in the Auditor's Annual Report.



Appendices

A: Draft management representation letter

B: Draft audit report

C: Independence

D: Other communications

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
The Corner
Bank Chambers
26 Mosley Street
Newcastle Upon Tyne
NE1 1DF

Date: November 2022

Humberside Fire Authority - audit for year ended 31 March 2022

This representation letter is provided in connection with your audit of the financial statements of Humberside Fire Authority for the year ended 31 March 2022 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 2020/21 (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;



Appendix A: Draft management representation letter

- 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.

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.



Appendix A: Draft management representation letter

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.

Executive summary	Status of audit	Audit approach	Significant findings	Internal control recommendations	Summary of misstatements	Value for Money	Appendices
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Appendix A: Draft management representation letter

Going concern

I confirm that I have carried out an assessment of the potential impact of the war in Ukraine on the Authority, including the impact on inflation 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 there are three unadjusted misstatements above the reporting threshold of £43,000. All three relate to accounting for the revaluation of land and buildings and do not have any impact on the usable reserves at 31 March 2022. Individually and in aggregate they represent a small proportion of the value of land and buildings on the balance sheet and will be corrected at the next valuation. Accordingly, I do not believe adjustment is necessary.

Yours sincerely

Executive Director of Corporate Services

Date.....



Appendix B: Draft audit report

Independent auditor’s report to the members of Humberside Fire Authority

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Humberside Fire Authority for the year ended 31 March 2022, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Firefighter’s 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 2021/22.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31st March 2022 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 2021/22.

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

In auditing the financial statements, we have concluded that the Executive Director of Corporate Services’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Executive Director of Corporate Services with respect to going concern are described in the relevant sections of this report.

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



Appendix B: Draft audit report (continued)

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 the Executive Director of Corporate Service’s 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 2021/22, 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.

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 2021/22 and prepare the financial statements on a going concern basis on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future. 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Council, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015, and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Executive Director of Corporate Service’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Governance and Audit Scrutiny Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Authority which were contrary to applicable laws and regulations, including fraud.



Appendix B: Draft audit report (continued)

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Governance and Audit Scrutiny Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Governance and Audit Scrutiny Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Executive Director of Corporate Service’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in September 2021.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Report on the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We have not completed our work on the Authority’s arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in December 2021, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2022.

We will report the outcome of our work on the Authority’s arrangements in our commentary on those arrangements within the Auditor’s Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

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.

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. 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. We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021.



Appendix B: Draft audit report (continued)

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.

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.

Delay in certification of completion of the audit

We cannot 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; and
- the work necessary to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

[Signature]

Gavin Barker Key Audit Partner
For and on behalf of Mazars LLP

The Corner
Bank Chambers
26 Mosley Street
Newcastle Upon Tyne
NE1 1DF
November 2022



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.



Appendix D: Other communications

Other communication	Response
Compliance with Laws and Regulations	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations.</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
External confirmations	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
Related parties	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ul style="list-style-type: none">a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; andb. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
Going Concern	<p>We have not identified any evidence to cause us to disagree with the Executive Director of Corporate Services that Humberside Fire Authority will be a going concern, and therefore we consider that the use of the going concern assumption is appropriate in the preparation of the financial statements.</p> <p>We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.</p>

Appendix D: Other communications

Other communication	Response
Subsequent events	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor’s report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
Matters related to fraud	<p>We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition to the work performed by us, we will obtain written representations from management, and the Authority confirming that</p> <ol style="list-style-type: none"> they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; they have disclosed to the auditor the results of management’s assessment of the risk that the financial statements may be materially misstated as a result of fraud; they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: <ol style="list-style-type: none"> Management; Employees who have significant roles in internal control; or Others where the fraud could have a material effect on the financial statements; and they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity’s financial statements communicated by employees, former employees, analysts, regulators or others.

Gavin Barker, Director and Engagement Lead

gavin.barker@mazars.co.uk

Mazars

The Corner
Bank Chambers
26 Mosley Street
Newcastle Upon Tyne
NE1 1DF

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws.



Internal Audit

FINAL

Humberside Fire and Rescue Service

Summary Internal Controls Assurance (SICA) Report

2022/23

August 2022



Summary Internal Controls Assurance

Introduction

1. This summary controls assurance report provides the Governance, Audit and Scrutiny Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Humberside Fire and Rescue Service as at 23rd August 2022.

Emerging Governance, Risk and Internal Control Related Issues

2. According to the United Nations (UN) World Commission on Environment and Development, environmental sustainability is about acting in a way that ensures future generations have the natural resources available to live an equal, if not better, way of life as the current generations.

The world is now looking towards a vital global goal: net-zero. According to climate science it is essential that we meet this target by 2050 if we are to give ourselves a chance of limiting global warming and avoiding the most catastrophic impacts of climate change. The UK's Climate Change Act 2008 sets the framework for how the UK will manage and respond to the threat of climate change. Under the Act, the UK must reduce total GHG emissions by at least 78% below 1990 levels by 2035 and reach net zero by 2050.

Since 1st October 2013 the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has required all UK quoted companies to report on their greenhouse gas emissions as part of their annual Directors' Report. Increasingly, organisations are seeking information from their suppliers on greenhouse gas emissions, and as a result, many small businesses will be expected to measure and report on their emissions.



At TIAA, we have been taking this seriously for a number of years and are proud to have been accredited to the Green Dragon Environmental Certification since 2012, achieving Standard 3 in February 2022. Through our accreditation with Green Dragon, we understand our baseline emissions, set annual targets in order to reduce our impact and are focussed on implementing our most straight forward carbon reduction opportunities in the near future, before tackling longer term, more complex issues that may require cooperative working with other organisations.

Audits completed since the last SICA report to the Audit Committee

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

Audits completed since previous SICA report								
Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
None completed								

4. Due to issues at the Service caused by the cyber-attack incident, all audits planned to commence in quarter 1 were deferred. Therefore no audit reports have been issued during 2022/23. The audit programme re-commenced in August 2022.

Progress against the 2022/23 Annual Plan

5. Our progress against the Annual Plan for 2022/23 is set out in Appendix A.

Changes to the Annual Plan 2022/23

6. There has been one change to the plan. This relates to a review of Equality Impact Assessments replacing the audit of Fire Service Rotas.

Progress in actioning priority 1 & 2 recommendations

7. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA.

Frauds/Irregularities

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

Responsibility/Disclaimer

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

Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Equality Impact Assessments	2	Commenced 22/08/2022	Replaced Fire Service Rotas
GDPR	2	Proposed 26/09/2022	
FireWatch	2	To commence 30/08/2022	
Quality Assurance – Prevention and Protection	2	To commence 05/09/2022	
Follow up (mid-year)	2		
Community Fire Risk Management Information System (CFRMIS)	3		
ICT-Management Controls	4		
Key Financial Controls	4		
TBC following HMICFRS Inspection publication - 2	3/4		
TBC following HMICFRS Inspection publication - 3	3/4		
Follow up (year-end)	4		





KEY:






	To be commenced		Site work commenced		Draft report issued		Final report issued
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Briefings on developments in Governance, Risk and Control

TIAA produces regular briefing notes to summarise new developments in Governance, Risk, and Control which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs and issued in the last three months which may be of relevance to Humberside Fire and Rescue Service is given below. Copies of any CBNs are available on request from your local TIAA team.

Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
CBN - 22002	Employing Someone from Outside the UK		For information only
CBN - 22003	Transforming Public Procurement: Government Response to Consultation		For information only
CBN - 22006	HMRC Review into VAT Charges on EVs		Action Required Not Urgent Organisations are advised to ensure that the appropriate HMRC compliant arrangements are in place
CBN - 22007	Amazon and VISA Settle Dispute		Potential Urgent Action Required Following on from the previous related CBN in January 2022, clients are advised to establish what internal process changes were made as a result of the previous announcements and consider whether there is merit in continuing to use Visa credit cards

CBN Ref	Subject	Status	TIAA Comments
CBN - 22010	Increased Cyber Security Risks		Action Required - Urgent Organisations are advised to review their key operational Cybersecurity arrangements and take appropriate remedial action.
CBN - 22019	Internal Audit: Untapped Potential		Action Required: Audit Committees and Boards / Governing Bodies are advised to note the report
CBN - 22023	UK Government reveals new Data Protection rules		Action Required: For Information Only Audit Committees and Boards / Governing Bodies are advised to familiarise themselves with the response document in line with current Data Protection practices
CBN - 22024	ICO sets out revised approach to Public Sector enforcement		Action Required: For Information Only Audit Committees and Boards / Governing Bodies are advised to note this information
CBN - 22026	Rise in Environmental, Social and Governance and supply chain fraud		For Information Only: Audit Committees and Boards / Governing Bodies are advised to note the outcome of the survey.



HUMBERSIDE
Fire & Rescue Service

Humberside Fire Authority Annual Accounts 2021/22

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

Introduction

The Statement of Accounts summarises the financial performance of the Authority for year ended 31 March 2022. These accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

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

Organisational Summary

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

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

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

The Humberside region

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

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

Service Statistics

- Number of fire stations: 31
- Number of fire engines: 46 frontline and 10 reserve
- Number of specialist emergency response vehicles: 27
- Number of Co-Responding and Falls vehicles: 18
- Number of staff: 1041

Structure and Fire Station Locations

HFRS operates under a Service delivery structure with 4 districts, divided by the physical boundary of the Humber Estuary and river into North (Hull and East Riding) and South (North Lincolnshire and North East Lincolnshire). The respective Service delivery teams have the responsibility for all operational and safety matters in their area.



Integrated Risk Management Plan (IRMP) and Strategic Plan

Each fire and rescue authority must produce an IRMP, which is available to the public. The plan must reflect the following information:

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

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

[Click here](#) to view the Services IRMP and Strategic Plans.

The work of HFRS

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

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

HFRS's emergency medical response teams are trained to respond immediately to life threatening calls received by the ambulance service, providing first responder intervention and increasing the chances of survival. In partnership with other agencies in the Hull area HFRS 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 while increasing and reducing the impact of less urgent calls on frontline services for both the health service and HFRS.

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

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

Response Standards

HFRS response standards tell how quickly we aim to have a fire engine in attendance at an incident. They are based on (Domestic) Risk Areas, assessed as High, Medium, or Low. To enable us to assess the dwelling risk within our communities, our area is divided into 41 groupings of around 20000 residents. We call these 'Risk Regions' with 41 identified in our Service area, varying in geographical size. The dwelling risk rating is based upon the casualty and fatality rate per head of population within each risk region.

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

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

The performance target for the **first engine** in attendance, is to accomplish the response standards on a least 90% of occasions. In 2021/22 the first engine exceeded these standards achieving 98% on all occasions.

The performance target for the **second engine** in attendance, is to accomplish the response standards on a least 80% of occasions. In 2021/22 the second engine exceeded these standards achieving 89% on all occasions.

Optimum Crewing Model (OCM)

The OCM is developed to ensure the right number of Fulltime and On-Call staff, with the right skills, are available at all times. The OCM is informed and calculated against Service response standards, with the resulting availability percentages required as follows:

- 100% Full-Time
- 95% On-Call (First Engine)
- 80% On-Call (Second Fire Engine).

Service Performance Summary 2021/22

Service Performance Indicator (SPI)	Service Target	Actual Performance
SPI 1 Total Fatalities	Aspirational Zero	2 (<i>Accidental Dwelling Fires</i>)
SPI 1.1 Total Casualties	Aspirational Zero	21 (<i>Fire related incidents</i>)

The proceeding data is a breakdown of the total number of key incidents across 2021/22. Where appropriate Service Performance Indicators (SPI) are performance managed against calculated thresholds to define the range between high and low performance values for each of the different incidents. Thresholds enable the Service to analyse trends more accurately and less reactionary, enabling the deployment of resources and / or intervention activities more effectively.

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

SPI	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	Total
SPI 2.2 Total Deliberate Fires	39	39	24	25	45	60	49	28	33	28	21	30	421
SPI 2.3 Accidental Dwelling Fires	42	31	28	28	36	29	29	43	25	37	36	31	395
SPI 2.4 Deliberate Secondary Fires	337	142	171	119	185	237	208	260	79	133	120	177	2168
SPI 2.5b False Alarm Non Domestic	62	72	85	100	123	116	98	108	95	85	63	84	1091

[Click here](#) to view further performance reports

The Authority's Accounts for the year 2021/22 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 Finance/S.151 Officer for the Accounts. This statement is signed and dated by the Executive Director of Finance/S.151 Officer under a statement that the Accounts give a True and Fair View of the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2022.

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.

2021/22 Financial Year

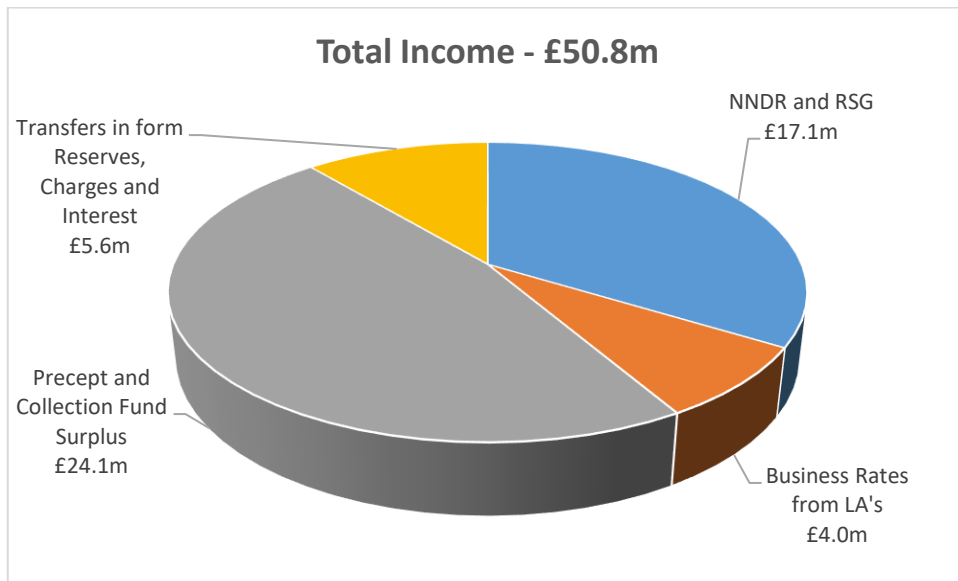
Since 2011/12 the Authority has suffered a circa 40% reduction in external funding which equates to approximately £11.5m.

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 2021/22 financial year has seen the Authority deliver an underspend which signifies good financial management given increased cost pressures in relation to annual pay awards and general inflationary increases in relation to commodities such as gas, electricity and fuel.

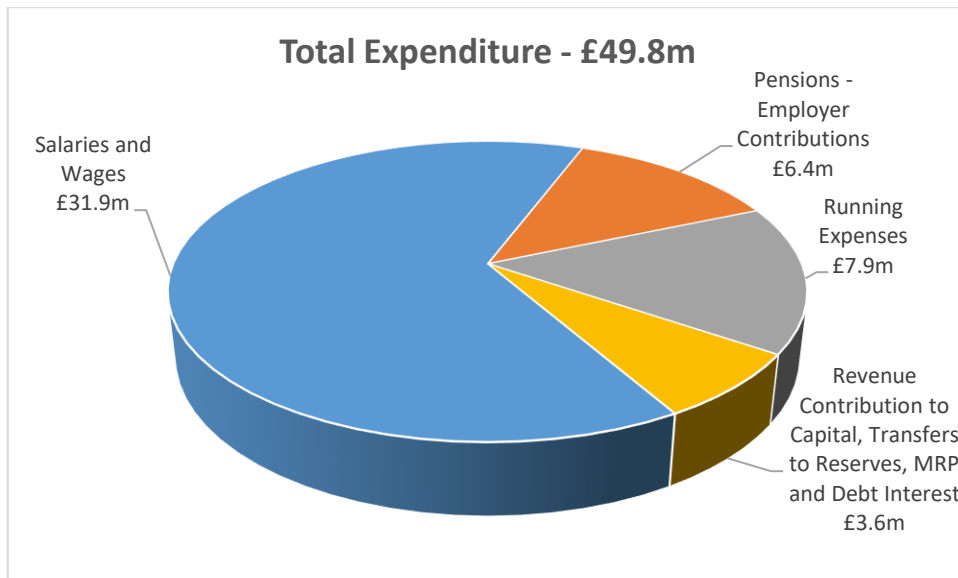
The Authority's position over the medium-term is sound, but will be kept under continuous review particularly with regard to any cost pressures arising and also pay awards that may be agreed over the next 2 to 3 years against a backdrop of tight financial settlements from the Government.

Income



In 2021/22, 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 2021/22 was £24.15m (2020/21 was £23.82m) which equated to a Council Tax Band D Equivalent of £88.35 (2020/21 was £86.63).

Expenditure



Budget Outturn Position

Income of £50.834m was received by the Authority of which £49.843m was incurred on expenditure during 2021/22 leaving a surplus of £0.991m (appendix 1 shows how this reconciles with the Movement in Reserves Statement and the Expenditure and Funding Analysis in note 2).

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

Non Pay Variances

During 2021/22, the overall variance across all non-pay budgets was an underspend of £593k. This was primarily due to lower ICT costs due to investment in the WAN in previous years, lower business rate charges, lower spend on travel costs and fuel.

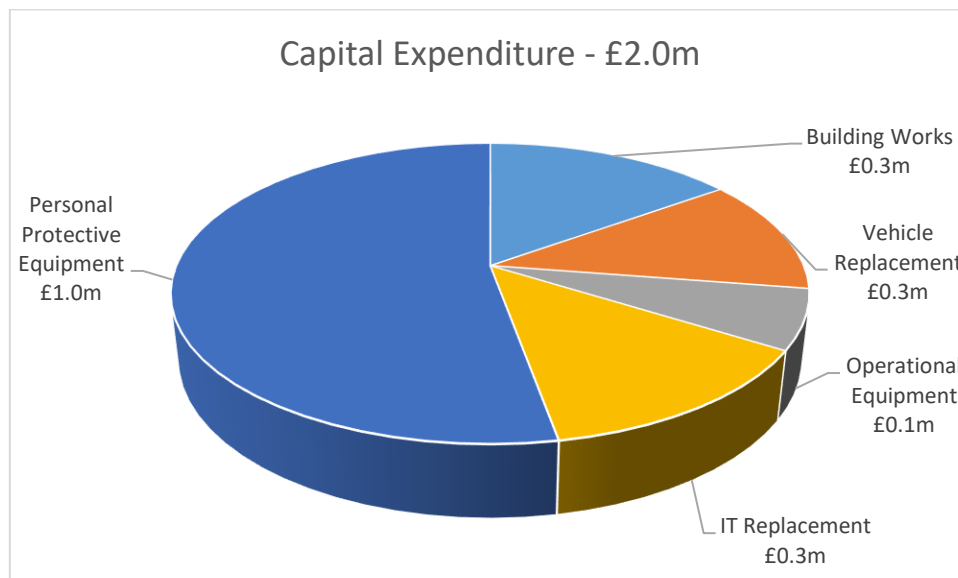
In addition to this there was additional spend of £742k in relation to contribution to capital outlay, additional transfer to reserves of unused grant as at 31st March 2022 and additional interest charges.

Income

During 2021/22 the Authority received £1,143k additional income relating mainly to additional Government grants, staff secondments, funding of the Road Safety team and additional aerial rental income received.

Capital Expenditure

During 2021/22 £2.0m was invested in capital projects against a budget of £7.1m due to a number of schemes not starting during the year. These projects include various building works across the estate, replacement programmes for vehicles, operational equipment and IT replacement. (A more detailed breakdown is provided in Appendix 2).



Financing of Capital Expenditure

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

Humberside Fire Authority Reserves

Balances at 1 April 2021 stood at £13.782m. £252k was transferred from Earmarked Reserves during 2021/22. £74k was transferred to the General Reserve and by adding £991k, the surplus for the year, balances at 31st March 2022 now stand at £14.594m (exclusive of the ESFM (Humberside) Ltd Reserve).

Future Spending Plans

The Authority has published a Medium-Term Resource Strategy for 2022/23 – 2025/26 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 £20.188m. The operational boundary is £28.5m and the authorised limit is £34.5m (these are part of the Authority's prudential indicators that have been previously agreed in the Authority's Treasury Management report; Fire Authority March 2022).

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 £710.764m (2020/21 was £719.022m); this is split between the Local Government Pension Scheme £9.374m (2020/21 was £15.572m) and the Firefighters' Pension Scheme £701.390m (2020/21 was £703.450m). 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 2021/22.

Significant Change in Accounting Policies

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

Material Events after 31 March

There are no material events after 31 March to disclose.

Going Concern

The savings proposals previously agreed have resulted in a balanced budget for 2022/23 and over the life of the Medium-Term Resource Strategy so the Authority will remain a Going Concern. Practice Note 10 of the Financial Reporting Councils Statement of Recommended Practice assumes that public sector organisations will remain as going concerns provided the services continue of which there is no plan to stop delivering a Fire and Rescue Service for Humberside.

Further Information

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

Further information about the accounts is available from the Finance Section, Service Headquarters, Summergroves Way, Hull, HU4 7BB. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised 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 Finance/Section 151 Officer – June 2022

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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 Finance 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 23 September 2022.

Signed	Date
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Executive Director of Finance and Section 151 Officer Responsibilities

The Executive Director of Finance and Section 151 Officer is responsible for the preparation of the Authority's Statement of Accounts which, in accordance with the *Code of Practice on Local Authority Accounting in Great Britain* (the 'Code of Practice'), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) is required to present fairly the financial position of the Authority at the accounting date, and its income and expenditure for year ended 31 March 2022.


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

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

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

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

In accordance with regulation 9(1) of the Accounts and Audit Regulations 2015, I certify that the attached Statement of Accounts presents a True and Fair View of the financial position of the Authority as at 31 March 2022 and its income and expenditure for the year

Signed 	Date 16th June 2022
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STATEMENT OF ACCOUNTS
MOVEMENTS IN RESERVES STATEMENT

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

2021/22

	Earmarked Reserves	General Fund Balance	Usable Capital Receipts Reserve	Total Usable Reserves	Pensions Reserve	Capital Adjustment Account	Revaluation Reserve	Collection Fund Adjustment Account	Accumulated Absences Account	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Note(s)	6	10			4	6	6			
Restated Balance at 31 March 2021*	7,363	6,373	-	13,737	(719,022)	20,377	8,919	443	(630)	(676,176)
Surplus or (Deficit) on Provision of Services (accounting basis)		(22,490)		(22,490)						(22,490)
Other Comprehensive Income and Expenditure				-	31,479		14,329			45,808
Total Comprehensive Income and Expenditure	-	(22,490)	-	(22,490)	31,479	-	14,329	-	-	23,318
Adjustments between Accounting Basis & Funding Basis under Regulations (Note 10)		23,706	29	23,735	(23,221)	(828)	(58)	162	210	-
Net Increase / (Decrease) before transfers to Earmarked Reserves	-	1,216	29	1,245	8,258	(828)	14,271	162	210	23,318
Transfers to / (from) Earmarked Reserves	153	(153)		-						-
Increase / (Decrease) in Year	153	1,063	29	1,245	8,258	(828)	14,271	162	210	23,318
Balance at 31 March 2022	7,516	7,438	29	14,984	(710,764)	19,549	23,190	605	(420)	(652,855)

The accompanying notes form part of these Financial Statements.

*2020/21 balances have been restated (see note 15).

MOVEMENT IN RESERVES STATEMENT

2020/21

	Earmarked Reserves £'000	General Fund Balance £'000	Total Usable Reserves £'000	Pensions Reserve £'000	Capital Adjustment Account £'000	Revaluation Reserve £'000	Collection Fund Adjustment Account £'000	Accumulated Absences Account £'000	Total Authority Reserves £'000
Note(s)	6	10		4	6	6			
Balance at 31 March 2020	5,784	5,758	11,544	(618,399)	22,482	4,909	470	-	(578,994)
Surplus or (Deficit) on Provision of Services (accounting basis)		(23,669)	(23,669)						(23,669)
Other Comprehensive Income and Expenditure			-	(78,176)		494			(77,682)
Total Comprehensive Income and Expenditure	-	(23,669)	(23,669)	(78,176)	-	494	-	-	(101,351)
Adjustments between Accounting Basis & Funding Basis under Regulations (Note 10)		25,864	25,864	(22,447)	(2,707)	(52)	(27)	(630)	-
Net Increase / (Decrease) before transfers to Earmarked Reserves	-	2,195	2,195	(100,623)	(2,707)	442	(27)	(630)	(101,351)
Transfers to / (from) Earmarked Reserves	1,579	(1,579)	-						-
Increase / (Decrease) in Year	1,579	615	2,194	(100,623)	(2,707)	442	(27)	(630)	(101,351)
Balance at 31 March 2021	7,363	6,373	13,737	(719,022)	19,775	5,351	443	(630)	(680,346)

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 2021			Year ended 31 March 2022		
£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
3,502	(576)	2,926	3,348	(446)	2,902
39,605	(668)	38,936	37,855	(675)	37,180
16,710	(846)	15,863	16,627	(1,606)	15,022
130		130	132		132
28		28	15		15
25		25			-
60,000	(2,090)	57,908	57,978	(2,726)	55,251
226	(65)	161	193	(29)	164
14,510	(12)	14,498	15,094	(16)	15,078
	(48,897)	(48,897)		(48,002)	(48,002)
		23,670			22,490
		(494)			(14,329)
		78,176			(31,479)
		77,682			(45,808)
		101,352			(23,318)

* 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.'

Restated 31 March 2021*			31 March 2022
£'000		Note(s)	£'000
50,133	Property, Plant & Equipment	5	62,928
68	Intangible Assets	5	25
50,201	Long-Term Assets		62,953
364	Inventories		406
7,000	Short-Term Investments	7	11,005
9,409	Short-Term Debtors	8	11,032
1,267	Cash and Cash Equivalents	16	149
18,040	Current Assets		22,593
(7,334)	Short-Term Creditors	8	(7,305)
(127)	Short-Term Provisions		(143)
(931)	Short-Term Borrowing	7	(1,006)
(8,392)	Current Liabilities		(8,454)
(16,069)	Long-Term Borrowing	7	(18,170)
(719,957)	Other Long-Term Liabilities	4/7	(711,777)
(736,026)	Long-Term Liabilities		(729,947)
<u>(676,176)</u>	Net Assets/(Liabilities)		<u>(652,855)</u>
13,737	Usable Reserves	6/10	14,984
(689,913)	Unusable Reserves	4/6	(667,839)
<u>(676,176)</u>	Total Reserves		<u>(652,855)</u>

The accompanying notes form part of these Financial Statements.

*2020/21 balances have been restated (see note 15).

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 2021		31 March 2022
£'000	Note(s)	£'000
(23,670) Net Surplus or (Deficit) on the Provision of Services	2	(22,490)
Adjust Net Surplus or Deficit on the Provision of Services for Non		
26,283 Cash Movements	16	26,346
Adjust for items included in the Net Surplus or Deficit on the		
(65) Provision of Services that are Investing and Financing Activities	16	(29)
2,549 Net Cash Flows from Operating Activities		3,827
(4,749) Investing Activities	16	(6,948)
3,353 Financing Activities	16	2,002
1,153 Net Increase or (Decrease) in Cash and Cash Equivalents		(1,119)
Cash and Cash Equivalents at the Beginning of the		
114 Reporting Period	16	1,267
Cash and Cash Equivalents at the End of the Reporting		
1,267 Period	16	148
1,153 Total Movement		(1,119)

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 2021/22. 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 Clark Weightman Ltd, who are contracted to provide valuation advice to the Authority. Estimates of the useful lives of property, plant and equipment are made by the relevant officers who have knowledge of such issues based on their professional judgement.

Revenue

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

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

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

Accruals of Income and Expenditure

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

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

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

Overheads and Support Services

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

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

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

Agency Income

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

Employee Benefits

Benefits Payable during Employment

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

Termination Benefits

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

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

Retirement Benefits

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

- The 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
- COVID Reserve
- Grenfell and Protection Reserve
- Uniform Replacement Programme Reserve
- East Coast & Hertfordshire Control Room Consortium Reserve
- Environmental Reserve

The Authority has three capital reserves:

- Capital Adjustment Account
- Revaluation Reserve
- Capital Receipts Reserve

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

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

Financial Assets

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

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

Loans and Receivables

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

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

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

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

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

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

Financial Liabilities

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

Foreign Currencies

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

Joint Operations

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

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

- IFRS 16 Leases

The above accounting standards have been issued but are not be adopted until 1st April 2023. 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 2021

£'000 Net Expenditure Chargeable to the General Fund	£'000 Adjustments between the funding and accounting basis	£'000 Net Expenditure in the Comprehensive Income and Expenditure Statement	
2,457	(469)	2,926	Community Fire Safety
28,179	(10,757)	38,936	Fire Fighting & Rescue Operations
14,443	(1,420)	15,863	Management and Support
130		130	Corporate and Democratic Core
28		28	Corporate Management
	(25)	25	Non Distributed Cost
45,237	(12,671)	57,908	Net Cost of Services
(45,853)	(11,615)	(34,238)	Other Income and Expenditure
(615)	(24,286)	23,670	(Surplus) or Deficit
5,758			Opening General Fund Balance
(615)			Less/Plus (Surplus) or Deficit on the General Fund in the Year
6,373			Closing General Fund Balance at 31 March

Year ended 31 March 2022

Note	£'000 Net Expenditure Chargeable to the General Fund	£'000 Adjustments between the funding and accounting basis	£'000 Net Expenditure in the Comprehensive Income and Expenditure Statement
10	2,310	(592)	2,902
10	27,646	(9,534)	37,180
10	12,853	(2,169)	15,022
10	132		132
10	15		15
10			
	42,956	(12,295)	55,251
10	(44,021)	(11,260)	(32,761)
	(1,065)	(23,555)	22,490
	6,373		
	(1,065)		
	7,438		

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 2021 was £703.450m. 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 £63m. 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 2021 was £61.279m (The opening balance on scheme Assets was £45.707m). 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 £6.875m. 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 £488k. The carrying value of Property, Plant and Equipment is £62.824m. 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 £234k. The Depreciation charge is £2.063m.

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	
		2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<i>Net Cost of Service</i>									
	Current Service Cost	(620)	(1,390)	(160)	(250)	(11,500)	(11,630)	(3,024)	(1,855)
	Unfunded Benefits	-	-	-	-	-	-	-	-
	Past Service Costs	-	-	-	-	-	-	-	-
<i>Net Operating Expenditure</i>									
	Interest Cost	(12,270)	(11,850)	(660)	(810)	(1,070)	(1,070)	(1,281)	(1,025)
	Expected Return on Assets in the Scheme	-	-	-	-	-	-	943	888
Retirement costs included in the Comprehensive Income and Expenditure Statement		(12,890)	(13,240)	(820)	(1,060)	(12,570)	(12,700)	(3,362)	(1,992)

In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Account (shown in the table above), actuarial gains of £31.479m were included in the Statement of Comprehensive Income and Expenditure, losses of £78.176m were included for 2020/21.

The estimated contributions payable to the Authority's pension schemes for 2022/23 is £7.100m. (£6.391m for 2021/22).

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	
	2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000
Fair value of employer assets					-	-					-	-
Present value of funded liabilities					-	-					-	-
Present value of unfunded liabilities			(612,130)	(523,400)	(612,130)	(523,400)			(11,090)	(12,450)	(11,090)	(12,450)
Opening Position as at 31 March	-	-	(612,130)	(523,400)	(612,130)	(523,400)	-	-	(11,090)	(12,450)	(11,090)	(12,450)
Service Cost												
Current Service Cost			(340)	(1,080)	(340)	(1,080)			(280)	(310)	(280)	(310)
Past Service Cost (inc curtailments)					-	-					-	-
Effect of Settlements					-	-					-	-
Total Service Cost	-	-	(340)	(1,080)	(340)	(1,080)	-	-	(280)	(310)	(280)	(310)
Net Interest												
Interest income on plan assets					-	-					-	-
Interest cost on defined benefit obligation			(12,050)	(11,580)	(12,050)	(11,580)			(220)	(280)	(220)	(280)
Impact of asset ceiling on net interest					-	-					-	-
Total net interest	-	-	(12,050)	(11,580)	(12,050)	(11,580)	-	-	(220)	(280)	(220)	(280)
Total defined benefit cost recognised in Income and Expenditure	-	-	(12,390)	(12,660)	(12,390)	(12,660)	-	-	(500)	(590)	(500)	(590)
Cashflows												
Plan participants' contributions	110	250	(110)	(250)	-	-					-	-
Employer Contributions	305	651			305	651					-	-
Contributions in respect of unfunded benefits					-	-					-	-
Benefits paid	(19,800)	(18,650)	19,800	18,650	-	-	(450)	(470)	450	470	-	-
Unfunded benefits paid					-	-					-	-
Expected closing position	(19,385)	(17,749)	(604,830)	(517,660)	(624,215)	(535,409)	(450)	(470)	(11,140)	(12,570)	(11,590)	(13,040)
Remeasurements												
Changes in demographic assumptions					-	-					-	-
Changes in financial assumptions	19,385	17,749	6,490	(54,100)	25,875	(36,351)	450	470	120	(710)	570	(240)
Other experience			6,990	(40,370)	6,990	(40,370)			(1,210)	2,190	(1,210)	2,190
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	19,385	17,749	13,480	(94,470)	32,865	(76,721)	450	470	(1,090)	1,480	(640)	1,950
Exchange differences												
Effect of business combinations and disposals												
Fair Value of employer assets												
Present value of funded liabilities			(591,350)	(612,130)	(591,350)	(612,130)			(12,230)	(11,090)	(12,230)	(11,090)
Present value of unfunded liabilities												
Closing position as at 31 March	-	-	(591,350)	(612,130)	(591,350)	(612,130)	-	-	(12,230)	(11,090)	(12,230)	(11,090)

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	
2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000
				-	-					-	-
				-	-					-	-
		(33,030)	(35,810)	(33,030)	(35,810)			(47,200)	(41,110)	(47,200)	(41,110)
-	-	(33,030)	(35,810)	(33,030)	(35,810)	-	-	(47,200)	(41,110)	(47,200)	(41,110)
		(160)	(250)	(160)	(250)			(11,500)	(11,630)	(11,500)	(11,630)
				-	-					-	-
				-	-					-	-
-	-	(160)	(250)	(160)	(250)	-	-	(11,500)	(11,630)	(11,500)	(11,630)
		(660)	(810)	(660)	(810)			(1,070)	(1,070)	(1,070)	(1,070)
				-	-					-	-
-	-	(660)	(810)	(660)	(810)	-	-	(1,070)	(1,070)	(1,070)	(1,070)
-	-	(820)	(1,060)	(820)	(1,060)	-	-	(12,570)	(12,700)	(12,570)	(12,700)
140	190	(140)	(190)	-	-	2,180	2,140	(2,180)	(2,140)	-	-
190	223			190	223	4,812	4,586			4,812	4,586
				-	-					-	-
(410)	(400)	410	400	-	-	(900)	(990)	900	990	-	-
				-	-					-	-
(80)	13	(33,580)	(36,660)	(33,660)	(36,647)	6,092	5,736	(61,050)	(54,960)	(54,958)	(49,224)
				-	-					-	-
80	(13)	470	(4,210)	550	(4,223)	(6,092)	(5,736)	1,130	(7,090)	(4,962)	(12,826)
		470	7,840	470	7,840			(5,240)	14,850	(5,240)	14,850
				-	-					-	-
				-	-					-	-
				-	-					-	-
80	(13)	940	3,630	1,020	3,617	(6,092)	(5,736)	(4,110)	7,760	(10,202)	2,024
-	-	(32,640)	(33,030)	(32,640)	(33,030)	-	-	(65,160)	(47,200)	(65,160)	(47,200)
-	-	(32,640)	(33,030)	(32,640)	(33,030)	-	-	(65,160)	(47,200)	(65,160)	(47,200)

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	
	2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000
Fair value of employer assets	45,707	38,278			45,707	38,278
Present value of funded liabilities			(61,232)	(43,830)	(61,232)	(43,830)
Present value of unfunded liabilities			(47)	(67)	(47)	(67)
Opening Position as at 31 March	45,707	38,278	(61,279)	(43,897)	(15,572)	(5,619)
Service Cost						
Current Service Cost			(3,024)	(1,855)	(3,024)	(1,855)
Past Service Cost (inc curtailments)			-	(25)	-	(25)
Effect of Settlements					-	-
Total Service Cost	-	-	(3,024)	(1,880)	(3,024)	(1,880)
Net Interest						
Interest income on plan assets	943	888			943	888
Interest cost on defined benefit obligation			(1,281)	(1,025)	(1,281)	(1,025)
Impact of asset ceiling on net interest					-	-
Total net interest	943	888	(1,281)	(1,025)	(338)	(137)
Total defined benefit cost recognised in Income and Expenditure	943	888	(4,305)	(2,905)	(3,362)	(2,017)
Cashflows						
Plan participants' contributions	393	374	(393)	(374)	-	-
Employer Contributions	1,110	1,115			1,110	1,115
Contributions in respect of unfunded benefits	4	5			4	5
Benefits paid	(883)	(805)	883	805	-	-
Unfunded benefits paid	(4)	(5)	4	5	-	-
Expected closing position	47,270	39,850	(65,090)	(46,366)	(17,820)	(6,516)
Remeasurements						
Changes in demographic assumptions			323	(764)	323	(764)
Changes in financial assumptions			5,049	(14,591)	5,049	(14,591)
Other experience			(131)	442	(131)	442
Return on assets excluding amounts included in net interest	3,205	5,857			3,205	5,857
Changes in asset ceiling					-	-
Total remeasurements recognised in Other Comprehensive income	3,205	5,857	5,241	(14,913)	8,446	(9,056)
Exchange differences						
Effect of business combinations and disposals						
Fair Value of employer assets	50,475	45,707			50,475	45,707
Present value of funded liabilities			(59,886)	(61,232)	(59,886)	(61,232)
Present value of unfunded liabilities			37	(47)	37	(47)
Closing position as at 31 March	50,475	45,707	(59,849)	(61,279)	(9,374)	(15,572)

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

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Present Value of Liabilities					
Local Government Pension Scheme	(44,101)	(51,544)	(43,897)	(61,279)	(59,849)
Firefighters' 1992 Pension Scheme	(534,450)	(566,870)	(523,400)	(612,130)	(591,350)
Firefighters' Injury Awards	(12,530)	(13,160)	(12,450)	(11,090)	(12,230)
Firefighters' 2006 Pension Scheme	(34,330)	(39,120)	(35,810)	(33,030)	(32,640)
Firefighters' 2015 Pension Scheme	(18,530)	(28,740)	(41,110)	(47,200)	(65,160)
Fair Value of Assets					
Local Government Pension Scheme	37,831	41,055	38,278	45,707	50,475
Firefighters' 1992 Pension Scheme	-	-	-	-	-
Firefighters' Injury Awards	-	-	-	-	-
Firefighters' 2006 Pension Scheme	-	-	-	-	-
Firefighters' 2015 Pension Scheme	-	-	-	-	-
Surplus/(Deficit) in the Scheme					
Local Government Pension Scheme	(6,270)	(10,489)	(5,619)	(15,572)	(9,374)
Firefighters' 1992 Pension Scheme	(534,450)	(566,870)	(523,400)	(612,130)	(591,350)
Firefighters' Injury Awards	(12,530)	(13,160)	(12,450)	(11,090)	(12,230)
Firefighters' 2006 Pension Scheme	(34,330)	(39,120)	(35,810)	(33,030)	(32,650)
Firefighters' 2015 Pension Scheme	(18,530)	(28,740)	(41,110)	(47,200)	(65,160)
	<u>(606,110)</u>	<u>(658,379)</u>	<u>(618,389)</u>	<u>(719,022)</u>	<u>(710,764)</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 £710.764m (£719.022m in 2020/21) has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet, resulting in a negative overall balance of £652.855m (£676.176m in 2020/21). 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	
	2021/22	2020/21	2021/22	2020/21
Long-term expected rate of return on assets in the scheme :				
Equity Investments	9.0%	17.5%		
Bonds	9.0%	17.5%		
Property	9.0%	17.5%		
Other	9.0%	17.5%		
Longevity at 65 for current pensioners:				
Men	20.8	21.0	21.5	21.4
Women	23.5	23.7	21.5	21.4
Longevity at 65 for future pensioners: (45 for Firefighters' Pension Scheme)				
Men	22.0	22.2	23.2	23.1
Women	25.3	25.5	23.2	23.1
Rate of Inflation	3.2%	2.8%	3.0%	2.4%
Rate of increase in salaries	4.1%	3.7%	4.8%	4.2%
Rate of increase in pensions	3.2%	2.8%	3.0%	2.4%
Rate for discounting scheme liabilities	2.8%	2.1%	2.7%	2.0%
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.

Assets

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

Asset Category	Period Ended 31 March 2022				Period Ended 31 March 2021			
	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%			0.0	0%
Manufacturing			0.0	0%			0.0	0%
Energy and Utilities			0.0	0%			0.0	0%
Financial Institutions			0.0	0%			0.0	0%
Health and Care			0.0	0%			0.0	0%
Information Technology			0.0	0%			0.0	0%
Other	6,054.3		6,054.3	12%	5,539.5		5,539.5	12%
Debt Securities:								
Corporate Bonds (investment grade)			0.0	0%			0.0	0%
Corporate Bonds (non-investment grade)	159.3	2,159.5	2,318.8	5%	1,775.5	2,158.8	3,934.3	9%
UK Government	1,325.3		1,325.3	3%	1,413.7		1,413.7	3%
Other	795.6		795.6	2%	858.4		858.4	2%
Private Equity:								
All	1,447.4	2,240.0	3,687.4	7%	897.5	1,708.9	2,606.4	6%
Real Estate:								
UK Property	1,822.7	3,929.7	5,752.4	11%	1,697.6	3,615.9	5,313.5	12%
Overseas Property			0.0	0%			0.0	0%
Investment Funds and Unit Trusts:								
Equities	20,297.8		20,297.8	40%	18,650.5		18,650.5	41%
Bonds	4,308.6	89.3	4,397.9	9%	1,937.5		1,937.5	4%
Hedge Funds			0.0	0%			0.0	0%
Commodities			0.0	0%			0.0	0%
Infrastructure	1,187.4	2,252.0	3,439.4	7%	911.9	1,834.8	2,746.7	6%
Other	472.9	1,284.6	1,757.5	3%	297.1	1,140.0	1,437.1	3%
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	648.6		648.6	1%	1,269.4		1,269.4	3%
Totals	38,520	11,955	50,475	100.00%	35,249	10,458	45,707	100.00%

The Actuarial Gains identified as movements on the Pensions Reserve in 2021/22 can be analysed into the following categories, measured as a percentage of Assets or Liabilities at the 31 March 2022:

	2017/18 %	2018/19 %	2019/20 %	2020/21 %	2021/22 %
Local Government Pension Scheme					
Difference between the expected and actual return on assets	0.47	4.16	(10.31)	15.30	7.01
Experience gains and (losses) on liabilities	2.34	2.33	1.93	2.02	1.54
Firefighters' Pension Scheme 1992					
Experience gains and (losses) on liabilities	6.96	(2.34)	7.25	(18.05)	2.20
Firefighters' Injury Awards					
Experience gains and (losses) on liabilities	(6.64)	(5.19)	0.06	11.89	(9.83)
Firefighters' Pension Scheme 2006					
Experience gains and (losses) on liabilities	(66.05)	(2.07)	4.73	10.13	2.85
Firefighters' Pension Scheme 2015					
Experience gains and (losses) on liabilities	(1.68)	(10.75)	7.83	18.87	(8.71)

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 took place in 2021 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 2021 Restated**	36,252	17,702	5,523	59,477	142	98	182	59,899
Additions/Enhancement	383	242	1,423	2,048				2,048
Revaluation increases / (decreases) to Revaluation Reserve	13,115			13,115			168	13,283
Revaluation increases / (decreases) to Comprehensive Income and Expenditure Statement	(1,279)			(1,279)				(1,279)
Derecognition - Disposals		(208)	(304)	(512)	(91)			(603)
Other movements		23		23		(23)		0
At 31 March 2022	48,471	17,759	6,642	72,872	51	75	350	73,348
Depreciation/Impairment								
1 April 2021	334	6,779	2,651	9,764	74	0	4	9,842
Charge for the year	709	815	525	2,049	13	75		2,137
Depreciation written out to the Revaluation Reserve	(1,043)			(1,043)			(4)	(1,047)
Derecognition - Disposals		(145)	(204)	(349)	(61)			(410)
At 31 March 2022	0	7,449	2,972	10,421	26	75	0	10,522
Net Book Value								
1st April 2021**	35,918	10,923	2,872	49,711	68	98	178	50,053
31 March 2022*	48,471	10,310	3,670	62,451	25	0	350	62,821

*£132k is included in non-current assets (on the Balance Sheet) that are owned by ESFM (Humberside) Ltd, please see note 12 for details.

** 2020/21 balances have been restated (see note 15).

2020/21 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 2020	32,881	17,663	4,954	55,498	256	75	182	56,011
Additions/Enhancement	2,022	330	828	3,180		23		3,203
Revaluation increases / (decreases) to Revaluation Reserve	(792)			(792)				(792)
Revaluation increases / (decreases) to Comprehensive Income and Expenditure Statement	(2,029)			(2,029)				(2,029)
Derecognition - Disposals		(291)	(259)	(550)	(114)			(664)
Other movements				0				0
At 31 March 2021	32,082	17,702	5,523	55,307	142	98	182	55,729
Depreciation/Impairment								
1 April 2020	947	6,088	2,361	9,396	124		2	9,522
Charge for the year	673	878	464	2,015	26		2	2,043
Depreciation written out to the Revaluation Reserve	(1,286)			(1,286)				(1,286)
Derecognition - Disposals		(187)	(174)	(361)	(76)			(437)
At 31 March 2021	334	6,779	2,651	9,764	74	0	4	9,842
Net Book Value								
1st April 2020	31,934	11,575	2,593	46,102	132	75	180	46,486
31 March 2021	31,748	10,923	2,872	45,543	68	98	177	45,883

*£148k 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 2022	No. Held 31 March 2021
Operational Land & Buildings		
Service Headquarters	1	1
Fire Stations	31	31
Other Offices	2	2
Operational Vehicles		
Fire Appliances	71	72
Lorries	1	1
Vans	29	27
Cars	122	129
Others	4	4
New Dimensions Assets	6	6

Capital Financing Requirement

Movements in the Capital Financing Requirement for the year 2021/22 are shown in the table below:

	2021/22 £'000	2020/21 £'000
Opening Capital Financing Requirement	19,508	17,871
Capital Investment		
Operational Assets	1,960	3,180
Non Operational Assets	-	23
Sources of Finance		
Capital Receipts	-	(65)
Minimum Revenue Provision	(788)	(700)
Revenue Contributions to Capital Outlay	(1,960)	(801)
	<u>18,720</u>	<u>19,508</u>
Explanation of Movements in Year		
Increase/(Decrease) in the Underlying Need to Borrow		
Unsupported by Government Financial Assistance	(788)	1,637
	<u>(788)</u>	<u>1,637</u>

Valuation of Property carried at Current Value

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

2021/22

	Operational Assets			Non Operational Assets		Total
	Other Land & Buildings	Vehicles	Plant & Equipment	Assets Under Construction	Surplus Assets	
	£'000	£'000	£'000	£'000	£'000	£'000
Value as at Historical Cost		10,310	3,670			13,980
Value at Current Value in: 2021/22	48,471				350	48,821
Value as at 31 March 2022	<u>48,471</u>	<u>10,310</u>	<u>3,670</u>	<u>-</u>	<u>350</u>	<u>62,801</u>
Nature of asset holding						
Leased	1,769					1,769
Owned	46,702	10,310	3,670	-	350	61,032
	<u>48,471</u>	<u>10,310</u>	<u>3,670</u>	<u>-</u>	<u>350</u>	<u>62,801</u>

Note: the above valuations as at 31 March 2022 are net of accumulated Depreciation to that date.

2020/21

	Operational Assets			Non Operational Assets		Total
	Other Land & Buildings	Vehicles	Plant & Equipment	Assets Under Construction	Surplus Assets	
	£'000	£'000	£'000	£'000	£'000	£'000
Value as at Historical Cost		10,923	2,872	98		13,893
Value at Current Value in:						
2020/21	23,740					23,740
2019/20	3,101					3,101
2018/19	1,363				177	1,540
2017/18	3,544					3,544
Value as at 31 March 2021	<u>31,748</u>	<u>10,923</u>	<u>2,872</u>	<u>98</u>	<u>177</u>	<u>45,818</u>
Nature of asset holding						
Leased	728					728
Owned	31,020	10,923	2,872	98	177	45,090
	<u>31,748</u>	<u>10,923</u>	<u>2,872</u>	<u>98</u>	<u>177</u>	<u>45,818</u>

Capital Expenditure

Capital Expenditure incurred by the Authority during 2021/22 with comparatives for 2020/21 and the sources of financing are as follows:

Category of Asset	2021/22	Category of Asset	2020/21	The
	£'000		£'000	
Land & Buildings (Including those under Construction)		Land & Buildings (Including those under Construction)		
Clough Road Training	20	Clough Road Training	671	
Bridlington	35	Bridlington	405	
Cromwell Road	67	Service Headquarters	137	
Cleethorpes	44	Beverley	73	
Market Weighton	54	Howden	5	
Scunthorpe	17	Scunthorpe	513	
Dignity Works	59	Market Weighton	22	
		Dignity Works	146	
		Calvert Lane	23	
		Barton	5	
		Peaks Lane	22	
Vehicles (including those under Construction)	242	Vehicles (including those under Construction)	353	
Plant & Equipment (Including Equipment under Construction)		Plant & Equipment (Including Equipment under Construction)		
IT Equipment	260	IT Equipment	719	
Equipment	126	Equipment	109	
Personal Protective Equipment	1,036			
Intangibles	-	Intangibles	-	
	1,960		3,203	
Source of Finance		Source of Finance		
	£'000		£'000	
Loans - Unsupported Borrowing	-	Loans - Unsupported Borrowing	2,337	
Capital Contributions (including capital receipts)	1,960	Capital Contributions (including capital receipts)	866	
	1,960		3,203	

Authority had outstanding commitments under capital contracts as at 31 March 2022 to the value of £0.242m which will take place during 2022/23.

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:

	2021/22	2020/21
	£'000	£'000
Property, Plant and Equipment	1,769	728
	1,769	728

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:

	2021/22	2020/21
	£'000	£'000
Finance Lease Liability	1,029	951
Finance Costs		
Current	105	83
Non Current	1,395	1,140
	2,529	2,174

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

	Minimum Lease		Finance Lease	
	2021/22	2020/21	2021/22	2020/21
	£'000	£'000	£'000	£'000
Not later than one year	120	99	16	16
Later than one year and not later than five years	482	395	81	77
Later than five years	1,927	1,680	934	859
	2,529	2,174	1,031	952

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 £7.516m (£7.363m at the end of 2020/21). Please see the description of each reserve below.

31 March 2021 £'000	Earmarked Reserves	31 March 2022 £'000
300	Resilience Reserve	300
4,160	Capital Funding Reserve	4,160
500	Insurance Reserve	500
1,000	Ark Reserve	1,000
-45	Share of ESFM (Humberside) Ltd Net Assets	360
355	ESMCP Reserve	265
288	COVID Reserve	210
155	Grenfell and Protection Reserve	71
150	Uniform Replacement Programme Reserve	150
470	East Coast & Herfordshire Control Room Consortium Reserve	470
30	Environmental Reserve	30
7,363	Total Earmarked Reserves	7,516

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.

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.

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.

COVID Reserve – This is the remaining balance of the grant issued by Government to assist with additional costs associated with the COVID pandemic.

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

Uniform Replacement Programme Reserve – This funding is identified to fund the uniform replacement programme.

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

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

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

Unusable Reserves

The Authority now retains 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.

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

Movement on Capital Reserves**Revaluation Reserve**

	2022 £'000	Restated 2021 £'000
Gains on Revaluation of Non Current Assets	(15,142)	(5,028)
Losses on Revaluation of Non Current Assets	813	966
Compensatory adjustment from the Revaluation Reserve to convert current value depreciation debits to historical cost.	58	53
Total Movement on Reserve	<u>(14,271)</u>	<u>(4,009)</u>
Balance Brought Forward 1 April	(8,919)	(4,910)
Balance Carried Forward at 31 March	<u>(23,190)</u>	<u>(8,919)</u>

Capital Adjustment Account

	2022 £'000	Restated 2021 £'000
Net Book Value of Assets disposed of	193	226
Depreciation	2,087	2,070
Impairments	1,354	1,427
Compensatory adjustment from the Revaluation Reserve to convert current value depreciation debits to historical cost.	(58)	(53)
Deferred Grants and Contributions applied	(1,960)	(866)
Provision for Repayments of External Loans (MRP)	(788)	(700)
Total Movement on Reserve	<u>828</u>	<u>2,104</u>
Balance Brought Forward 1 April	(20,377)	(22,482)
Balance Carried Forward at 31 March	<u>(19,549)</u>	<u>(20,377)</u>

7. Borrowing and Investments

Long Term Liabilities

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

	2021/22			2020/21		
	Repayable		Repayable	Repayable		Repayable
	Total	within 12 months	after 12 months	Total	within 12 months	after 12 months
	£'000	£'000	£'000	£'000	£'000	£'000
Public Works Loan Board	19,159	990	18,169	16,984	915	16,069
Finance Leases	1,029	16	1,013	951	16	935
Pension Liability - Firefighters' Pension Fund	701,390		701,390	703,450		703,450
Pension Liability - Local Government Pension Scheme	9,374		9,374	15,572		15,572
	730,952	1,006	729,946	736,957	931	736,026

The outstanding borrowings of the Authority at 31 March 2022 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 2022	31 March 2021
		£'000	£'000
Public Work Loans Board	1.80	1,000	1,000
Public Work Loans Board	1.86	1,000	1,000
Public Work Loans Board	1.96	1,000	1,000
Public Work Loans Board	1.99	1,000	1,000
Public Work Loans Board	2.09	1,000	-
Public Work Loans Board	2.10	1,000	1,000
Public Work Loans Board	2.14	1,000	1,000
Public Work Loans Board	2.19	1,000	-
Public Work Loans Board	2.25	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	4.55	3,000	3,900
Public Work Loans Board	4.63	500	500
Public Work Loans Board	4.75	95	95
Public Work Loans Board	4.90	246	246
Public Work Loans Board	5.00	900	900
		18,169	16,069

Loans analysed by maturity are as follows:

	31 March 2022	31 March 2021
	£'000	£'000
Maturing in 1-2 Years	1,500	900
Maturing in 2-5 Years	2,669	3,169
Maturing in 5-10 Years	7,000	7,000
Maturing in More Than 10 Years	7,000	5,000
	18,169	16,069

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 2021/22 is as follows:

	2021/22 £'000	2020/21 £'000
MRP based on Option 1 - 4% of CFR/Supported Borrowing	287	276
MRP based on Option 3(a) - Equal Instalments	-	-
MRP based on Option 3(b) - Annuity Method	485	410
MRP for Assets acquired under Finance Leases Matched to the Principal repaid	16	14
	<u>788</u>	<u>700</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 £11.005m at 31 March. (2020/21 was £7.000m).

8. Other Creditors and Debtors

- Long-Term Creditors

There are no long-term creditors at 31 March 2022.

- Short-Term Creditors

Analysis of short term creditors is as follows: -

	31 March 2022 £'000	31 March 2021 £'000
Central Government Bodies	966	969
Other Local Authorities	3,064	2,280
Bodies External to General Government	3,275	4,085
	<u>7,305</u>	<u>7,334</u>

*included in the Short-Term Creditors figure on the Balance Sheet is £231k relating to ESFM (Humberside) Ltd, please see note 12 for details.

- Long-Term Debtors

There were no long-term debtors at 31 March 2022.

- Short-Term Debtors

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

	31 March 2022 £'000	31 March 2021 £'000
Central Government Bodies	5,204	4,113
Other Local Authorities	274	121
NHS Bodies	60	-
Bodies External to General Government	5,494	5,175
	<u>11,032</u>	<u>9,409</u>

*included in Short-Term Debtors is £364k 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 31 March		Current 31 March	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Investments at Amortised Cost				
Loans and Receivables at Amortised Cost			11,005	7,000
Total Investments at Amortised Cost	-	-	11,005	7,000
Debtors				
Financial Assets (including Trade Debtors and General and Other Debtors and Long Term Debtors)			2,834	3,032
Total Debtors	-	-	2,834	3,032
Borrowings at Amortised Cost				
Financial Liabilities at Amortised Cost	(19,183)	(17,004)	(1,006)	(931)
Total Borrowings at Amortised Cost	(19,183)	(17,004)	(1,006)	(931)
Creditors				
Financial Liabilities Carried at Contract Amount			(1,162)	(1,755)
Total Creditors	-	-	(1,162)	(1,755)

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

	31 March	
	2022	2021
	£'000	£'000
Financial Liabilities		
Current		
Creditors	(1,162)	(1,755)
Public Works Loans Board Loans and Finance Leases	(1,006)	(931)
	<u>(2,168)</u>	<u>(2,686)</u>
Long Term		
Public Works Loans Board Loans	(18,170)	(16,069)
Finance Leases	(1,013)	(935)
	<u>(19,183)</u>	<u>(17,004)</u>
	<u>(21,351)</u>	<u>(19,690)</u>
Financial Assets		
Current		
Debtors	2,834	3,032
Investments	11,005	7,000
	<u>13,839</u>	<u>10,032</u>

Gains and losses recognised in the Comprehensive Income and Expenditure Account for 2021/22 in relation to financial instruments are made up as follows:

	2021/22				2020/21			
	Financial Liabilities	Financial Assets		Total	Financial Liabilities	Financial Assets		Total
	Measured at amortised cost £'000	Loans and Receivables £'000	Available for sale Assets £'000	£'000	Measured at amortised cost £'000	Loans and Receivables £'000	Available for sale Assets £'000	£'000
Interest Expense	(756)	-	-	(756)	(633)	-	-	(633)
Loss on derecognition	-	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-	-
Interest payable and similar charges	(756)	-	-	(756)	(633)	-	-	(633)
Interest income	-	16	-	16	-	12	-	12
Losses on revaluation	-	-	-	-	-	-	-	-
Amounts recycled to the Income and Expenditure Account after impairment	-	-	-	-	-	-	-	-
Interest and investment income	-	16	-	16	-	12	-	12
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	(756)	16	-	(740)	(633)	12	-	(621)

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 126/22. 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 2022		31 March 2021	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Financial Liabilities	(19,069)	(19,657)	(16,896)	(18,693)
Loans and Receivables	11,000	10,997	7,000	7,000

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 Finance and Section 151 Officer considered that the most prudent approach was to restrict investments to UK based, and other 'AAA' rated European institutions with a maximum limit of £2m. The Authority has access to three money market investment funds, these are highly secure funds that are 'AAA' rated and provide instant return of the investment if required.

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

	31 March 2022	Historical experience of default	Historical experience adjusted for market conditions at 31 March 2022	Estimated maximum exposure to default and uncollectability 31 March 2022
	£'000	%	%	£'000
Deposits with banks and financial institutions	11,005	0.00	0.00	-
Bonds	-	0.00	0.00	-
Customers	367	0.43	0.43	2
	<u>11,372</u>			<u>2</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 £80k of the £367k balance is past its due date for payment. The past due amount can be analysed by age as follows:

	31 March 2022 £'000	31 March 2021 £'000
Less than three months	41	58
Three to six months	39	36
Six months to one year	-	-
More than one year	-	-
	<u>80</u>	<u>94</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 2022, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	31 March 2022 £'000	31 March 2021 £'000
Decrease in Fair Value of fixed rate investment assets	(30)	-
Increase in Fair Value of fixed rate borrowing liabilities	(806)	1,222

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 2021				Year ended 31 March 2022			
£'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
(3)	(466)		(469)	(2)	(590)		(592)
(3,666)	(7,091)		(10,757)	(2,947)	(6,587)		(9,534)
(432)	(988)		(1,420)	(463)	(1,706)		(2,169)
			- Corporate and Democratic Core				-
			- Corporate Management				-
	(25)		(25)				-
(4,101)	(8,570)	-	(12,671)	(3,412)	(8,883)	-	(12,295)
			Net Cost of Services				
1,340	(13,877)	922	(11,615)	2,555	(14,340)	525	(11,260)
			Other Operating Expenditure				
			Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services				
(2,761)	(22,447)	922	(24,286)	(857)	(23,223)	525	(23,555)

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

	2021/22 £000s	2020/21 £000s
Other Operating Expenditure		
(Profit)/Loss on the disposal of assets	164	161
Total Other Operating Expenditure	164	161
Financing and Investment Income and Expenditure		
Interest Payable	756	633
Interest Receivable	(16)	(12)
Net interest cost on the net defined pension liability		
- Firefighters' Pension Scheme	14,000	13,740
- Local Government Pension Scheme	338	137
Total Financing and Investment Income and Expenditure	15,078	14,498
Taxation and Non Specific Grant Income		
Council Tax Payers	24,011	23,878
General Government Grants (See breakdown below)	2,653	3,641
Localised Business Rates	3,979	3,909
National Non Domestic Rates and Revenue Support Grant	17,359	17,469
Total Taxation and Non Specific Grant Income	48,002	48,897
General Government Grants		
Additional Pensions Grant	2,543	2,543
COVID19 Funding	110	1,098
	2,653	3,641

Precepts

The Authority, at its meeting on 12 February 2021, set a precept for 2021/22 equivalent to a Band D Council Tax of £88.35. Precepts and Collection Fund balances received from the four constituent Authorities for 2021/22 are as follows:

	Precepts 2021/22 £'000	Collection Fund Residual 2020/21 £'000	Surplus/(Deficit) 31 March 2022 £'000	Total 2021/22 £'000
Kingston upon Hull City Council	5,474	30	(67)	5,437
East Riding of Yorkshire Council	10,365	83	(152)	10,296
North East Lincolnshire Council	3,923	20	(29)	3,914
North Lincolnshire Council	4,386	12	(33)	4,365
	24,148	145	(281)	24,012

	Precepts 2020/21 £'000	Collection Fund Residual 2019/20 £'000	Surplus/(Deficit) 31 March 2021 £'000	Total 2020/21 £'000
Kingston upon Hull City Council	5,423	(44)	36	5,415
East Riding of Yorkshire Council	10,236	43	17	10,296
North East Lincolnshire Council	3,840	56	(38)	3,858
North Lincolnshire Council	4,322	(51)	38	4,309
	23,821	4	53	23,878

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

12. Related Parties

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

Central Government

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

Pensions

See note 4 in the Notes to the Financial Statements.

Members

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

East Riding of Yorkshire Council: Phil Davison, John Dennis, Caroline Fox, Helen Green, Lyn Healing, Barbara Jefferson, Patricia Smith.

Kingston upon Hull City Council: Sharon Belcher, Linda Chambers, Jackie Dad, Peter North, Christine Randall, Abhimanya Singh.

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

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

The total of Members' allowances paid in 2021/22 is shown in note 13. During 2021/22 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 2021/22 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.

The Authority/HFR Solutions supplied goods and services to each other during 2021/22; the value of the supplies to HFR Solutions was £0.2m (£0.2m during 2020/21), HFR Solutions supplied goods and services to the Authority with a negligible value (negligible in 2020/21) and made under normal commercial terms. £0.1m was owed to the Authority at 31 March 2022 (£0.1m was outstanding at 31 March 2021).

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 2021/22 with a value of £1.2m (£1.2m during 2020/21) to Humberside Fire Authority.

Two officers of the Fire Authority are also seconded to Police and Crime Commissioner for Humberside on a part time basis (Executive Director/S.151 Officer Kevin Wilson and Joint Deputy Chief Finance Officer/Deputy S.151 Officer Martyn Ransom). Humberside Police supplied goods and services to the Authority during 2021/22 with a value of £2.0m (£3.0m during 2020/21). The Authority supplied goods and services to Humberside Police during 2021/22 with a value of £0.3m (£0.4m during 2020/21).

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 2021/22 are £0.3m (£0.1m 2020/21) 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 2022.

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 2021/22 was £127,137 (2020/21 was £128,430).

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					
	2021/22			2020/21		
	Operational	Non Operational	Total	Operational	Non Operational	Total
£150-154,999	1	-	1	1	-	1
£145-149,999	-	-	-	-	-	-
£140-144,999	-	-	-	-	-	-
£135-139,999	-	-	-	-	-	-
£130-134,999	-	-	-	-	-	-
£125-129,999	1	-	1	1	-	1
£120-124,999	-	-	-	-	-	-
£115-119,999	-	-	-	-	-	-
£110-114,999	1	-	1	-	-	-
£105-109,999	-	1	1	-	1	1
£100-104,999	-	-	-	-	-	-
£95-99,999	-	-	-	-	-	-
£90-94,999	-	-	-	-	-	-
£85-89,999	-	-	-	-	1	1
£80-84,999	3	-	3	3	-	3
£75-79,999	-	-	-	1	-	1
£70-74,999	-	-	-	-	-	-
£65-69,999	4	3	7	4	-	4
£60-64,999	8	-	8	10	3	13
£55-59,999	23	4	27	20	1	21
£50-54,999	21	2	23	17	3	20
	62	10	72	57	9	66

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 2021/22

Post Title	Salary (Including fees & Allowances)	Benefits in Kind (e.g. Car Allowance)	Total Remuneration excluding employer's pension contributions 2021/22	Employer's pension contributions 2021/22	Total Remuneration including employer's pension contributions 2021/22
Chief Fire Officer & Chief Executive - Chris Blacksell	152,352	300	152,652	-	152,652
Deputy Chief Fire Officer & Executive Director of Corporate Services	129,498	300	129,798	-	129,798
Assistant Chief Fire Officer (23 July 2021 - 31 March 2022)	84,073	99	84,172	24,213	108,385
Executive Director of Corporate Services & S151 Officer*	106,646	1,986	108,632	19,730	128,362
Executive Director of HR and Training (7 February 2022 - 31 March 2022)	15,812	207	16,018	2,925	18,943
Director of Service Delivery Support	84,541	-	84,541	24,348	108,889
Director of Service Improvement (1 April 2021 - 22 July 2021)	26,149	44	26,193	7,536	33,729
Director of Service Improvement (1 September 2021 - 28 February 2022)	36,806	-	36,806	6,809	43,615
Director of Service Improvement - (1 March 2022 - 31 March 2022)	7,020	13	7,032	1,547	8,579
Director of Service Delivery	84,541	-	84,541	24,348	108,889
Director of Service Delivery - (1 March 2022 - 31 March 2022)	7,020	15	7,035	1,547	8,581
Director of People and Development - (1 April 2021 - 28 February 2022)	77,455	-	77,455	16,947	94,403
	811,913	2,963	814,875	129,950	944,825

* This post is shared with Humberside PCC

Disclosure for 2020/21

Post Title	Salary (Including fees & Allowances)	Benefits in Kind (e.g. Car Allowance)	Total Remuneration excluding employer's pension contributions 2020/21	Employer's pension contributions 2020/21	Total Remuneration including employer's pension contributions 2020/21
Chief Fire Officer & Chief Executive - Chris Blacksell	150,281	-	150,281	-	150,281
Deputy Chief Fire Officer & Director of Service Delivery - (1 Apr 2020 - 2 Nov 2020)	86,248	-	86,248	28,155	114,403
Deputy Chief Fire Officer & Director of Service Delivery - (5 Dec 2020 - 31 Mar 2021)	41,006	-	41,006	-	41,006
Executive Director of Corporate Services & S151 Officer*	105,197	1,671	106,868	19,453	126,321
Director of Service Delivery Support	84,171	-	84,171	24,018	108,189
Director of Service Improvement	83,402	-	83,402	24,018	107,420
Director of Service Delivery	83,402	-	83,402	24,018	107,420
Director of People & Development	86,168	629	86,797	-	86,797
Area Manager Projects	59,198	-	59,198	15,031	74,229
Temporary Director of People and Development - (1 April 2020 - 31 December 2020)	54,481	659	55,140	9,103	64,243
Temporary Director of People and Development - (21 January 2021 - 31 March 2021)	16,286	-	16,286	3,530	19,816
	849,840	2,959	852,799	147,325	1,000,125

* This post is shared with Humberside PCC

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

Exit Package Cost Band	2021/22				2020/21			
	Number of Compulsory Redundancies	Number of Other Agreed Departures	Total Number of Exit Packages by Cost Band	Total Cost (£'000)	Number of Compulsory Redundancies	Number of Other Agreed Departures	Total Number of Exit Packages by Cost Band	Total Cost (£'000)
£100,001 - £150,000	-	-	-	-	-	1	1	102
£80,001 - £100,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	1	1	63
£40,001 - £60,000	-	-	-	-	-	-	-	-
£20,001 - £40,000	-	-	-	-	-	-	-	-
£0 - £20,000	-	1	1	17	-	-	-	-
Total Cost in Bandings	-	1	1	17	-	2	2	165

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 2021/22 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 2021/22 the Authority incurred £36k in Audit fees (£30k in 2020/21) from Mazars relating to external audit.

Prior Period Adjustments

During the 2021/22 valuation of properties, it was identified that incorrect floor areas had been used for several years. The following balances have been restated as a result of this:

Movement in Reserves Statement

	2020/21 Original £'000	Prior Period Adjustment £'000	2020/21 Restated £'000
Capital Adjustment Account	19,775	602	20,377
Revaluation Reserve	5,351	3,568	8,919
Total Authority Reserves	(680,346)	4,170	(676,176)

Balance Sheet

	2020/21 Original £'000	Prior Period Adjustment £'000	2020/21 Restated £'000
Property Plant and Equipment	45,963	4,170	50,133
Long Term Assets	46,031	4,170	50,201
Net Assets/(Liabilities)	<u>(680,346)</u>	<u>4,170</u>	<u>(676,176)</u>
Unusable Reserves	(694,083)	4,170	(689,913)
Total Reserves	<u>(680,346)</u>	<u>4,170</u>	<u>(676,176)</u>

Note 5 - Non-Current Assets

	2020/21 Original £'000	Prior Period Adjustment £'000	2020/21 Restated £'000
Nat Book Value - Land and Buildings	31,748	4,170	35,918

Events After The Balance Sheet Date

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

Long Term Commitments

The Authority has entered into a commitment to repay £600k to Humberside Police and Crime Commissioner from March 2016 in respect of additional work undertaken at the joint workshops facility at Melton. The remaining amount will be repaid over the next 3 years at £60k per annum.

16. Cash Flow notes**Movements in Cash and Cash Equivalents**

	31 March 2022 £'000	31 March 2021 £'000	Movement £'000
Bank In Hand/(Overdrawn)	149	1,267	(1,118)
	<u>149</u>	<u>1,267</u>	<u>(1,118)</u>

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

	2021/22 £'000	2020/21 £'000
Depreciation/Amortisation & Impairment	3,440	4,086
Increase/(decrease) in Creditors	1,972	(268)
(Increase)/decrease in Debtors	(2,524)	(440)
(Increase)/decrease in Inventories	(42)	105
Increase/(decrease) in Provisions	16	127
Movement in Pension Liability	23,291	22,447
Carrying amount of non-current assets held for sale, sold or de-recognised	193	226
	<u>26,346</u>	<u>26,283</u>

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

	2021/22 £'000	2020/21 £'000
Proceeds from short-term and long-term investments		
Proceeds from the sale of Property, Plant and Equipment and Intangible Assets	(29)	(65)
Any other items for which the cash effects are investing or financing cash flows		
	<u>(29)</u>	<u>(65)</u>

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

	2021/22 £'000	2020/21 £'000
Interest Received	16	12
Interest Paid	(756)	(633)
	<u>(740)</u>	<u>(621)</u>

Cash Flow Statement – Cash Flows from Investing Activities

	2021/22 £'000	2020/21 £'000
Payments to acquire property, plant and equipment, investment property and intangible assets	(1,960)	(3,203)
Opening Capital Creditors	(1,280)	(891)
Closing Capital Creditors	175	1,280
Purchase of short term investments	(4,000)	(2,000)
Other payments for investing activities	88	-
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	29	65
Net cash flows from investing activities	<u>(6,948)</u>	<u>(4,749)</u>

Cash Flow Statement – Financing Activities

	2021/22 £'000	2020/21 £'000
Cash receipts of short and long-term borrowing	3,000	4,000
Appropriation to/from Collection Fund Adjustment Account	(162)	-
Repayments of short and long-term borrowing	(826)	(632)
Principal on Finance Leases	(10)	(15)
Net cash flows from financing activities	<u>2,002</u>	<u>3,353</u>

Government Grants

An analysis of other Government grants received during 2021/22 is given in note 11 of the notes to the Financial Statements.



HUMBERSIDE
Fire & Rescue Service

Humberside Fire Authority Pension Fund Account 2021/22

FIREFIGHTERS' PENSION FUND ACCOUNT

The following table analyses movements on the Fund for the year 2021/22

2020/21 £'000s		2021/22 £'000s
	Contributions receivable:	
(5,788)	Employers' contributions receivable	(5,366)
<u>(2,490)</u>	Firefighters' contributions	<u>(2,443)</u>
<u>(8,278)</u>		<u>(7,809)</u>
<u>(89)</u>	Transfers in from other authorities	<u>-</u>
	Benefits payable:	
16,649	Pensions	16,963
<u>3,391</u>	Commutations & lump sum retirement benefits	<u>4,152</u>
<u>20,040</u>		<u>21,115</u>
	Payments to and on account leavers	
-	Transfers out to other authorities	-
<u>11,673</u>	Net amount payable for the year	<u>13,306</u>
<u>(11,673)</u>	Top-up grant receivable to the Firefighters' Pension Fund	<u>(13,306)</u>
<u>-</u>	Fund Account balance	<u>-</u>

2020/21	<u>Net Assets Statement</u>	2021/22
	Current Assets	
3,822	Home Office grant debtor	4,921
1,443	Pensions Paid in Advance	1,500
	Current Liabilities	
(5,265)	Humberside Fire Authority	(6,421)
<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 Finance and Section 151 Officer.

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

The Pension Fund is an unfunded scheme, consequently:

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

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

Employee and employer contribution levels are based on percentages of pensionable pay set nationally by HO and are subject to triennial revaluation by the Government Actuary's Department. The employers' contribution rates are determined nationally by the Government Actuary's Department and 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	31/3/2022 1992 FPS	31/3/2022 2006 NFPS	31/3/2022 Modified Pension Scheme	31/3/2022 2015 FPS	31/3/2021 1992 FPS	31/3/2021 2006 NFPS	31/3/2021 Modified Pension Scheme	31/3/2021 2015 FPS
Contributors	13	6	19	630	34	6	27	641
Deferred Pensioners	42	110	6	159	45	111	7	134
Pensioners	983	12	76	17	977	13	72	19

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 2022 and the Comprehensive Income and Expenditure for the year ended 31 March 2022.

.....

Chris Blacksell – Chief Fire Officer/Chief Executive

.....

Councillor John Briggs – Chair

.....

Kevin Wilson – Executive Director of Finance/Section 151 Officer

23rd September 2022 (authorised for issue date)

Appendix 1

Revenue Variance Analysis

2020/21		2021/22		
		Revised Estimate	Actual	Variance
£'000	Expenditure	£'000	£'000	£'000
38,834	Employees	38,335	38,338	3
2,671	Premises	2,676	2,529	(147)
1,232	Transport	1,729	1,675	(54)
3,731	Supplies and Services	3,911	3,585	(326)
257	Support Services	204	138	(66)
4,619	Capital Charges	1,959	3,417	1,458
51,344	Total Expenditure	48,814	49,682	868
(2,090)	Income	(4,236)	(5,379)	(1,143)
49,254	Net Expenditure	44,578	44,303	(275)
633	Interest Payable	661	756	95
(12)	Interest Receivable	(40)	(16)	24
(3,118)	Accounting Adjustments	333	(669)	(1,002)
1,596	Contributions to / (from) Reserves	(369)	(178)	191
48,352	Net Budget Requirement	45,163	44,196	(967)
(3,641)	General Government Grant	-	-	-
(3,909)	Business Rates	(3,955)	(3,979)	(24)
(17,119)	NNDR	(17,144)	(17,144)	-
(24,254)	Precepts	(24,064)	(24,064)	-
(571)	Net (Surplus)/Deficit	-	(991)	(991)

£'000	Movement on the General Fund	£'000
(571)	(Surplus)/Deficit as above	(991)
-	Reserve Movements as per Fire Authority	-
(44)	Budgeted Transfer To General Reserve	(74)
(615)	(Surplus)/Deficit on the General Fund in the Year	(1,065)

	Overspend / (Underspend) £'000
Premises This underspend is primarily due to lower business rate charges following a review of rateable values	(147)
Transport This underspend is primarily due to spending less on fuel and officer travel	(54)
Supplies and Services a) Lower ICT costs in relation to WAN due to investment in previous years b) Lower spend on smoke alarms and hydrant maintenance c) Lower spend on issue, repair and replacement of PPE due to the rollout of the new PPE	(326)
Support Services Lower spend on legal fees	(66)
Asset Rental Interest Impairment and depreciation of the estate has caused this variance (offset with accounting adjustment note)	1,458
Income a) Additional income in relation to secondments b) Additional grant income received from DCLG c) Funding of the Road Safety Team has been received d) Additional aerial rental income received	(1,143)
Interest Payable Additional borrowing taken during the year	95
Accounting Adjustments a) Impairment and depreciation of the estate has primarily caused this variance (offset with asset rental interest note) b) Additional revenue contribution towards capital	(1,002)
Reserve Contributions Additional grants received that haven't been spent by the end of the year have been transferred to reserves	191

Appendix 2

Capital Expenditure Breakdown and Variance Analysis

Project	2021/22		
	Revised Estimate £'000	Actual £'000	Variance £'000
Buildings			
Invest to Save	207	165	(42)
Goole Fire Station	387	-	(387)
Scunthorpe Fire Station	102	17	(85)
Pocklington Fire Station	100	-	(100)
Bridlington Fire Station	104	35	(69)
BA Training Refurbishment	8	-	(8)
Immingham East Fire Station	350	-	(350)
Winterton Fire Station	150	-	(150)
Cromwell Road Fire Station	250	-	(250)
Capital Furniture and Fixtures	8	-	(8)
Snaith Fire Station	50	-	(50)
Co-location	97	-	(97)
Howden Fire Station	390	-	(390)
Other Minor Capital Schemes	22	-	(22)
Dignity Works	13	14	1
SHQ	45	45	-
Clough Road Training	-	20	20
Vehicles			
Operational	1,633	197	(1,436)
Support	655	45	(610)
Plant & Equipment			
IT Equipment	601	260	(341)
PPE	1,400	1,036	(364)
Equipment	557	126	(431)
	7,129	1,960	(5,169)

Analysis of the most significant capital variances:

	Overspend/ (Underspend) £'000
Goole Fire Station	(387)
Work to commence during 2022/23	
Immingham East Fire Station	(350)
Work to commence during 2022/23	
Winterton Fire Station	(150)
Work to commence during 2022/23	
Cromwell Road Fire Station	(250)
Work to commence during 2022/23	
Howden Fire Station	(390)
Work to commence during 2022/23	
Vehicles	(2,046)
Some vehicles have slipped into 2022/23	
IT Equipment	(341)
A number of ICT projects have slipped into 2022/23	
PPE	(364)
Some of the PPE has slipped into 2022/23	
Equipment	(431)
Some operational equipment has slipped into 2022/23	

Appendix 3

Glossary of terms

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

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

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

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

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

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

size or incidence to give fair presentation of the Accounts.

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

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

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

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

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

Appendix 4

Feedback form

Humberside Fire Authority

STATEMENT OF ACCOUNTS 2021/22 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 2023 into the 2022/23 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 2021/22

Scope of Responsibility

1. The Humberside Fire Authority (HFA) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The HFA also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
2. In discharging this overall responsibility, the HFA is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
3. The HFA has approved and adopted a code of corporate governance applicable to Members, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy/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. The HFA has approved and adopted a set of Principles of Good Conduct for employees.
5. 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

6. The governance framework comprises the systems and processes, culture and values, by which the HFA is directed and controlled. The framework demonstrates how the HFA accounts to, engages with and leads within the community. It enables the HFA to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
7. The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.
8. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the HFA's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
9. The governance framework has been in place at the HFA for the year ended 31 March 2022 and up to the date of approval of the Statement of Accounts.

The Governance Framework 2021/22

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

a) The Constitution of the Authority [LINK](#) 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.

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 [LINK](#)

d) An approved 'Local Code of Corporate Governance' in accordance with the CIPFA/SOLACE Framework for Corporate Governance.

e) The designation of the Chief Fire Officer as Chief Executive responsible to the HFA for all aspects of operational management.

f) The designation of the Executive Director of Finance and S.151 Officer (Local Government Act 1972) in accordance with Section 112 of the Local Government Finance Act 1988 and conforming with the governance requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government (2010).

g) The designation of the Secretary as Monitoring Officer with the requirement to report to the full HFA if it is considered that any proposal, decision or omission would give rise to unlawfulness or maladministration.

h) The 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 [LINK](#).

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 2021/24 ensure a three-year plan, linked to financial planning [LINK](#).

l) The Strategic Plan 2021/24 includes strategic objectives and Directorate responsibilities. Strategic Plan 2021/24 was approved by HFA in December 2020 following consultation [LINK](#).

- m) The Integrated Risk Management Plan (IRMP) 2021/24 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. The IRMP will transition into a Community Risk Management Plan during 2022/23, in line with the introduction of a National Standard [LINK](#).
- 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 [LINK](#).
- o) HFA (including Humberside Fire and Rescue Service) is committed to the highest possible standards of integrity, openness, fairness, inclusivity, probity and accountability. HFA aims to provide a positive and supportive culture to enable employees to raise their concerns.
A Whistleblowing Policy and subscription to the services of whistleblowing charity Protect are in place. 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 [LINK](#).
- p) A Service Improvement Plan has been developed to ensure that improvement areas across the Service are documented, evidenced and regularly reviewed [LINK](#).
- q) Member and Officer Development Programmes. During 2021/22 Officers undertook facilitated supportive leadership development. Access to the T2Hub of Management and Leadership Self Development resources, Continual Professional Development through the Leadership Forum and Guest Speakers and Directors completing the Executive Leadership Programme.
- r) 7 scheduled Member Days to support Member development and awareness conducted as remote sessions during Covid-19 restrictions.
- s) An approved Treasury Management Policy and Prudential Indicators.
- t) A Protective Marking Scheme (based upon the Her Majesty's Government Security Framework).
- u) Implementation of a 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 and Priorities following consultation [LINK](#).
- v) Aligned 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.
- w) Retention of the Customer Service Excellence Award, conducted in quarter one each year [LINK](#).
- x) Bi-Annual Performance Reports to HFA are published on our Website [LINK](#).
- y) 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 2021/22.

- z) The Executive Director of People and Development chairs a Joint Consultative Committee attended by all Representative Bodies to discuss any matters relating to staff terms and conditions.
- aa) Member Champions continue to support functional areas and are invited to attend local District performance meetings and to meet with Directors.
- bb) Consultation on our Council Tax Precept for 2021/22 drew a significant number of responses from our community (2624). This allowed Fire Authority Members to make an informed decision on this matter.
- cc) In line with legislative requirements HFRS published its Gender, Ethnicity and Disability Pay Gap Report 2021/22 by the end of March 2022. Any arising actions are included within the Report to HFA [LINK](#).
- dd) Emergency Preparedness for significant events is assured through provision of a fulltime team, established and tested Business Continuity Plans and a lead role within the Humber Local Resilience Forum (LRF).
- ee) Policies relating to compliance, management and administration of information governance, under the General Data Protection Regulations (GDPR) are published on the external website: [LINK](#).

Review of Effectiveness

11. 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.
12. HFA reviews the effectiveness of the GAS Committee and receives an Annual Report at the HFA Annual General Meeting. A review of the size and role of the GAS Committee was conducted at the HFA Meeting 7 December 2020, membership was reduced from seven to five (upon the completion of terms of office). The HFA Constitution was amended to reflect changes.
13. The GAS Committee has continued its scrutiny programme during 2021/22, including the scrutiny of:
 - Effectiveness of the Anti-Bullying Campaign
 - Promotion Process
 - Implementation of the NFCC Core Code of Ethics
 - Management of Risk Information
 - Workforce Planning.
14. The induction and training of new Members during 2021/22 has further enabled Members to discharge the functions of the HFA.

15. During the 2021/22 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 2021/22. The following areas were covered:
 - National Operational Guidance
 - Full Time Shift System
 - Equality, Diversity and Inclusion
 - Protection Enforcement
 - Protection Out of Hours Arrangements
 - Key Financial Controls
 - Data Quality – Risk Information
 - Grievance Management.

In response to the Covid-19 pandemic reviews were conducted remotely.
19. The Authority is fully compliant against the CIPFA Financial Management Code. Full compliance against the code became mandatory from 1 April 2022.
20. The overall Head of Internal Audit opinion for the period 1 April 2021 to 31 March 2022 provides Reasonable Assurance.
21. The effectiveness of the governance framework is considered throughout the year by SLT, the GAS Committee and HFA. Much of this is discharged through internal reports such as Management Accounts and Performance Reports as well as the work of Internal and External Audit. Any significant issues are captured via the risk management system and considered by the Fire Authority where appropriate.
22. A comprehensive Assurance Map for the Service has been developed to help inform the work of SLT, the GAS Committee and Internal Audit.

Significant Governance Issues 2021/22

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. There was no use of RIPA or requests for covert surveillance during 2021/22.
24. 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 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 review collaboration opportunities where they are beneficial and practicable.
 - Shared provision of a Health and Safety function with Humberside Police, managed by HFRS.
 - HFRS providing Financial Management support to Humberside PCC.
 - 'Don't Cross the Line' campaign to support stopping attacks on Emergency Service Workers.
25. 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 2021/22. This includes development of a Service Improvement Plan and performance monitoring through a Strategic Leadership Team performance meeting held monthly.
26. Review and re-alignment of Strategic Management structure and portfolios to support succession planning and continuous service improvement. Including:
- Appointment of an Executive Director of People and Development and an Assistant Chief Fire Officer/ Executive Director of Service Delivery.
 - Re-alignment of portfolios including Deputy Chief Fire Officer/Executive Director of Corporate Services and Executive Director of Finance/S.151 Officer.
 - Re-alignment of Service Delivery Director portfolios to include a dedicated Director of Prevention and Protection and Director of Emergency Response, supplementing the existing Director of Service Improvement.
 - Establishment of an Executive Board with Terms of Reference.

27. One Whistleblowing complaint was received internally during 2021/22 and was dealt with in accordance with the Whistleblowing Policy. An investigation is currently in progress.

Action Plan

28. Strategic Risk and Opportunity Register
The action points outlined below are included within our Strategic Risk and Opportunity Register and Action Plan, progress will be monitored throughout 2022/23.
- Incorporation of the Humberside PCC onto the HFA, including any arising changes to governance arrangements and mechanism for PCC to produce Business Case to take over governance of Fire and Rescue
 - Continued Scenario Planning to mitigate the effect of any further reductions or challenges on finances
 - Workforce Planning
 - Cyber Security threats
 - Emergency Services Network
 - Grenfell Inquiry Outcomes
 - Environmental Sustainability
 - Impact of COVID-19.
29. COVID-19 Pandemic.
The ongoing impact of the pandemic is closely monitored in conjunction with partner agencies and a dynamic/responsive Implementation Management Team is stood up whenever risks are perceived to be increasing, and/or to facilitate requests for assistance from partner agencies.

Conclusions

30. This Annual Governance Statement for 2021/22 provides Members with a high level of assurance for the Authority's governance arrangements.

Signed



Chair of the Authority



Chief Fire Officer & Chief Executive



S.151 Officer



Secretary & Monitoring Officer



Fire Service Headquarters, Summergroves Way, Kingston upon Hull, HU4 7BB

Telephone 07850 725095 Facsimile 01482 567477

Chair of Humberside Fire Authority 2021/2022 **Councillor John Briggs**

Mr Gavin Barker (Director)
Mazars LLP
The Corner
Bank Chambers
26 Mosley Street
Newcastle upon Tyne
NE1 1DF

Your Ref:
Our Ref: KW/MAS
Enquiries to: Kevin Wilson
Tel. Direct: 07894 511154
E-Mail: kwilson@humbersidefire.gov.uk
Date: 12 September 2022

Dear Gavin

Humberside Fire Authority - audit for year ended 31 March 2022

This representation letter is provided in connection with your audit of the financial statements of Humberside Fire Authority for the year ended 31 March 2022 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 2020/21 (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; 25
- 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.

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.

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.

Going concern

I confirm that I have carried out an assessment of the potential impact of the war in Ukraine on the Authority, including the impact on inflation 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 there are three unadjusted misstatements above the reporting threshold of £43,000. All three relate to accounting for the revaluation of land and buildings and do not have any impact on the usable reserves at 31 March 2022. Individually and in aggregate they represent a small proportion of the value of land and buildings on the balance sheet and will be corrected at the next valuation. Accordingly, I do not believe adjustment is necessary.

Yours sincerely



Kevin Wilson
Executive Director of Finance and S.151 Officer

FINANCIAL OUTLOOK 2022/23 ONWARDS

SUMMARY

1. This report considers the Authority's financial prospects for the years 2022/23 to 2026/27. The report also provides an update on the rationale for a Prudent Minimum level of General Reserves (PMGR).

RECOMMENDATIONS

2. That Members note the financial outlook for the Service and approve the Prudent Minimum level of General Reserves (PMGR) set out in the report.

CURRENT FINANCIAL POSITION 2021/22 AND 2022/23

3. The Authority's outturn for 2021/22 delivered an underspend of £991k and a closing level of total Revenue Reserves of £14.6m.
4. The Authority has set a balanced budget for 2022/23 and the latest budget monitoring to 30 June 2022 set out a £285k projected underspend, prior to any pay awards over our 2.5% assumption for pay inflation.
5. Pay awards in the current year have yet to be agreed, but every 1% increase on the pay bill if applied to all staff (Grey, Green and Gold Book) equals almost £400k.
6. The current financial projections for 2023/24 to 2026/27 have not yet been updated due to the large amount of uncertainty at the moment, however the impact of inflationary pressures are shown in the table below:

Impact of amended assumptions

	2022/23 Original	2022/23 Latest	Impact £000
Rates	2.00%	2.00%	0
Electricity	55.00%	118.00%	200
Gas	38.00%	38.00%	0
Fuel	10.00%	10.00%	0
Insurance	10.00%	10.00%	0
IT Contracts	3.50%	10.00%	30

7. Like much of the wider public sector, the Service now finds itself at a point of significant financial uncertainty for the medium-term. This report must be seen in the context of the following factors:-

Pay inflation

8. Upwards inflationary pressure remains on pay awards and as outlined above will be a significant financial risk into the medium-term. Our current pay inflation assumption for 2022/23 is 2.5%, so for example a pay award of 5.5% (which is similar to that which has been offered to Police, Local Authority Staff, Teachers and the NHS) would add a further £900k of pay costs (beyond our base assumption of 2.5%) in 2022/23 with a full year effect of £1.2m in each of the years 2023/24 onwards.
9. The current assumption is that there will be no additional funding from the Home Office to cover any increase.

10. The pay and prices earmarked reserve (£1.2m) could be used to meet these additional costs for one year, however this would cause a deficit over the medium term, until the final pay award has been agreed and any announcements from the Home Office regarding additional funding it is difficult to be more precise.
11. Further pay increases in excess of the 2% assumption for 2023/24 would place additional pressure on the Authority's finances. This assumption will be reviewed during the budget setting process throughout the autumn this year.
12. Non-pay inflation
The latest estimate for electricity costs shows a further £200k pressure in 2022/23 due to an increase of 118% against the assumed increase of 55%. This pressure will be picked up as part of the second quarter budget monitoring for the period ending 30 September 2022. There is a small additional inflationary pressure on IT contracts of £30k and it is felt that gas costs at this stage will be contained within the budget for 2022/23 that was increased by 38% before the start of the financial year.

PRUDENT MINIMUM GENERAL RESERVE (PMGR)

13. Reserves are held by the Authority to meet general financial risks and costs that may materialise (General Reserve) and also to meet specific project costs or financial liabilities (Earmarked Reserves).
14. Appendix A of this report sets out the analysis that has been undertaken to underpin the need to now maintain a General Reserve of circa £6.9m. This increase from the previous level of £5.9m reflects significantly increased financial risks as follows:
 - return to a recession could adversely affect our council tax income;
 - pressure resulting from higher pay awards due to higher general inflation;
 - higher utility charges for gas and electricity and higher fuel costs;
 - business continuity events that place additional financial burdens on the Service.
15. More generally, financial risks at a macroeconomic level are likely to be volatile over the medium-term and our reserves position is robust and reasonable and underlines the need to maintain an operating General Reserve of circa £6.9m

STRATEGIC PLAN COMPATIBILITY

16. Sound financial planning enables the Authority to deliver efficiencies in a timely manner and allows focus upon the achievement of the Authority's strategic objectives.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

17. The Authority has a strong track record in dealing with the significant challenges that austerity has brought since 2011 and has delivered £11m of efficiencies as a response to the £11m reduction in funding. This has involved early decision making with regard to efficiencies so that the impact on the Service can be kept to an absolute minimum.

LEGAL IMPLICATIONS

18. The Authority has a statutory duty to set a balanced budget and has consistently complied with this requirement.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

19. Equality Analysis will be undertaken for all efficiency proposals considered over the period to 2027.

CORPORATE RISK MANAGEMENT IMPLICATIONS

20. Managing within austerity has been on the Authority's Strategic Risk Register for some considerable time and the steps suggested in this report should ensure that the Authority continues to mitigate this risk whilst still providing a first-class service to its communities.

HEALTH AND SAFETY IMPLICATIONS

21. No direct issues arising.

COMMUNICATION ACTIONS ARISING

22. The Authority's MTRS for 2022/23 to 2025/26 has been published and an updated MTRS will be produced for Members' consideration through late 2022 and into early 2023.

DETAILS OF CONSULTATION AND/OR COLLABORATION

23. The Executive Board will be fully engaged in the formulation of the Medium-Term Resource Strategy.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

24. Budget report for HFA in February 2022.

RECOMMENDATIONS RESTATED

25. That Members note the financial outlook for the Service through and approve the Prudent Minimum level of General Reserves (PMGR) set out in the report.

K WILSON

Officer Contact: Kevin Wilson ☎ 01482 567183
Executive Director of Finance & S.151 Officer

Humberside Fire & Rescue Service Summergroves Way
Kingston upon Hull

KW/MS
08 September 2022

MEDIUM TERM FINANCIAL PLAN 2023/24 TO 2026/27
RISK ASSESSMENT TO DETERMINE PRUDENT MINIMUM GENERAL RESERVE (PMGR)

Type	Risk	Consequence	Scale	Financial Loss £M	Likelihood %	Annual Risk £M	Period (years)	Where Provided	Reserve Required £M
Economic	Return to Recession	Lower Council Tax base (reduced construction)	£0.250M per 1% reduction	0.250	60%	0.150	3	Reserves	0.450
	Return to Recession	Lower collection of Council Tax (less able to pay)	£0.250M per 1% reduction	0.250	60%	0.150	3	Reserves	0.450
	Return to Recession	Reduced revenue income	25% decrease	0.050	40%	0.020	3	Reserves	0.060
	Adverse changes in interest rates	Higher financial costs	Net Debt circa £13M 1%=£0.130M	0.130	60%	0.078	3	Reserves	0.234
	Additional Costs due to higher insurance costs	Increase in revenue costs	20% of £400k	0.080	50%	0.040	5	Reserves	0.200
	Energy and fuel costs significant increases	Higher annual revenue costs		0.250	80%	0.200	3	Reserves	0.600
	Reduced Government Grants - Formula Grant	Lower annual revenue resources	£0.173M per 1%; assess risk of further 5% reduction	0.865	40%	0.346	3	Reserves	1.038
	Increased Costs following Brexit	Higher costs of Appliances/ALP and other items	Assess £100k increase	0.100	25%	0.025	2	Reserves	0.050
Employment	Higher pay settlements	Higher costs	£0.40M per 1%	0.400	90%	0.360	3	Reserves	1.080
	Equal Pay potential claims	One-off costs	£0.5M	0.500	10%	0.050	1	Reserves	0.050
	Flu pandemic or similar event	Increased employee absence requiring cover at extra cost	30% absence for 1 Month	0.875	40%	0.350	1	Reserves	0.350
	Employer Pension Contribution Increases	Higher annual revenue costs	£0.100M per 1% increase	0.300	40%	0.120	3	Reserves	0.360
	Prolonged Period of Industrial Action	Additional pressure on Revenue Budget	£1.2 per annum	1.200	70%	0.840	1	Reserves	0.840
Services	Capital Overspends	Fund from revenue (no capital resources available)	One-off	1.000	10%	0.100	1	Reserves	0.100
General	Corporate Manslaughter	Unlimited Fine	Assess risk of £10M fine	10.000	10%	1.000	1	Reserves	1.000
	New Dimensions Assets	Replacement of asset outside existing replacement programme	Assume cost of £0.4M	0.400	20%	0.080	1	Reserves	0.080
Total General Reserve requirement									6.942

The recommended Prudent Minimum General Reserve (PMGR) required to meet Assessed Financial Risks is £5.9M

	Higher or more than last year or a new addition to the assessment
	the same as last year
	Lower or less likelihood than last year

HFRS EQUALITY, DIVERSITY AND INCLUSION ANNUAL REPORT 2021/2022

SUMMARY

1. This report provides an overview of the wide range of activities, outcomes and progress made by HFRS from 1st September 2021 to 31st August 2022, in which the world was recovering from a global pandemic and discovering a 'new normality'.
2. During the recovery period we have used this time to reflect, review and try out new ways of working, whilst we remain mindful of our legal equality duties under the Equality Act 2010, particularly our Public Sector Equality Duties (PSED).

RECOMMENDATIONS

3. That Members discuss and approve the report.

REPORT DETAIL

4. Humberside Fire and Rescue Service (HFRS) as a public sector organisation is subject to the public sector equality duty of the Equality Act 2010 which has general and specific duties which are:

4.1 General equality duty (section 149 Equality Act 2010).

- (a) Eliminate unlawful discrimination, harassment, and victimisation.
- (b) Advance equality of opportunity between different groups.
- (c) Foster good relations between different groups.

Specific duties (Schedule 19 Equality Act) – Listed public authorities must publish:

- (a) Information on employees (if 150 staff or more) and people affected by policies and practices to demonstrate compliance with the equality duty, at least annually.
- (b) Specific and measurable equality objectives, at least every four years.

Continued Progress with Service EDI priorities/objectives:

- 4.2 Having reviewed our Service approach to EDI through consulting and renewing our Service EDI objectives and PSED priorities during 2020 this report covers the first year's progress and achievements of said priorities.

Our 5 priorities are:

1. Leading by example on equality
2. Increasing diversity throughout our workforce
3. Ensuring a safe and fair workplace for all staff
4. Continuing to improve our knowledge of our diverse communities and how we engage with them
5. Identifying the fire and other emergency risks linked to multiple disadvantage and discrimination

5. Priority 1: Leading by example on equality – progress and achievements:

5.1 Our recent **HMICFRS inspection** report stated *“We found the Service was actively promoting issues relating to equality, diversity and inclusion, and the workforce supports this approach, which will lead to benefits in the long term.* We have achieved this in a variety of ways including:

- 5.1.1 Continuing to demonstrate a focus on equality, diversity, and inclusion (EDI) in all we do. We do this by updating the implemented PSED automated action plan which enables all Heads of Function to demonstrate progress against the PSED in their areas of responsibility and accountability, this includes opportunity for recording of EIAs and positive attraction/community engagement.
- 5.1.2 Through the provision of quarterly EDI updates to SLT and EDI update presentations/engagement for Fire Authority Members through Members Day, by the production and approval of the Annual EDI report and Pay Gap report (covering gender, disability and ethnicity) and engagement with our staff through the Leadership and Supervisory Leadership forums. OD team has also designed and implemented an EDI staff handbook as an up to date EDI resource for all staff.
- 5.1.3 By reviewing the EDI policy and adoption of the NFCC EIA form and model and implementation of an EIA policy and guidance.
- 5.1.4 Through the production of EIAs, provision of EIA training for staff conducting EIAs and by monitoring/reviewing the actions from completed EIAs.
- 5.1.5 HFRS Senior leaders have been actively taking personal responsibility for promoting equality through SLT engagement visits, adoption of the Core Code of Ethics and through visible leadership with the established staff forums: Voices for Women, Voices for Disability and LGBTQ+ (Please see evidence of achievements from our staff forums: <https://humbersidefire.gov.uk/about-us/how-we-are-equal-and-inclusive/case-studies-2021-to-2022>)
- 5.1.6 Where we have not got an established staff forum, we continuing to work with external organisations such as Asian Fire Services Association (as a corporate member) and with staff representation

on national and regional (AFSA North) groups. We use their experience and materials to promote, educate and engage staff, in the hope that this will lead to an ethnic minority staff forum in the future.

5.1.7 *This has led to recognition in our recent **HMICFRS inspection** report that stated “The Service has improved its approach to EDI and is making sure it can offer the right services to its communities and support staff with protected characteristics. Staff we spoke to were knowledgeable about the EDI challenges faced by the Service and were very positive about the journey that the Service has been on since its last inspection”*

6. **Priority 2: Increasing diversity throughout our workforce**

The Service as an Employer of Choice for diverse communities and underrepresented groups

6.1 Work across HFRS People Directorate, which includes Human Resources, Organisational Development, Training and Occupational Health and Wellbeing teams, has been focused on ensuring HFRS is recognised as an ‘employer of choice’.

6.2 To support attraction of talented staff the Service website and media campaigns/communication have continued to be updated to promote the Service as an ‘employer of choice’, for example, by producing videos on all physical aspects of the firefighter application process and the on-line test. **HMICFRS report** noted that “*There is an open, fair and honest recruitment process for staff wishing to work for HFRS. The Service has put considerable effort into developing its recruitment processes so that they are fair and understood by all potential applicants. The recruitment policies are comprehensive and cover opportunities in all roles*”

Positive Attraction Campaigns

6.3 HFRS aspires to have a workforce which is representative of the people and communities that we serve. We recognise that there are underrepresented groups within many areas of our workforce, with the widest gap in representation being the gender and ethnicity profile in our uniformed workforce.

6.4 We have begun to address these gaps through sustained positive attraction. The statistics show that we are incrementally attracting more women and ethnic minority men and women to apply for Full-Time firefighter recruitment:

2018 Campaign applications	2021/2 campaign applications
Male = 86.8%	Male = 83.2 %
Female = 12.7 %	Female = 15.3%

BAME = 5.9%	BAME = 6.7 %
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- 6.5 The OD team developed a QR code that enables members of the public to scan and be taken directly to the Service website for all recruitment vacancies and includes all the information relating to how to become a firefighter in HFRS. This QR code has been put onto flyers (jointly with Fire safety message) and business cards (jointly with Humberside Police). This has proved to be a highly successful resource.
- 6.6 This year OD team members contacted every female and men and women of ethnic minority background that completed an expression of interest form, from which 5 Rookie Red cohorts were formed (4 more than the 2018 recruitment campaign); this has contributed to successful On-Call and Full-Time recruitment applications and recruitment outcomes.
- 6.7 The latest Full-Time recruitment campaign of 2021/22 resulted in 25% female and 6.7% ethnic minority forming part of the successful cohort. Those women who were unsuccessful in the last recruitment round have been kept engaged with the Service through volunteering opportunities, for example at the British Firefighter Championships and Hull Pride. The Service also supported 5 of the Rookie Reds to attend the WFSUK Training and Development weekend in June 2022, a first for any FRS to do so, along with 8 other HFRS women. (please see evidence of our positive attraction campaign <https://humbersidefire.gov.uk/about-us/how-we-are-equal-and-inclusive/case-studies-2021-to-2022>)
- 6.8 The Service remains committed to addressing all areas of underrepresentation within the workforce and to broadening the workforce profile. We want to encourage people of diverse backgrounds, experience, and beliefs, who share our values and want to make a difference in the community to consider working for us.
- 6.9 **HMICFRS Inspection** report stated, “*The positive action being carried out across the Service is noteworthy*” and the Service “*has acted positively to improve diversity*”.

Recruitment & Selection linked to Talent Pipeline and Progression

- 6.10 HFRS has successfully implemented talent management pipelines at Crew, Watch and Station Manager underpinned by a robust policy and procedures. These are evaluated between promotion rounds to ensure they remain effective, current and fit for purpose. **HMICFRS Inspection** noted that “*The service is developing processes to make sure that promotion and progression is fair for all staff*”.

7. Priority 3: Ensuring a safe and fair workplace for all staff

Creating Modern Workplaces

- 7.1 The Estates Team has a long term planned approach to improving Stations and workplace facilities at HFRS. Work focuses on accessibility, and providing privacy for sleeping, changing, and working as well as improving HFRS assets for effectively providing services to communities.
- 7.2 Covid and issues post recovery have had an impact on progression of this work, however March (2022) saw the successful completion of the re-modelling and refurbishment scheme at Beverley Station. The focus of the scheme was to improve dignity and privacy on station, with individual shower/w.c pods replacing the previous communal welfare facilities. Headquarters reception area and downstairs facilities have also been redesigned and modernised allowing more room and improved access, lighting and furniture upgrade and new disabled toilet facilities.

Health and Safety and Occupational Health and Wellbeing

- 7.3 The Service has effective and well understood health and safety policies and procedures in place and staff know how to report accidents, near misses and dangerous occurrences and that staff feel encouraged to do so. The Occupational Health and Wellbeing Team continue to contribute to and champion EDI work as they progress with their Health and Wellbeing plan for 2021-2024.

Learning and Development of Staff around EDI

- 7.4 HFRS approach has been to promote EDI across the organisation and actively encourage personal ownership and responsibility in relation to EDI knowledge, and commitment, alongside strengthening tailored mandatory training appropriate to all levels.
- 7.5 To support staff in building their understanding around EDI HFRS has:
 - 7.5.1 Refreshed HFRS EDI learning module and launched as mandatory awareness level for all staff in the Service. Staff completed this training over summer/early Autumn of 2021.
 - 7.5.2 Implemented an EDI pathway to support the EDI pillar of the Core Skills Framework – this provides a tailored suite of training requirements for each level of management around EDI. Suitable suppliers are being sourced to provide training requirements for the pathway.
 - 7.5.3 Implemented the EDI staff handbook as an awareness toolkit for all staff in the Service (to compliment HFRS Community handbook).
 - 7.5.4 Adopted and implemented the NFCC EIA form and model and ensured EIA leads have received the required training and

development to complete EIAs within their Service/Function areas. Implemented the required policy, policy guidance and monitoring systems.

Pay Gap Reporting

7.6 The Service continues to meet its duties by publishing these annually. Pay Gap reports for Gender, Ethnicity and Disability were published for data taken as at 31 March 2021 in July 2021. These reports have also been produced for data taken as at 31 March 2022 and await approval.

8. Priority 4: Continuing to improve our knowledge of our diverse communities and how we engage with them.

8.1 We have a range of specialist staff including Prevention Advisers and Managers who work hard to engage with communities and keep abreast of changes which may affect communities' resilience and their needs from us as a Service. Communities have been gradually opening up again from the pandemic, establishing their 'new normal' into recovery. This opening up has seen the following activity/engagement:

8.2 We have re-established attendance at key community/EDI meetings such as Humber EDI Network Group, North Lincs EDI Forum, East Riding Equality Network, Hull Engagers Network, District IAG meetings, Hull & ER LGBTQ+ Forum. This ensures we are engaging with partner agencies across the service area with to improve community knowledge and service delivery outcomes.

8.3 HFRS is a named representative of the Humber Modern Slavery Partnership (HMSP) Board Meetings and a Prevention Leadership Manager attends on a quarterly basis. Staff from across Prevention and Protection have attended workshops, webinars to further develop understanding in this area. The HFRS core skills framework reflects Modern Slavery as essential knowledge when delivering any Prevention and Protection activities.

8.4 Training to support this aspect of the core skills framework includes identifying and tackling Human Trafficking and Provision of a Mandatory Modern Slavery awareness e-learning module to all staff to raise greater awareness and educate individuals how to spot potential victims and report concerns. This training is in line with the HFRS safeguarding policy, position statement and standard delivery guidance. It has been endorsed by the HMSP

8.5 Station story maps produced for our emergency response crews to know that the make-up of their communities is and where their underrepresented groups are likely to be living. These have been designed to support staff understand their station and community areas, take ownership and target

activities to our diverse and underrepresented groups. The 2021 census data that will be incorporated within the OSCI local insights system will then be used to further enhance and update these community maps.

- 8.6 Prevention staff and managers have been actively working with our Deaf and Visually Impaired community leaders, to foster good relations and to ensure the Service provides equality of access. This has meant joint production of a visual impaired protocol for community engagement, which will be launched in October 2022. Their advice and guidance have been incorporated into the updating of our HFRS website and recruitment website information and has led to the purchase and implementation of ReciteMe tool that transforms our website content for people with neurodivergent needs and first language that is not English, making the information we provide more accessible and inclusive.
- 8.7 In June 2022 Refugee engagement events for Mears Housing Group (3 sessions, 31 service users) took place in June 202. The range of service users included people from diverse backgrounds from India, Albania, China, Vietnam, Spain and Arabic countries. During the same month we attended a 'Welcome Ukraine' event in Hull in support of Ukranian refugees fleeing from their country due to the war with Russia.
- 8.8 Positive attraction engagement within communities included events at Hull Mosque, Hull Islamic Centre, Scunthorpe Sikh Temple, Peel Street BAME events, Pride in Hull and the British Firefighter Championship, hosted this year in Hull. We have run a Fire Cadet Scheme in Grimsby which is aimed at young people form diverse backgrounds.

9. **Priority 5: Identifying the fire and other emergency risks linked to multiple disadvantage and discrimination**

- 9.1 The Prevention and Protection Delivery Plan has four key themes of Fire Safety, Road Safety, Water Safety and Wellbeing and are delivered by frontline response staff, supported by specialist Prevention and Protection teams and individuals.
- 9.2 Many of our safety campaigns are adapted and targeted to reach a wide range of groups such as fire safety for students, water safety and families with children, road safety for young drivers, and in this way, we reach groups in the population most at risk from these dangers.
- 9.3 We have reviewed and refreshed our Fire Fatality Domestic Risk Profile to ensure we are targeting our resources to those deemed most at risk of fire. Our fire fatality domestic risk profile profiles are risk based on key risk attributes and this applies equally to all households and occupiers. We have a robust referral process to identify high risk individuals and this applies to all people without discrimination.

- 9.4 Since the purchase and introduction of drones within the Service our trained pilots are regularly deployed to assist Humberside Police in looking for and finding missing vulnerable people.

10. Our Equality, Diversity, and Inclusion Priorities - Looking Ahead

- 10.1 We have seen a gradual opening up within our communities' post Covid, and we will continue to capitalise on opportunities for further community engagement.
- 10.2 We have seen positive outcomes from our sustained positive attraction campaign, which has seen a small but steady increase in the number of women overall employed within the Service and women and people from ethnic minority backgrounds applying for firefighter roles. Key initiatives such as Rookie Red programmes have been cited as innovative practice in our recent HMICFRS Inspection. We will continue to build on these positive attractions and action successes and keep acting positively to improve diversity within the Service.
- 10.3 We will continue with the improvement to our approach to EDI, making sure we can offer the right services to our communities and support staff with protected characteristics. We are proud that our **HMICFRS Inspection** reported that *"staff we spoke to were all very knowledgeable and were very positive about the (EDI journey the Service has been on since the last inspection"*

STRATEGIC PLAN COMPATIBILITY (tick all that apply)

- | | |
|---|---|
| <input checked="" type="checkbox"/> What we must do well | <input checked="" type="checkbox"/> How we support our communities |
| <input checked="" type="checkbox"/> We value and Support the people we employ | <input checked="" type="checkbox"/> We effectively manage the Service |

PLEDGE COMPATIBILITY (tick all that apply)

- | | |
|---|---|
| <input checked="" type="checkbox"/> MIND Blue Light Time to Change Pledge | <input checked="" type="checkbox"/> White Ribbon Pledge |
| <input checked="" type="checkbox"/> HeForShe Movement Pledge | <input type="checkbox"/> Dying to Work Pledge |

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

11. None identified directly

LEGAL IMPLICATIONS

12. Legal duties have been explained in the report

HUMAN RESOURCE IMPLICATIONS

13. Most areas covered in this report have positive implications from an HR and specifically EDI point of view.

HEALTH AND SAFETY IMPLICATIONS

14. None identified directly

EQUALITY IMPACT ASSESSMENT

Equality Analysis Completed? *(tick relevant box)*

☒ Yes

If you have ticked "Yes" please complete the comment boxes below providing details as follows: -

Summary of any Impacts Identified:	Key Mitigating Actions Proposed and Agreed:
Have been identified in the EIA	Have been identified as actions within the EIA

☐ No

☐ N/A

If you have ticked "No" or "N/A" please complete the comment boxes below providing details of why an EA is not required/is outstanding: -

--

CORPORATE RISK MANAGEMENT IMPLICATIONS

Risk Impact Assessment Completed? *(tick relevant box)*

☐ Yes

If you have ticked "Yes" please complete the comment boxes below providing details as follows: -

Summary of any Impacts Identified:	Key Mitigating Actions Proposed and Agreed:

☐ No

☒ N/A

If you have ticked "No" or "N/A" please complete the comment boxes below providing details of why an RIA is not required/is outstanding: -

The legal implications and obligations are contained within the report, and by presenting the report through SLT and HFA meets the required obligations

COMMUNICATIONS ARISING

15. Following approval at SLT the report will be submitted to HFA for Approval and published on our website.

CONSULTATION

Consultation Undertaken or Planned? *(tick relevant box)*

- ☒ Yes
☐ Planned

If you have ticked “Yes” or “Planned” please complete the comment boxes below providing details as follows: -

Summary of any consultation:

PSED objectives were consulted upon previously, this paper details progress against those objectives.

- ☐ No
☐ N/A

If you have ticked “No” or “N/A” please complete the comment boxes below providing details of why consultation is not required/is outstanding: -

COLLABORATION

Opportunities for Collaboration? *(Tick relevant box)*

- ☒ Yes
☐ No

If you have ticked “Yes” please provide brief details in the box below and include a third party/parties it would involve: -

The Service is collaborating with a range of partners on EDI initiatives, e.g. Humberside Police and local community groups.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

16. None

RECOMMENDATIONS RESTATED

17. Members discuss and approve the report.

Christine Cooper, Executive Director of People and Development

Officer Contact: Sam O' Connor Head of Organisational Development
Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

Ref: CC/MAS
Date: 06.09.2022



What we must
do well



How we support our
communities



We value and support
the people we employ



We efficiently manage
the Service



HUMBERSIDE
Fire & Rescue Service

Equality Impact Analysis (EIA)

(Also known as Equality Impact Assessment, People Impact Assessment, Equality Risk Assessment)

Original version adopted from NFCC by Humberside Fire and Rescue Service – March 2021

Policy / Project / Function	Equality Diversity and Inclusion Annual Report						
Date of Analysis	25/08/2021		Reference				
Analysis Rating: please tick 1 box ✓ (The analysis rating is identified after the analysis has been completed - See Completion Notes).	RED	<input type="checkbox"/>	AMBER	<input type="checkbox"/>	GREEN	<input checked="" type="checkbox"/>	Proportionate means achieving a legitimate aim/can be objectively justified.
Please list methods used to analyse impact on people (e.g. consultations forums, meetings, data collection)	Pay Gap information, workforce data information, ONS data, EDI steering group meetings, staff forums. HMICFRS Inspection reports						
Please list any other policies that are related to or referred to as part of this analysis.	EDI Policy, EIA Policy, HR policies, Pay Gap reports, Core Code of Ethics						
Please list the groups of people potentially affected by this proposal. (e.g. applicants, employees, customers, service users, members of the public).	HFA Members, All employees, contractors, volunteers						
Please list any other supporting documents or forms referred to when conducting the assessment. Provide links where appropriate.							
What are the aims and intended effects of this proposal (project, policy, function, service)? This policy demonstrates how HFRS values diversity, how it meets its responsibilities set out in legislation and how it will pay due regard to equality within the Service.							
Is any Equality Data available relating to the use or implementation of this proposal (policy, project, or function, service)? Please Tick ✓ (See Completion notes)							
YES: Staff and community data sets NO:							
Consider the Human Resource (HR) impacts which relate to the proposal. For example, are there any impacts on contractual terms and conditions of employment such as pay/hours of work, existing policies, processes or guidance?							
YES: NO: ✓							
List any Consultations e.g., with employees, service users, Unions or members of the public that has taken place in the development or implementation of this proposal (project, policy, function)?							
EDI Steering group members, Staff Forum Chairs, relevant Heads of Function							
Consider the Safeguarding impacts which relate to the implementation of this proposal. Consideration should also be given to the cross-cutting nature of the Safeguarding impact identified in relation to each of the protected characteristics.							
There are no Safeguarding impacts or implications identified at this time.							
Financial Analysis If applicable, state any relevant cost implications (e.g. expenses, returns or savings) as a direct result of the implementation of this policy, project, or function.							
Costs: £ 0				Projected Returns: £ not applicable			
Implementation: £				Projected Savings: £ not applicable			

Equality Impact Analysis (EIA)

(Also known as Equality Impact Assessment, People Impact Assessment, Equality Risk Assessment)

Adopted from NFCC by Humberside Fire and Rescue Service March 2021

What impact will the implementation of this proposal have on people who share characteristics protected by <i>The Equality Act 2010</i> ? ✓ (See Completion notes)				
Protected Characteristic:	Neutral Impact:	Positive Impact:	Negative Impact:	Evidence of impact and if applicable, justification if determining proportionate means of achieving legitimate aims exists.
Sex (Men and Women)	<input type="checkbox"/>	✓	<input type="checkbox"/>	Progress against the Service PSED and EDI objectives and the Gender Pay gap report and analysis has shown positive outcomes for attraction, retention and development of both men and women within the Service. The formation of the Voices for Women's group has promoted/supported women and contributed to the outcomes noted in reports. There is a need to continue with positive attraction and action for women.
Race (All Racial Groups)	<input type="checkbox"/>	<input type="checkbox"/>	✓	Progress is slow and the ethnicity pay gap report shows a small decrease in the number of ethnic minorities employed within the Service. The workforce data shows that we need to continue with positive attraction and action for ethnic minorities.
Disability (Mental, Physical, and Carers of Disabled people)	<input type="checkbox"/>	✓	<input type="checkbox"/>	Progress against the PSED and EDI objectives and the Disability Pay gap report and analysis has shown positive outcomes for retention and development/progression of those who have declared a disability working for the Service. The formation of the Voices for Disability has promoted/supported staff and contributed to the outcomes noted in reports. There is a need to build on this good work internally and attract more people living and able to work with a disability into the Service.
Religion or Belief	✓	<input type="checkbox"/>	<input type="checkbox"/>	There is limited data/evidence to demonstrate positive or negative affects regarding religion or belief within the Service, there is some evidence of community engagement and positive attraction events at key religious groups, such as mosques and sikh temples.
Sexual Orientation (Lesbian, Gay, Bisexual and Straight)	<input type="checkbox"/>	✓	<input type="checkbox"/>	Evidence of engagement within the local communities at Pride events during July has been a positive experience. The formation of the LGBTQ+ staff forum has promoted/supported staff internally and contributed to the outcomes in the PSED and EDI objectives and Annual report.
Pregnancy and Maternity	<input type="checkbox"/>	✓	<input type="checkbox"/>	There are maternity, paternity and adoption leave policies supporting prospective parents.
Marital Status (Married and Civil Partnerships)	✓	<input type="checkbox"/>	<input type="checkbox"/>	There is limited data/evidence to demonstrate positive or negative effects of marriage or civil partnerships
Gender Reassignment (Includes non-binary)	✓		<input type="checkbox"/>	There is limited data/evidence to demonstrate positive or negative effects. The Service has adopted the NFCC Gender Diversity toolkit which will be 'humbersided' into our policy and guidance formats and circulated for consultation. This will assist with staff education and understanding.
Age (People of all ages)	<input type="checkbox"/>	✓	<input type="checkbox"/>	The workforce is an ageing workforce and the Health and well-being strategy and access to an employee assistance programme for age related issues such as pre-retirement and menopause

Equality Impact Analysis (EIA)

(Also known as Equality Impact Assessment, People Impact Assessment, Equality Risk Assessment)

Adopted from NFCC by Humberside Fire and Rescue Service March 2021

What impact will the implementation of this proposal have on people who are impacted by and / or local factors that sit outside the Equality Act 2010 (non-legislative). Examples include social economic factors (i.e. poverty and or isolation), caring responsibility, unemployment, homelessness, urbanisation, rurality, health inequalities any other disadvantage. ✓ (See Completion notes)				
Identified impact non-legislative factor.	Neutral Impact:	Positive Impact:	Negative Impact:	Evidence of impact and if applicable, justification if determining proportionate means of achieving legitimate aims exists
Section not applicable	<input type="checkbox"/>		✓	Cost of Living is a UK wide concern with rising costs e.g. electric, gas, petrol and diesel. In line with national statistics wages are not keeping up with inflation and rising costs
	<input type="checkbox"/>	✓	<input type="checkbox"/>	
	<input type="checkbox"/>	✓	<input type="checkbox"/>	

This Equality Impact Analysis was completed by:

Name:	Sam O'Connor	Section:	Head of Organisational Development
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Equality Impact Analysis (EIA)

(Also known as Equality Impact Assessment, People Impact Assessment, Equality Risk Assessment)

Adopted from NFCC by Humberside Fire and Rescue Service March 2021

Action Plan Owner: Sam O'Connor		Commencement date: 01/09/22		Sign off date:	
As a result of performing this analysis, what actions are proposed to remove or reduce any negative impact of adverse outcomes identified on people (employees, applicants, customers, members of the public etc) who share characteristics protected by <i>The Equality Act 2010</i> or are <i>non-legislative characteristics</i> ?					
Action Planning					
Identified Impact Protected Characteristic or local non-legislative factor	Recommended Actions		Responsible Lead	Completion Date	Review D
Cost of Living	Voices for women designed and facilitated a workshop open to all staff, this led to the creation of a staff resource pack available on sharepoint		Lesley Butcherand Hibou Drusden	010822	
Gender	To strive to maintain and improve our recruitment, retention and development of women in our Service. This will be by the ongoing work through Voice for Women staff forum, EDI steering group and positive attraction and action activities.		Sam O'Connor	On going	Annually via EDI and Gender Pay Gap reports
Disability	To continue to support and develop our disabled staff within the workforce working with the Voices for Disability forum and to promote the Service as an employer of choice		Sam O'Connor	On going	Annually via EDI and Disability Pay Gap reports
Ethnicity	We continue to aim to get the Service recognised as an employer of choice by diverse ethnic groups, through effective community engagement and positive attraction and actions to increase the ethnic minority diversity of our workforce.		Sam O'Connor	On going	Annually via EDI and Ethnicity Pay Gap reports
Religion/belief	To identify and consider data sources to understand if there are any negative impacts for this protected characteristic		Sam O'Connor	31 August 2023	To be reported in EDI annual report of 2023
Marital status	To identify and consider data sources to understand if there are any negative impacts for this protected characteristic		Sam O'Connor	31 August 2023	To be reported in EDI annual report of 2023
Gender reassignment	The Service has adopted the NFCC Gender Diversity toolkit which will be 'humbersided' into our policy and guidance formats and circulated for consultation. This will assist with staff education and understanding.		Sam O'Connor	31 August 2023	To be reported in EDI annual report 2023

Equality Impact Analysis (EIA)

(Also known as Equality Impact Assessment, People Impact Assessment, Equality Risk Assessment)

Adopted from NFCC by Humberside Fire and Rescue Service March 2021

Completion Notes:	
Analysis Ratings:	<p>The analysis rating is located at the top of the document so that if you have several impact assessments you will be able to determine priority impact status. To assure the analysis determines the rating, the rating should not be determined before the analysis has been completed.</p> <p>Red: As a result of performing this analysis, it is evident a risk of discrimination exists (direct, indirect, unintentional, or otherwise) to one or more of the nine groups of people who share <i>Protected Characteristics (and / or local non-legislative factors)</i>. In this instance, it is recommended that the use of the activity or policy be suspended until further work or analysis is performed.</p> <p>If it is considered this risk of discrimination (is <i>objectively justified</i>, and/or the use of this proposal (policy, activity, function) is a <i>proportionate means of achieving a legitimate aim</i>; this should be indicated and further professional advice taken.</p> <p>Amber: As a result of performing this analysis, it is evident a risk of discrimination (as described above) exists and this risk may be removed or reduced by implementing the actions detailed within the <i>Action Planning</i> section of this document.</p> <p>Green: As a result of performing this analysis, no adverse effects on people who share Protected Characteristics <i>and / or local non-legislative factors</i> are identified - no further actions are recommended at this stage.</p>
Equality Data:	<p>Equality data is internal or external information that may indicate how the activity or policy being analysed can affect different groups of people who share the nine Protected Characteristics <i>and / or local non-legislative factors</i>. Examples of <i>Equality Data</i> include: (this list is not definitive)</p> <p>1: Application success rates by <i>Equality Groups</i> 2: Complaints by <i>Equality Groups</i> 3: Service usage and withdrawal of services by <i>Equality Groups</i> 4: Grievances or decisions upheld and dismissed by <i>Equality Groups</i></p>
Legal Status:	<p>This document is designed to assist organisations in <i>"Identifying and eliminating unlawful Discrimination, Harassment and Victimisation"</i> as required by <i>The Equality Act Public Sector Duty 2011</i>.</p> <p>The NFCC/FRSs may be keen to extend "due regard" to local/non-legislative factors such as social economic factors (i.e. poverty and or isolation), caring responsibility, unemployment, homelessness, urbanisation, rurality, health inequalities any other disadvantage. ✓ (See Completion notes). What impact will the implementation of this proposal have on people for which there is no legal requirement? (consider each local non-legislative factor separately).</p> <p>Doing this analysis may also identify opportunities to <i>foster good relations</i> and <i>advance opportunity</i> between those who share Protected Characteristics <i>and / or local non-legislative factors</i> and those that do not.</p> <p><i>An EIA is not legally binding and should not be used as a substitute for legal or other professional advice.</i></p>
Objective And/or Proportionate	<p>Certain discrimination may be capable of being defensible if the determining reason is:</p> <p>(i) <i>objectively justified</i> (ii) <i>a proportionate means of achieving a legitimate aim</i> of the organisation</p> <p>For <i>objective justification</i>, the determining reason must be a real, objective consideration, and not in itself discriminatory. To be '<i>proportionate</i>' there must be no alternative measures available that would meet the aim without too much difficulty that would avoid such a discriminatory effect. Where (i) and/or (ii) is identified it is recommended that professional (legal) advice is sought prior to completing an Equality Impact Analysis.</p>

Please ensure the completed form is returned to Organisational Development (OD) via email.

23 September 2022

Humberside Fire Authority
Date of meeting

Report by the Executive Director of
People & Development

GENDER PAY GAP REPORT 2022/23

SUMMARY

1. This paper details the pay gap reporting information and supportive narrative for HFRS to meet its legislative obligations for the 2022/2023 gender pay gap reporting requirements. HFRS met its 2021 gender pay gap reporting requirements by publishing its report in July 2021 for data as at 31 March 2021. HFRS also voluntarily reported on its ethnicity and disability pay gaps. This fulfilled HFRS legal duties to publish its gender pay gap reporting information by 31 March 2022.

RECOMMENDATIONS

2. HFA are asked to take note of the content of the report and, in order to meet our obligations under the Equality Act 2010, approve: -
 - 2.1 Submission of the data sets to the Government Gender Pay Gap Portal;
 - 2.2 Publication of an easy read version of this report. Please note the data set information and supportive narrative contained in the report will be represented graphically, artwork will be commissioned once Members have approved the recommendation.

REPORT DETAIL

Introduction

3. Gender pay reporting legislation requires employers with 250 or more employees to publish gender pay gap data annually. The deadline for publication is 30 March 2023 for Public Sector Organisations (for data as of 31 March 2022). Organisations must publish on their public-facing websites and report to the Government.
4. There is currently no legislative requirement for organisations to publish ethnicity and disability pay gap data. In January 2019 the Government consulted on ethnicity and disability pay gap reporting, whilst the response to the consultations have been delayed it is likely that ethnicity and disability pay gap reporting will become a requirement in the future. As good practice HFRS has voluntarily included ethnicity and disability pay gap reporting within this paper, using the definitions and data sets required by gender pay gap reporting.
5. The definition of “Employees” are those staff who hold a contract of employment with the organisation; workers and agency workers; and self-employed staff if they personally perform the work.
6. The definition of “Full Pay Employees” account for any employee paid full remuneration as at 31 March 2022. It will not include staff who are paid less than their usual rate of pay, such as those staff on unpaid leave, compassionate leave, sabbatical leave or on Statutory Sick Pay or Statutory Maternity Pay.

7. The gender pay gap reporting measures are:
 - 7.1 mean gender pay gap in hourly pay;
 - 7.2 median gender pay gap in hourly pay;
 - 7.3 mean bonus gender pay gap;
 - 7.4 median bonus gender pay gap;
 - 7.5 proportion of males and females receiving a bonus payment;
 - 7.6 proportion of males and females in each pay quartile.

Gender Pay Gap and Equal Pay

8. The gender pay gap is a measure of the difference between the average earnings of men and women (irrespective of seniority). Equal pay is our legal obligation as an employer to give men and women equal pay for equal work.
9. An organisation can have a gender pay gap without breaching equal pay provisions
10. Our gender pay gap is not as a result of equal pay issues. We have a gender-neutral approach to pay across all levels of the organisation. For firefighter and Control roles, terms and conditions are nationally negotiated, (known as Grey book) using role maps resulting in nationally agreed pay scales. Support roles are determined locally for pay and terms and conditions using an accredited job evaluation scheme, based on the Local Government Scheme (known as Green book).

Gender Pay Gap

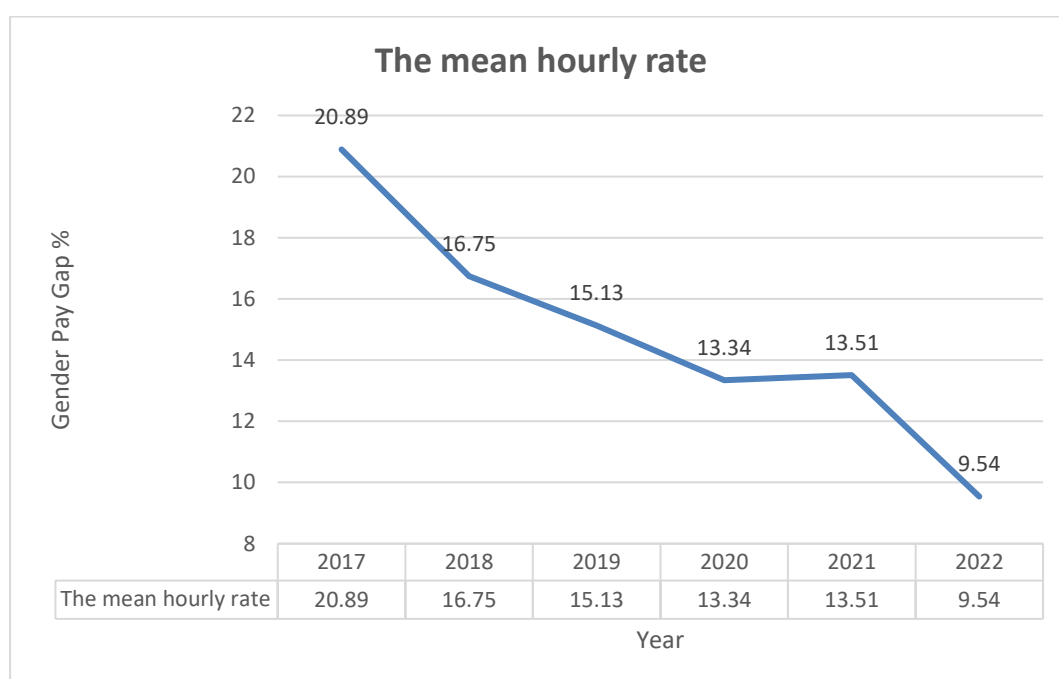
11. The tables below detail the HFRS gender profile. The information provided in the gender profile table and subsequent tables accounts for any employee in paid full remuneration as at 31st March 2022.

Gender	Number of Staff as at 31/3/22	%
Women	230	22%
Men	799	78%
TOTAL	1029	100%

12. The gender profile demonstrates that there is a significantly higher proportion of men overall employed in the Service, although there is a small but steady increase in women joining the Service overall (up 1.5% this reporting year from last year). There is a far larger volume of Operational roles within the Service and those roles are still more commonly occupied by men. Women make up the larger proportion of staff in Support and Control roles.
13. The Gender Pay Gap 2022 in terms of mean hourly pay (measure 7.1) is detailed in the table below: -

	Women	Men	Gender Pay Gap
The mean hourly rate	£14.64	£16.18	9.54%

14. The mean hourly rate is the average hourly wage across the entire organisation, so the mean gender pay gap is a measure of the difference between women's mean hourly wage and men's mean hourly wage. This year it is £1.54, which is significantly reduced from the £2.07 gap reported last year.
15. The graph below shows the Gender Pay Gap in terms of the mean hourly rate for six years. The graph identifies a significant reduction of the gender pay gap by nearly 4% from last year. This is largely due to more women successfully appointed at senior levels within the organisation during this reporting period, and the increase in women joining the Service overall.

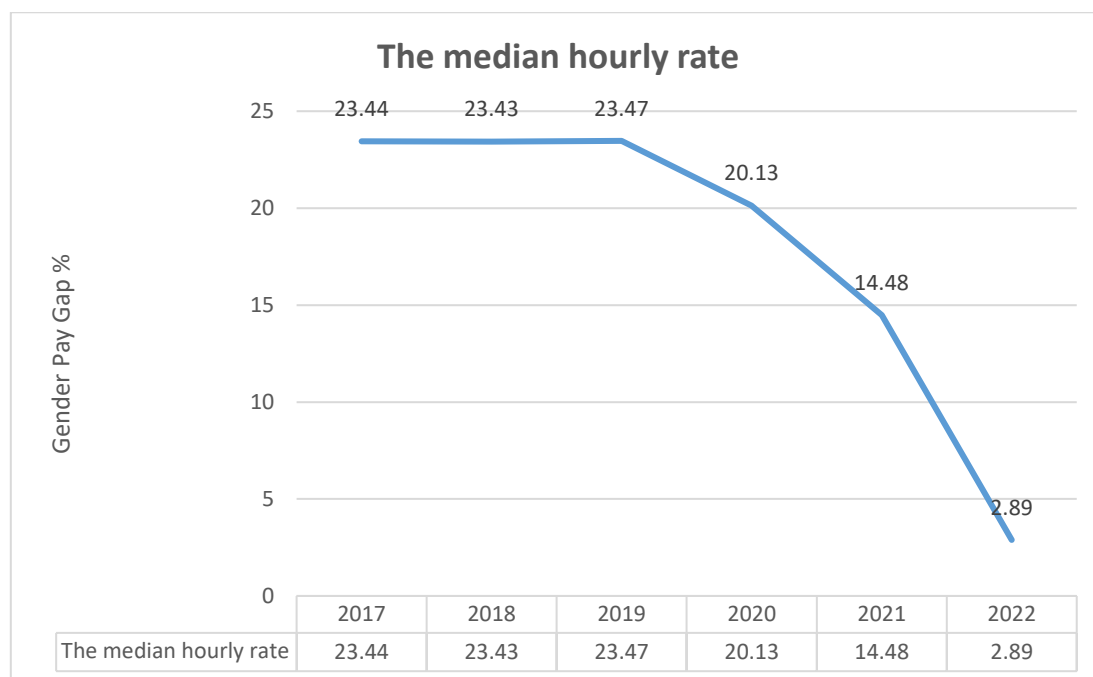


16. The Gender Pay Gap 2022 in terms of median hourly pay (measure 7.2) is detailed in the table below: -

	Women	Men	Gender Pay Gap
The median hourly rate	£14.63	£15.06	2.89%

17. The median hourly rate is calculated by ranking all employees from the highest paid to the lowest paid, and taking the hourly wage of the person in the middle; so the median gender pay gap is the difference between women's median hourly wage (the middle paid woman) and men's median hourly wage (the middle paid man), which is £0.43, which is significantly lower than the £2.15 median pay difference reported last year .

18. The graph below shows the Gender Pay Gap in terms of the median hourly rate for six years. There has been marked improvement with the gap closing by just over 11% within those six years. The UK average Gender Pay Gap reported for 2022 is 15.4% and it is 16.2% for the Yorkshire and Humber region. HFRS is well below both the regional and national figures.

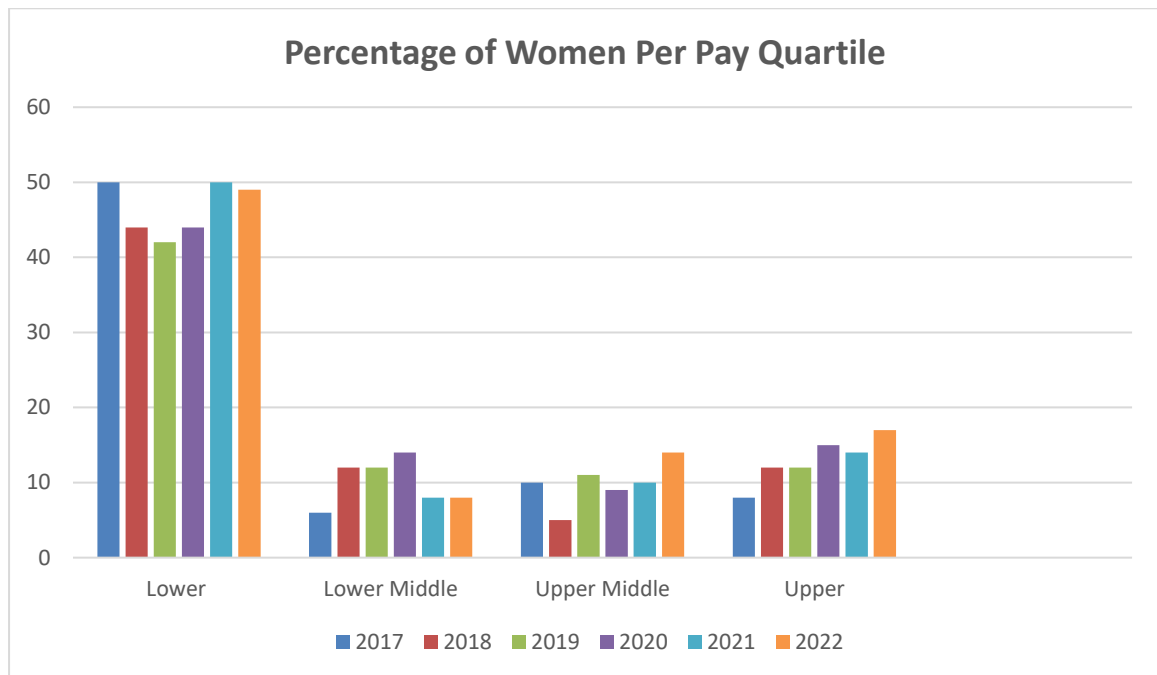


18. Staff within HFRS do not receive bonuses and as such publish a nil return for the measures identified in 7.3, 7.4 and 7.5.
19. The table below shows the percentage of women and men per pay quartile for 2022 (measure 7.6): -

Quartile	Women (%)	Men (%)
Lower (0%-25%)	49.22%	50.78%
Lower Middle (25%-50%)	8.56%	91.44%
Upper Middle (50%-75%)	14.34%	85.66%
Upper (75%-100%)	17.19%	82.81%

20. Pay quartiles are calculated by splitting all employees in an organisation into four even groups according to their level of pay. Looking at the proportion of women in each quarter gives an indication of women's representation at different levels of the organisation. The data identifies that women within HFRS occupy 17% of the highest paid jobs, this is an increase of 3% from last year and there is an increase in the upper middle quartile too of 4%. The lower middle and lower quartiles remain broadly similar to last year's % rates.

21. The graph below compares the percentage of women per pay quartile for six years, which supports the narrative in point 20.



22. Last year saw a small number of women in senior/middle management roles leaving or retiring from the Service. The increase in women in upper middle and upper quartiles is a result of successful promotions and recruitment activity in this reporting year. Our consistent positive attraction and action activities have also contributed to the overall increase in women joining the Service.

Ethnicity Pay Gap

23. The table below detail the HFRS ethnicity profile. The information provided in this profile table and subsequent tables accounts for any employee in paid full remuneration as at 31st March 2022. White (Other) includes British, English, Scottish, Welsh, Northern Irish, Irish, Gypsy or Irish Traveller, Irish and Other. Ethnic Minorities include Black or Black British, Mixed and Other.

Ethnicity	Number of Staff as at 31/3/22	%
White \ White Other	992	96.5%
Ethnic Minorities	22	2%
Not Stated	15	1.5%

24. The ethnicity profile demonstrates that there is a significantly majority proportion of white and white other employees in the Service. Retirements and employees exiting the Service has seen a reduction in the ethnic workforce profile, however there has been a decrease in the number of 'not stated' from 38 to 15, which is a result of employee data survey work undertaken by HR this year.

25. The Ethnicity Pay Gap 2022 in terms of mean hourly pay (measure 7a) is detailed in the table below:

	White/White other	Ethnic Minorities	Not Stated	Ethnicity Pay Gap
The mean hourly rate	£15.83	£15.01	£17.91	5.18%

26. The mean hourly rate is the average hourly wage across the entire organisation, so the mean ethnicity pay gap is a measure of the difference between white/white others mean hourly wage and ethnic minorities mean hourly wage. The data demonstrates that there is a difference of £0.82 which is a slight increase from last year.
27. Compared to last year, the Ethnicity Pay Gap within the Service remains broadly the same at just over 5%. Whilst we will always strive to have no pay gap at all, we continue our efforts with more positive attraction within the communities we serve in order to add to the diversity of our workforce.
28. The Ethnicity Pay Gap 2022 in terms of median hourly pay (measure 7.2) is detailed in the table below: -

	White/White Other	Ethnic Minorities	Not stated	Ethnicity Pay Gap
The median hourly rate	£15.06	£14.72	£15.06	2.25%

29. The median hourly rate is calculated by ranking all employees from the highest paid to the lowest paid, and taking the hourly wage of the person in the middle; so the median gender pay gap is the difference between ethnic minority staff groups median hourly wage (the middle paid ethnic minority staff member) and the white/white other staff groups median hourly wage (the middle paid white/white other staff member). The data shows there is a difference of £0.34 similar to last year.
30. The latest data set estimates from the Office for National Statistics identifies a median ethnicity pay gap (for 2019) of 2.3% for England and Wales and 12.7% specifically for Yorkshire and the Humber.
31. Staff within HFRS data sets compare favourably with these national and regional figures. within HFRS do not receive bonuses and as such publish a nil return for the measures identified in 7.3, 7.4 and 7.5.
32. The table below shows the percentage of ethnic minority staff and white/white other staff per pay quartile for 2022 (measure 7.6) :-

Quartile	Ethnic Minority (%)	White/White other (%)	Not stated
Lower (0%-25%)	3.88%	94.57%	1.55%
Lower Middle (25%-50%)	1.95%	96.11%	1.95%
Upper Middle (50%-75%)	0.39%	98.45%	1.16%

Upper 100%)	(75%-	2.34%	96.48%	1.17%
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33. Pay quartiles are calculated by splitting all employees in an organisation into four even groups according to their level of pay. Looking at the proportion of ethnic minority staff in each quarter, gives an indication of ethnic minority staff representation at different levels of the organisation. The data identifies that those declared ethnic minority staff within HFRS occupy 2.34% of the highest paid jobs and 3.88% of the lowest paid jobs. This is lower in both quartiles than last year. We recognise that becoming a more ethnic diverse workforce is a significant challenge for the Service.

Disability Pay Gap

34. The table below details the HFRS disability profile. The information provided in this profile table and subsequent tables accounts for any employee in paid full remuneration as at 31st March 2022. Definition of disability under the Equality Act 2010 You're disabled under the Equality Act 2010 if you have a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on your ability to do normal daily activities'.

Disability Status	Number of Staff 2021	%
No Disability declared	912	89%
Disability declared	55	5%
Not Stated	62	6%

35. The disability profile demonstrates that there is a significantly higher proportion of staff who have not declared a disability than those that have. The number of staff with a declared disability has risen from 2% to 5%, and the number of not stated has decreased from 7% to 6%. This is encouraging from a cultural point of view. The inception of a Voices for Disability staff forum and the employee data survey undertaken by HR has contributed to this.
36. The Disability Pay Gap 2022 in terms of mean hourly pay (measure 7.1) is detailed in the table below: -

	Disability declared	No Disability declared	Not stated
The mean hourly rate	£16.42	£15.81	£15.70

37. The mean hourly rate is the average hourly wage across the entire organisation, so the mean disability pay gap is a measure of the difference in mean pay between staff that have declared a disability and those that have not. The data demonstrates that when comparing mean hourly wages there are more staff who have declared a disability in higher pay quartiles than those who have not.
38. The Disability Pay Gap 2022 in terms of median hourly pay (measure 7.2) is detailed in the table below: -

	No Disability declared	Disability declared	Disability Pay Gap
The median hourly rate	£15.06	£16.32	-8.37%

39. The median hourly rate is calculated by ranking all employees from the highest paid to the lowest paid, and taking the hourly wage of the person in the middle; so the median disability pay gap is the difference between the median hourly wage of staff who have declared a disability (the middle paid staff member who has declared a disability) and the median hourly wage of staff who have not declared a disability (the middle paid staff member who has not declared a disability). You will note that the pay gap is a negative figure, the data shows us that a higher proportion of staff declaring they have a disability are those from higher pay quartiles.
40. The latest data set estimates from the Office for National Statistics identifies a median disability pay gap (for 2021) of 13.8% for the UK and 9.7% (2018) specifically for Yorkshire and the Humber. HFRS data sets compare very favourably with these figures.
41. Staff within HFRS do not receive bonuses and as such publish a nil return for the measures identified in 7.3, 7.4 and 7.5.
42. The table below shows the percentage of staff identifying a disability and those who do not per pay quartile for 2022 (measure 7.6): -

Quartile	No Disability declared	Disability declared	Not Stated
Lower (0%-25%)	87.98%	6.20%	5.81%
Lower Middle (25%-50%)	93.39%	2.33%	4.28%
Upper Middle (50%-75%)	86.82%	5.43%	7.75%
Upper (75%-100%)	86.33%	7.42%	6.25%

43. Pay quartiles are calculated by splitting all employees in an organisation into four even groups according to their level of pay. The data identifies that staff who have declared having a disability within HFRS occupy 7.42% of the highest paid jobs and 6.20% of the lowest paid jobs.

Closing the Pay Gap

44. Our gender pay gap data over the last six year shows there are no quick easy fixes when it comes to closing the gender pay gap, however our Service data trend shows us we are closing that gap, which is encouraging. The Service continues to work hard to address factors of attraction, recruitment and progression for women, through consistent successful positive attraction, continuing support and development opportunities, such as Women in the Fire Service weekend and through the established Voices for Women staff forum.
45. Our ethnicity and disability pay gaps are much smaller than our gender pay gap and are significantly below national and local averages. This is promising but we recognise that our numbers of staff from both groups are relatively low, so we will continue to monitor our ethnicity and disability pay gaps and support existing staff in the Service but we are

aware of the need to attract more people from underrepresented groups through our positive attraction campaigns.

46. Our established staff forums are having a positive effect for the Service and in supporting, developing and educating our staff.

47. **Review of proposed Actions for 2022**

47.1 To implement and embed our recent positive action strategy; ***This has been implemented and has contributed to the outcomes from this report.***

47.2 To continue with growing, developing and supporting Women in the Fire Service; ***This has and will remain a key priority for the Service and the reduction in the gender pay over the last 6 years demonstrates the success of this as a priority.***

47.3 To review the “Be Our Future” Campaign for 2021 and assess Service areas positive action initiatives, prior to and during recruitment; ***This review has been completed and has assisted the approach and actions for future positive attraction campaigns.***

47.4 To monitor the impact of our positive action campaigns on pay gaps across gender, ethnicity and disability; ***We have been reviewing and monitoring the data from our positive action campaigns and the success from positive attraction is particularly noted in the gender pay gap production. We are aware that we need to continue to address the low representation of ethnic minority people joining the Service.***

48. **Proposed Actions for 2023**

48.1 To strive to maintain and improve our recruitment, retention and development of women in our Service.

48.2 To continue to support and develop our disabled staff within the workforce and promote the Service as an employer of choice

48.3 We continue to aim to get the Service recognised as an employer of choice by diverse ethnic groups, through effective community engagement and positive attraction and actions to increase the ethnic minority diversity of our workforce.

STRATEGIC PLAN COMPATIBILITY

49. This paper supports the Strategic Plan 2021-2024, in particular “we value and support the people we employ”.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

50. None arising directly

LEGAL IMPLICATIONS

51. The report ensures HFRS meets its legal duty to report on its Gender Pay Gap and voluntary report on ethnicity and disability.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

52. The Service will continue to work hard to address factors of attraction, recruitment and progression for people with protected characteristics. EIAs have been produced for EDI Annual report and the Positive Action Framework.

CORPORATE RISK MANAGEMENT IMPLICATIONS

53. Approval and publication of this report will meet legal requirements and support good governance and compliance

HEALTH AND SAFETY IMPLICATIONS

54. None arising directly

COMMUNICATION ACTIONS ARISING

55. An easy read version of this report will be produced once this content of this report has been approved by HFA.

DETAILS OF CONSULTATION AND/OR COLLABORATION

56. The content within this report has been discussed with the Strategic Leadership Team and, will be made available to wider workforce through publication on our internal and external websites.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

57. 2021 Pay Gap Report

RECOMMENDATIONS RESTATED

58. HFA are asked to take note of the content of the report and, in order to meet our obligations under the Equality Act 2010, approve: -

58.1 Submission of the data sets to the Government Gender Pay Gap Portal;

58.2 Publication of the easy read version of this report on the HFRS website.

Officer Contact: **Christine Cooper, Executive Director of People and Development**

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull.



HUMBERSIDE FIRE & RESCUE SERVICE

Gender, Ethnicity and Disability Pay Gap Report 2021/2022



Data taken on 31 March 2021

Introduction

In the UK, public, private and voluntary sector organisations with 250 or more employees have to report on their gender pay gaps annually. The reports show the difference between the average earnings of men and women, expressed relative to men's earnings. If an organisation reports a gender pay gap, it does not mean women are paid less than men for doing the same job, but it does show that, on average, men occupy higher-paying roles than women. Humberside Fire and Rescue Service (HFRS) has voluntarily produced and published ethnicity and disability pay gap data as part of this report, and it has been produced earlier than the March 2022 deadline.

Employers must report six different measures, based on a snapshot of pay data on a set date identified within Schedule 1 of The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. The six measures are as follows:

1

Median Gender Pay Gap

The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees

2

Mean Gender Pay Gap

The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees

3

Median Bonus Gap*

The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees

4

Mean Bonus Gap*

The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees

5

Bonus Proportions*

The proportions of male and female relevant employees who were paid bonus pay during the relevant period

6

Quartile Pay Bands

The proportions of male and female full-pay relevant employees in the lower, lower-middle, upper-middle and upper quartile pay bands.

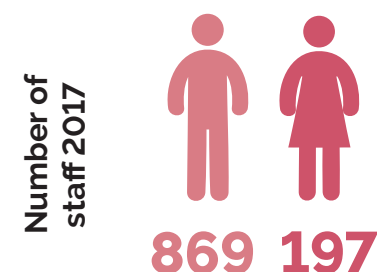
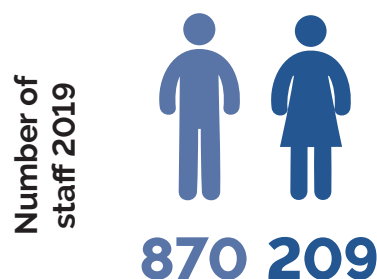
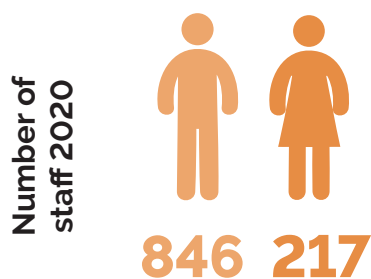
*Humberside Fire and Rescue Service do not make bonus payments and therefore have no relevant data for measures 3, 4 & 5.

Gender Profile

HFRS employed 1,061 staff at 31 March 2021. The table below details the gender profile of HFRS.



From the 2021/2022 report and onwards we will not be splitting the gender profile into staff groups (Control, Support and Operational Staff) as we are unable to replicate this data for ethnicity and disability, further in the report, due to the small data set.



The gender profile demonstrates that there is a significantly higher proportion of men overall employed in the Service. We have a far larger volume of Operational roles within the Service and currently those roles are more commonly occupied by men. Women make up the larger proportion of staff in Support and Control roles.

Gender Pay Gap and Equal Pay

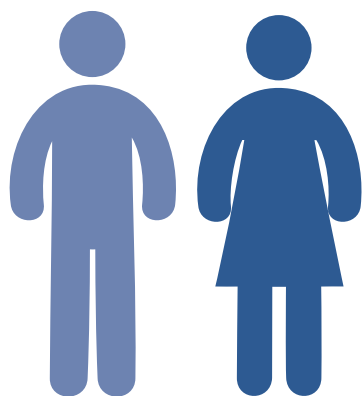
The Gender Pay Gap is a measure of the difference between the average earnings of men and women (irrespective of seniority). Equal pay is our legal obligation as an employer to give men and women equal pay for equal work. An organisation can have a gender pay gap without breaching equal pay provisions.

Our gender pay gap is not as a result of equal pay issues. We have a gender-neutral approach to pay across all levels of the organisation. For firefighter and Control roles, terms and conditions are nationally negotiated, using role maps resulting in nationally agreed pay scales. Support roles are determined locally for pay and terms and conditions using an accredited job evaluation scheme, based on the Local Government Scheme.

Gender Pay Gap Mean hourly rate

The mean hourly rate is the average hourly wage across the entire organisation, so the mean gender pay gap is a measure of the difference between women's mean hourly wage and men's mean hourly wage. The data demonstrates that when comparing mean hourly wages, women earn 86p for every £1 that men earn, and women's mean hourly wage is 13.51% lower than men's.

The mean hourly rate



£15.73 £13.66

Gender Pay Gap

13.51%

When considering the mean hourly rate for the last five years, a reduction of over 7 percentage points is seen over the period, however this year has seen a slight upturn which is largely due to retirement and resignation of a small number of women at senior levels within the organisation during this reporting period. This is a significant and sustained improvement and brings the Service under the UK all employees mean Gender Pay Gap of **14.6%**¹.

1,2 www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/annualsurveyofhoursandearningsashegenderpaygaptables

Gender Pay Gap Median hourly rate

The median hourly rate is calculated by ranking all employees from the highest paid to the lowest paid, and taking the hourly wage of the person in the middle; so the median gender pay gap is the difference between women's median hourly wage (the middle paid woman) and men's median hourly wage (the middle paid man). Women in HFRS earn 85p for every £1 that men earn when comparing median hourly wages. Their median hourly wage is 14.47% lower than men's.

The median hourly rate



£14.84 £12.69

Gender Pay Gap

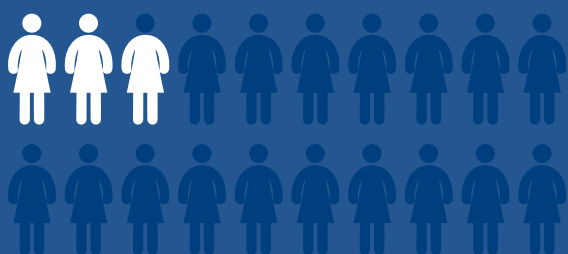
14.48%

Data for the last five years identifies that there has been marked improvement with the gap closing by 8% over the last two years following a period of little change. The UK all employees median Gender Pay Gap for 2020 is **15.5%**².

Quartiles

Pay quartiles are calculated by splitting all employees in an organisation into four even groups according to their level of pay. Looking at the proportion of women in each quarter gives an indication of women's representation at different levels of the organisation. The data identifies that women within HFRS occupy 14% of the highest paid jobs and 50% of the lowest paid jobs.

Women within HFRS occupy 14%

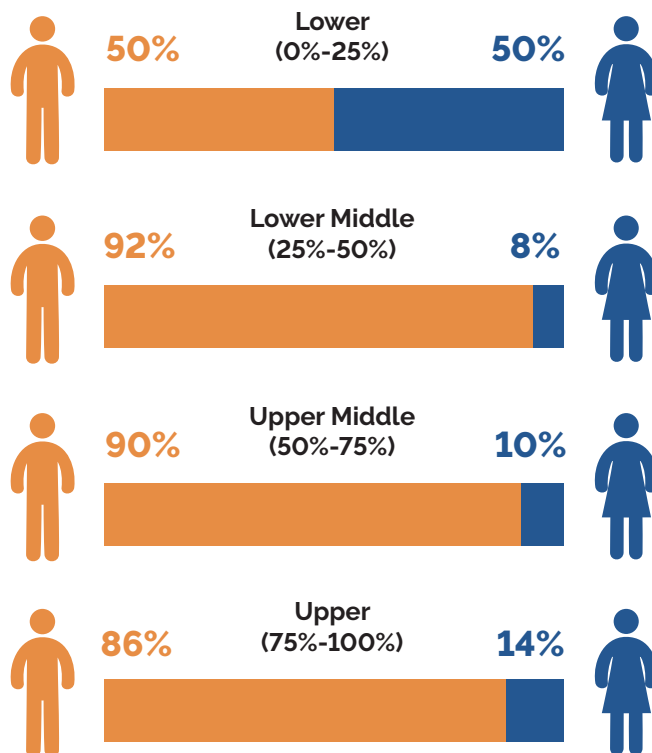


of the highest paid jobs and

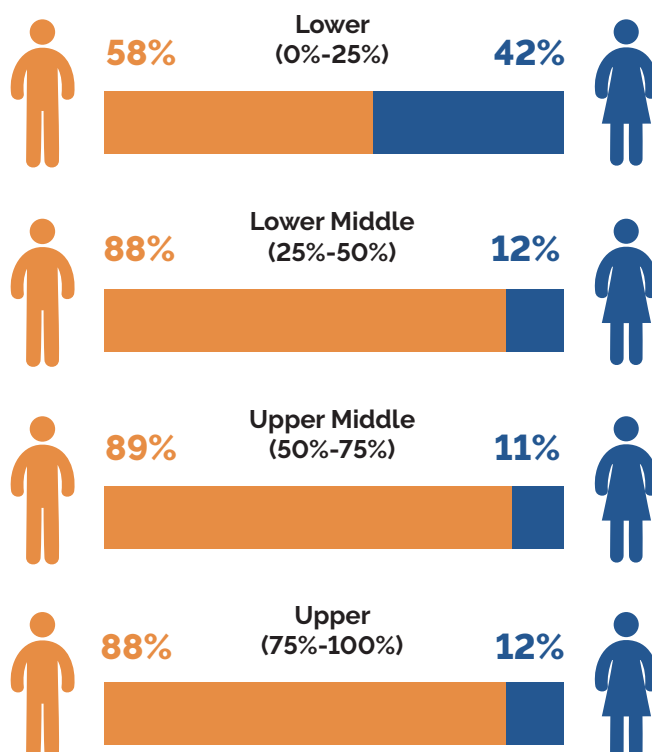
50%

of the lowest paid jobs

Pay quartiles 2020/2021



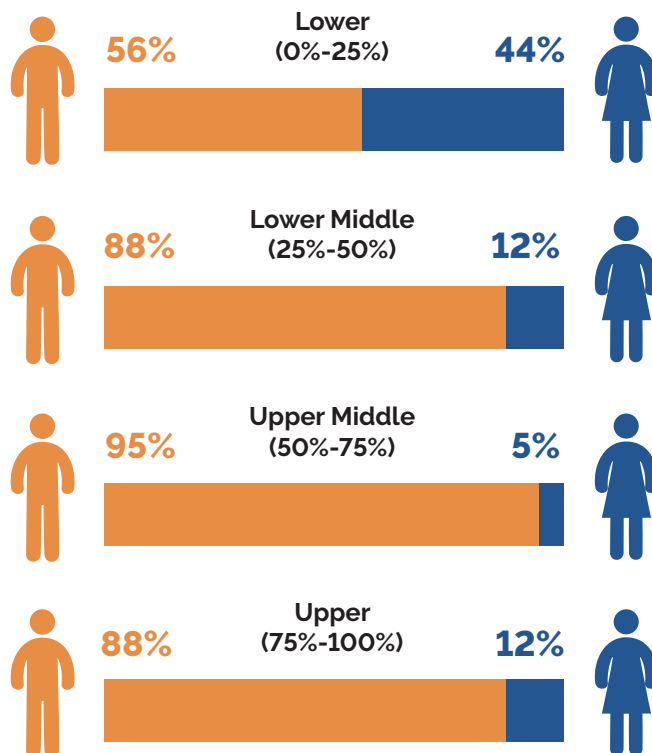
Pay quartiles 2019/2020



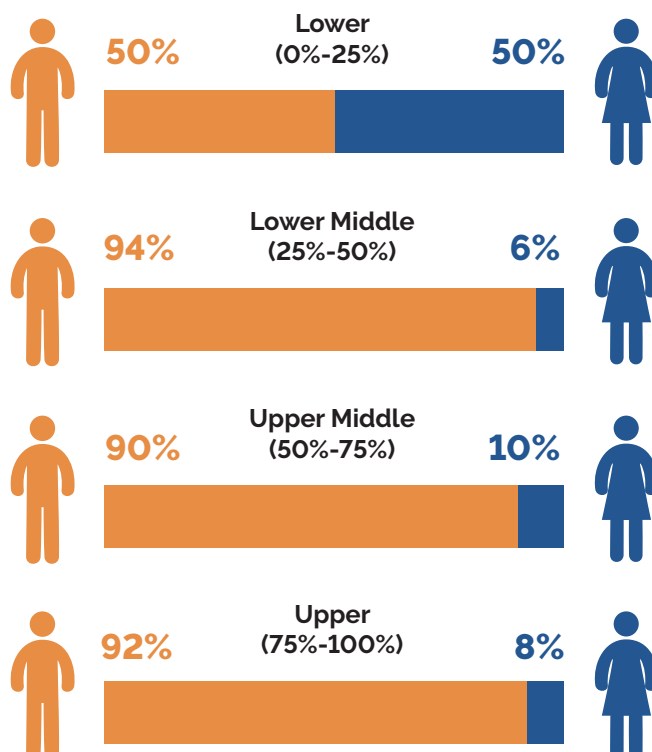
Quartiles continued

The last year has seen a drift of around 6% from the lower middle pay quartile to the lower pay quartile. Similarly, the same trend, albeit only around 1%, can be seen from the upper to the upper middle. As previously mentioned, a small number of women at senior levels in the organisation have retired or resigned during this reporting period, this has impacted on all quartile groups (due to the even split nature of this calculation). Some vacancies at a senior level are yet to be permanently filled and it is hoped that our positive action strategies will attract more women to apply for roles in HFRS at all levels.

Pay quartiles 2018/19



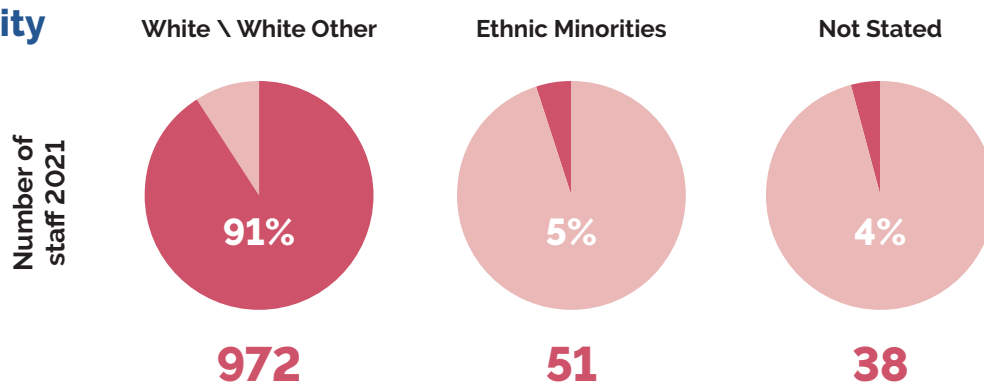
Pay quartiles 2017/18



Ethnicity Pay Gap

The information provided in this report accounts for any employee in paid full remuneration as at 31 March 2021. White (Other) includes British, English, Scottish, Welsh, Northern Irish, Irish, Gypsy or Irish Traveller, Irish and Other. Ethnic Minorities include Black or Black British, Mixed and Other. (In the table below staff members who have not stated their ethnicity have not been included in the calculations for the mean and median pay gaps, they have however been included in the pay quartile calculations.

Ethnicity



The ethnicity profile demonstrates that there is a significantly higher proportion of white and white other employees in the Service.

Ethnicity Pay Gap Mean hourly rate

The mean hourly rate



The mean hourly rate is the average hourly wage across the entire organisation, so the mean ethnicity pay gap is a measure of the difference between white/white others mean hourly wage and ethnic minorities mean hourly wage. The data demonstrates that when comparing mean hourly wages, ethnic minority staff groups earn 95p for every £1 that white/white other employees earn, and ethnic minority staff groups mean hourly wage is 5.1% lower than white and white other.

Ethnicity Pay Gap

5.1%

As this is our first year of reporting on the ethnicity pay gap, we have no historical data to compare with. Whilst we will always strive to have no pay gap at all 5.1% is very small when compared with our gender pay gap data.

Ethnicity Pay Gap Median hourly rate

The median hourly rate



White\White other

£14.84



Ethnic Minorities

£14.50

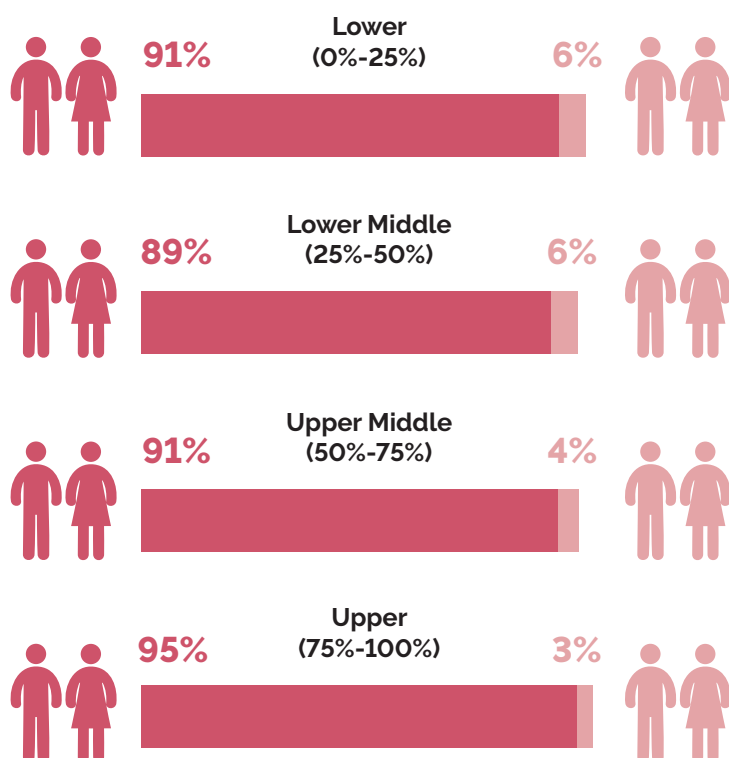
The median hourly rate is calculated by ranking all employees from the highest paid to the lowest paid, and taking the hourly wage of the person in the middle; so the median gender pay gap is the difference between ethnic minority staff groups median hourly wage (the middle paid ethnic minority staff member) and the white/white other staff groups median hourly wage (the middle paid white/white other staff member). Ethnic minority staff groups in HFRS earn 98p for every £1 that white/white other staff groups earn when comparing median hourly wages. Their median hourly wage is 2.3% lower than white/white other staff groups.

Ethnicity Pay Gap

2.3%

The latest data set estimates from the Office for National Statistics¹ identifies a median ethnicity pay gap (for 2019) of 2.3% for England and Wales and 12.7% specifically for Yorkshire and the Humber. Staff within HFRS data sets compare favourably with these figures.

Quartiles



Pay quartiles are calculated by splitting all employees in an organisation into four even groups according to their level of pay. Looking at the proportion of ethnic minority staff in each quarter gives an indication of ethnic minority staff representation at different levels of the organisation. The data identifies that ethnic minority staff within HFRS occupy 3% of the highest paid jobs and 6% of the lowest paid jobs.

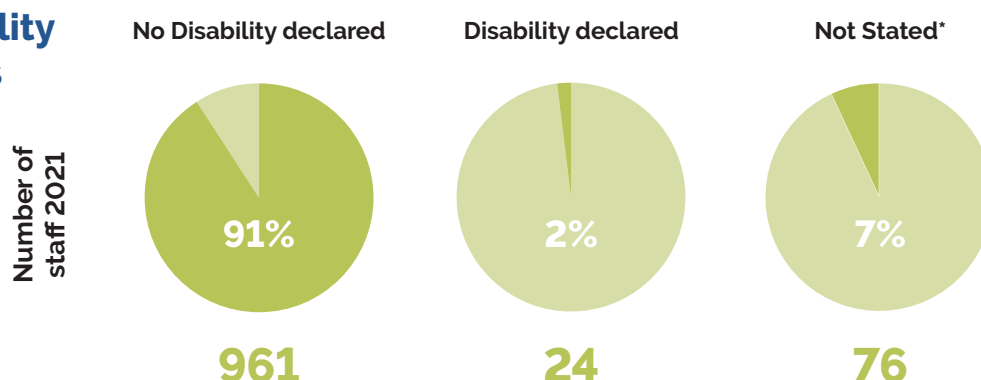
■ White/White other (%)
■ Ethnic Minority (%)

1. www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/ethnicitypaygapreferencetables (Tables 5 and 8 respectively)

Disability Pay Gap

The information provided in this report accounts for any employee in paid full remuneration as at 31 March 2021. Definition of disability under the Equality Act 2010 You're disabled under the Equality Act 2010 if you have a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on your ability to do normal daily activities.'

Disability Status



The disability profile demonstrates that there is a significantly higher proportion of staff who have not declared a disability than those that have.

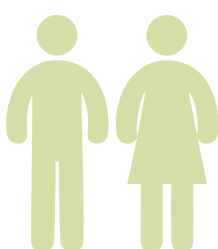
*Staff members who have not stated their disability status have not been included in the calculations for the mean and median pay gaps, they are however included in the pay quartile calculations.

Disability Pay Gap Mean hourly rate

The mean hourly rate



No Disability declared
£15.34



Disability declared
£15.24

The mean hourly rate is the average hourly wage across the entire organisation, so the mean disability pay gap is a measure of the difference in mean pay between staff that have declared a disability and those that have not. The data demonstrates that when comparing mean hourly wages, staff who have declared a disability earn 99p for every £1 that those who have not declared a disability earn, and disabled staffs mean hourly wage is 0.65% lower than those who have not declared a disability.

Disability Pay Gap

0.65%

Disability Pay Gap Median hourly rate

The median hourly rate



No Disability
declared

£14.84



Disability
declared

£14.59

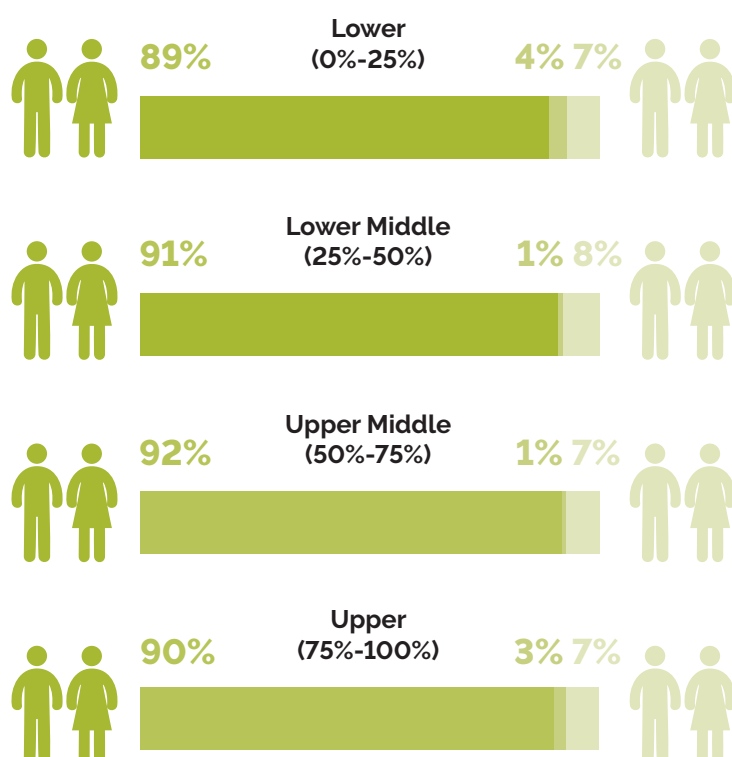
The median hourly rate is calculated by ranking all employees from the highest paid to the lowest paid, and taking the hourly wage of the person in the middle; so the median disability pay gap is the difference between the median hourly wage of staff who have declared a disability (the middle paid staff member who has declared a disability) and the median hourly wage of staff who have not declared a disability (the middle paid staff member who has not declared a disability). Staff members in HFRS who have declared a disability earn 98p for every £1 that staff who have not declared a disability earn when comparing median hourly wages. Their median hourly wage is 1.71% lower than staff groups who have not declared a disability.

Disability Pay Gap

1.71%

The latest data set estimates from the Office for National Statistics² identifies a median disability pay gap (for 2018) of 12.2% for the UK and 9.7% specifically for Yorkshire and the Humber. HFRS data sets compare very favourably with these figures.

Quartiles



Pay quartiles are calculated by splitting all employees in an organisation into four even groups according to their level of pay. Looking at the proportion of ethnic minority staff in each quarter gives an indication of ethnic minority staff representation at different levels of the organisation. The data identifies that staff declaring a disability within HFRS occupy 3% of the highest paid jobs and 4% of the lowest paid jobs.

White/White other (%)
 Ethnic Minority (%)
 Not stated (%)

2. www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/disability/articles/disabilitypaygapsintheuk/latest

Closing the Pay Gap

Our gender pay gap data over the past five years shows that there are no quick and easy fixes when it comes to closing the gender pay gap. There are many societal reasons why more men than women tend to occupy the highest paid roles, and closing the gender pay gap for good requires a meaningful shift in cultural norms more widely.

The Service continues to work hard to address factors of attraction, recruitment and progression for women, this has been particularly challenging within a global pandemic. HFRS continues to support and play a lead role within the Regional FRS Women's Mentor Programme and HFRS have led on the design and implementation of the ongoing regional mentor CPD events.

The impact of COVID-19 has meant that the Women in the Fire Service Training weekend has been cancelled for a second year which has impacted on our ability to promote this as an active way to engage with more women in our Service. We have however sustained and grown our active Women's Development Network Forum.

Our ethnicity and disability pay gaps are much smaller than our gender pay gap and significantly below national and local averages. This is promising but we recognise that our numbers of staff from both groups are relatively low and as such we seek to attract more people from underrepresented groups through our positive action campaigns. We will continue to monitor our ethnicity and disability pay gaps to ensure that our positive action strategies create opportunity and attract new staff members across all pay scales and quartiles.

Our refreshed approach to Equality, Diversity and Inclusion has led to emerging staff forums for Age, LGBT and Disability, with good representation from women in all areas.



COMMUNITY RISK MANAGEMENT PLAN (CRMP) UPDATE

SUMMARY

1. Fire and rescue authorities are required to assess the risk of emergencies occurring and use this to inform contingency planning. To do this effectively, fire and rescue authorities are expected to assess their existing capability and identify any gaps as part of the community risk management planning process. This gap analysis needs to be conducted by fire and rescue authorities individually and collectively to obtain an overall picture of their ability to meet the full range of risks in their areas. This then forms the basis of a Community Risk Management Plan (CRMP), which all fire and rescue services are required to publish under the Fire and Rescue National Framework for England.
2. Members receive an annual update regarding amendments made to the Strategic Plan and CRMP each December, throughout the life of the plans. Where significant changes have been made, or are being considered, it is also appropriate to consult with staff and the community.
3. In light of the recent extreme heat wave experience, and in advance of the December consultation, the Service is reviewing its planning assumptions in how it manages its environmental impact, particularly focusing on its resource/equipment and response planning for extreme heat.

RECOMMENDATIONS

4. It is recommended that the Fire Authority:
 - (a) Endorses the Service's response to tackling wildfires during the recent heatwave; and
 - (b) Endorses the direction of travel as set out at section 20 in developing the next iteration of the CRMP.

BACKGROUND

5. Under the Fire and Rescue National Framework for England, each fire and rescue authority is required to produce a Community Risk Management Plan (CRMP). This was formerly known as an Integrated Risk Management Plan (IRMP).
6. A CRMP must:
 - reflect up to date risk analyses, including an assessment of all foreseeable fire and rescue related risks that could affect the area of the authority;
 - demonstrate how prevention, protection and response activities will best be used to prevent fires and other incidents and mitigate the impact of identified risks on its communities, through authorities working either individually or collectively, in a way that makes best use of available resources;
 - outline required service delivery outcomes including the allocation of resources for the mitigation of risks;
 - set out its management strategy and risk-based programme for enforcing the provisions of the Regulatory Reform (Fire Safety) Order 2005 in accordance with the principles of better regulation set out in the Statutory Code of Compliance for Regulators, and the Enforcement Concordat;

- cover at least a three-year time span and be reviewed and revised as often as it is necessary to ensure that the authority is able to deliver the requirements set out in this Framework;
 - reflect effective consultation throughout its development and at all review stages with the community, its workforce and representative bodies and partners; and
 - be easily accessible and publicly available.
7. On 19 April 2021 the Fire Standards Board approved the Fire Standard 'Community Risk Management Planning' whereby fire and rescue services must assess foreseeable community related risks and use this knowledge to decide how those risks will be mitigated. As part of the ongoing work involving Fire Standards, in recognition of this fire standard and the intent of the programme of work to provide a framework for Fire and Rescue Services to produce Community Risk Plans, the Service has adopted the Community Risk Management Plan descriptor for its IRMP. Ongoing development of this 'Community Risk Management Planning' fire standard may require the Service to review its planning assumptions and Strategic Objectives further over the course of time.
8. Similar to the requirements under the National Framework, the Fire Standard 'Community Risk Management Planning' requires fire and rescue services to:
- i. Utilise and share accurate data and business intelligence (from both internal and external sources) to support key activities such as evidenced-based decision making, horizon scanning, cross border risk identification and organisational learning;
 - ii. Ensure transparency in the community risk management planning process through either implementing and/or supporting ongoing engagement and formal consultation processes, ensuring these are accessible and publicly available;
 - iii. Ensure that organisational decisions and the measures implemented support equality, diversity, inclusivity, are non-discriminatory and are people impact assessed;
 - iv. Meet its legislative, framework and governance requirements linked to Community Risk Management;
 - v. Be able to evidence its external and internal operating environment and the strategic objectives the community risk management plan is seeking to achieve;
 - vi. Identify and describe the existing and emerging local, regional and national hazards it faces, the hazardous events that could arise and the risk groups (People, Place, Environment and Economy) that could be harmed;
 - vii. Analyse risk, consider its risk appetite, determine the risk levels and prioritise risk accordingly;
 - viii. Make decisions about the deployment of resources based on the prioritised risk levels and planning assumptions involved. This should be carried out with consideration to internal and external resource availability (people, financial and physical) including collaborative, cross-border and national resilience assistance. Consideration should also be given to other strategic influences such as consultation feedback, stakeholder engagement and political objectives;
 - ix. Continually evaluate the effectiveness, efficiency and delivery of the community risk management plan and the organisational impact of risk management decisions;
 - x. Be able to clearly define who has overall accountability for the community risk management plan and responsibility for the various components contained within it; and
 - xi. Provide training and/or support (where required) to all who are involved in the development, management and implementation of the community risk management plan.
9. The CRMP is a living document that is regularly reviewed and updated to reflect relevant changes to risk profiles and the Service's approach to mitigating those risks. Information is fed into this process via the Service's interactions within the community, partner agencies, horizon scanning and local and national risk registers.

ENVIRONMENTAL RISK AND SERVICE PLANNING

Wildfire

10. National Operational Guidance (NOG) defines a wildfire as any uncontrolled vegetation fire where a decision or action is needed about its suppression. Wildfire is an increasing threat to a very wide range of interests in all parts of England and the Home Office has created a Wildfire Framework. The framework promotes a coordinated approach to mitigate the impacts of wildfire on people, property, habitats, livestock, natural capital and wildlife, and to plan the most effective response to wildfire incidents.
11. To assist in drawing a distinction between minor vegetation fires and those that can be referred to as wildfire incidents, a wildfire event can also be considered as meeting one or more of the following criteria:
 - Involves a geographical area of at least one hectare (10,000 square meters)
 - Has a sustained flame length of more than 1.5 metres
 - Requires a committed resource of at least four appliances
 - Requires resources to be committed for at least six hours
 - Presents a serious threat to life, environment, property and infrastructure
12. The Humberside area is predominantly rural with a very large area of arable farming operations. The average farm size in the Yorkshire & Humber region is 93 hectares. This is larger than the English average of 87 hectares and the total income from farming in this area increased by 26% between 2015 and 2019 to £452 million.
13. Principal farming types in the Yorkshire and the Humber region in 2019 were grazing livestock and cereals farms which accounted for 32% and 30% of farmed area in the region. Although pig farming accounts for a much smaller proportion of the farmed area, the region accounted for 37% of the English pig population.

What we did to prepare

14. Proactive planning was undertaken by the Service during the heatwave period and specifically on 19 July 2022. Operationally, a response plan was developed which included an increase in staffing in Fire Control and a Fire Silver officer within Control. The Incident Support Room was staffed and extra officers were distributed across the county. Operational day duty staff were also used to support incident command capabilities. Technical response vehicles (TRVs) with off-road capabilities and the new rapid intervention vehicles (RIVs) were also distributed across the county. Resilience fire engines were crewed by training staff and recruits so that they could be used operationally. Non-operational staff, such as Prevention Advisors, were utilised to support the logistics of getting welfare provisions to the busy crews working in the extreme heat.
15. Proactive prevention activities had a focus on water safety initiatives, the School's Education team worked with crews to deliver water safety messages in various locations across the Service area. Teams were also deployed to popular outdoor waters areas to deliver safety messages and promote the national drowning prevention drive called 'Respect the Water'. A response to the Hatfield Moors fires saw teams in Humberside target secondary schools to increase awareness and deter fire setters. Work continued targeting key farms and the Young Farmers Association, as well as increasing the 'Fire Stoppers Campaign', part of the arson prevention initiative.

Heatwave Incidents and Demand Comparison

16. During the heatwave there was a significant increase in demand, including field fires that met the criteria of a wildfire, most crops were pre-harvest which meant that they were of standing height, thus significantly increasing fire loading.

17. From 1 July to 24 August 2022, compared to the same period in 2021, the Service received 3,406 more calls to its Control Room, a 95 per cent increase. Significantly more resources were required to deal with incidents, there was a 304 per cent increase in officers requesting further resources than during this same period the previous year.
18. Due to extreme demand, the number of ongoing incidents, and the resources committed, a Major Incident was declared on 19 July 2022. Tactics deployed such as, selectively mobilising when receiving requests for resources and reduced officer responses, prevented significant escalations. For example, during the height of the demand, there was a report of three houses on fire, the response contained this and prevented escalation to a block of terrace houses.
19. Prevention teams reactively developed several news articles that were communicated across social media including 'Reduce the risk of grassland fires' and 'Protect yourself from rural crime and stack fires'. They developed important safety information on grassland fire and barbecue safety.

Planning for the Future

20. The Service has established the following workstreams to develop and improve its response to future incidents of this type:
 - An analysis of options for equipment and vehicles, with consideration of the utilisation of existing 4x4 station vehicles with the addition of extra equipment to support all types of high demand event including wildfires, flood and extreme weather.
 - A specific review of personal protective equipment that is more reflective of the risks encountered at wildfire incidents.
 - A review of welfare provision enabling a more flexible response to support staff welfare in extreme weather events.
 - The establishment of stronger links with the National Farmers Union (NFU) to create partnership working with local farming businesses, to provide better access to farm water supplies and promote rural fire prevention campaigns.
 - Review of policy and operating guidance to ensure it fully adopts developing national procedures.

STRATEGIC PLAN COMPATIBILITY

21. The annual review and refresh of the Strategic Plan and the CRMP ensures that the Service's strategic objectives remain deliverable and compliant with the National Framework.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

22. Effective financial planning arrangements are an enabler for efficiency in service delivery and support.

LEGAL IMPLICATIONS

23. The production of a CRMP is a statutory responsibility.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

24. An Equality Impact Assessment has been conducted for the CRMP and is available on request.

CORPORATE RISK MANAGEMENT IMPLICATIONS

25. The CRMP documents the risks we have identified within our community and the measures taken to mitigate them. Environmental Sustainability (opportunity 2021/59) also features on the Corporate Risk and Opportunity Register.

HEALTH AND SAFETY IMPLICATIONS

26. None arising directly.

COMMUNICATION ACTIONS ARISING

27. The CRMP is available on the HFRS Website.

DETAILS OF CONSULTATION AND/OR COLLABORATION

28. A 12-week internal and external consultation on plans to address environmental risk further in the next iteration of the CRMP is being developed and will be submitted to the Fire Authority on 2 December for approval to go out for consultation.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

29. The CRMP is available on the HFRS Website.

M SUTCLIFFE

S TOPHAM

Officer Contact: Simon Rhodes
Head of Corporate Assurance
Email: srhodes@humbersidefire.gov.uk

Officer Contact: Dan Meeke
Head of Emergency Preparedness
Email: dmeeke@humbersidefire.gov.uk

HMICFRS ROUND 2 INSPECTION SUMMARY REPORT

1. SUMMARY

- 1.1 The Service was inspected by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) for the third time at the end of December 2021 and beginning of January 2022. This report provides an overview of the findings from HMICFRS' round 2 inspection of [Humberside Fire & Rescue Service 2021/22](#) which rated the Service 'Good' across all three inspection pillars.

2. RECOMMENDATIONS

- 2.1 For the Authority to review the outcomes from HMICFRS' round 2 inspection report and consider as applicable response(s) / comments to the findings.

3. BACKGROUND

- 3.1 Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) is the official body for inspecting both police forces and fires rescue services across England, Wales and Northern Ireland.

- 3.2 The format of inspections is based against three pillars:
1. How **effective** is the fire and rescue service at keeping people safe and secure from fire and other risks?
 2. How **efficient** is the fire and rescue service at keeping people safe and secure from fire and other risks?
 3. How well does the fire and rescue service look after its **people**?

- 3.3 HMICFRS use categorised graded judgments to assess their findings:

- *Outstanding,*
- *Good,*
- *Requires Improvement, and*
- *Inadequate*

Good is the expected graded judgment for all fire and rescue services. It is based on policy, practice or performance that meet pre-defined grading criteria, which are informed by any relevant national operational guidance or standards. If the service exceeds what we expect for good, HMICFRS will judge it as outstanding.

If HMICFRS find shortcomings in the service, the judgment of requires improvement would be made. If there are serious, critical, or systemic failings of policy, practice or performance of the fire and rescue service, then consideration will be given to a graded judgment of inadequate.

- 3.4 This was HMICFRS' third inspection of fire and rescue services in England. HMICFRS first inspected Humberside Fire and Rescue Service in September 2018, publishing a report with their findings in June 2019 on the service's effectiveness and efficiency and how it looks after its people. HMICFRS' second inspection, in autumn 2020, considered

how the service was responding to the Covid-19 pandemic. This inspection considered, for a second time, the service's effectiveness, efficiency and people.

4. INSPECTION FINDINGS

- 4.1 HMICFRS' Round 2 inspection of the Service was conducted over a 6-week period (December 2021 to February 2022). The Service was graded 'Good' across all three inspection pillars. This means it is 'Good' at preventing and responding to emergencies, 'Good' at efficiently spending its money and 'Good' at looking after its people. The inspection praised the Service for its work to keep communities safe from fire and to create a fair and inclusive workplace. The findings represent an improvement on the last routine inspection in 2018, which suggested the Service needed to do more in how it developed its workforce and increase the diversity of the people it employs.
- 4.2 Appendix 1 provides a summary breakdown of the inspection including pre and post activities.
- 4.3 Inspection graded judgments detailed below, showing a comparison between round 1 and 2 assessment outcomes.

Pillar	Round 1 (Sep 2019)	Round 2 (Dec 2021)
Effectiveness		
How effective is the service at keeping people safe & secure	Good	Good
Understanding fires and other risks	Good	Good
Preventing fires and other risks	Good	Good
Protecting the public through fire regulation	RI	Good
Responding to fires and other emergencies	Good	Good
Responding to major and multi-agency incidents	Good	Good
Efficiency		
How efficient is the Service at keeping people safe and secure?	Good	Good
Making best use of resources	Good	Good
Future affordability	Good	Good
People		
How well does the Service look after its people?	RI	Good
Promoting the right values and culture	Good	Good
Getting the right people with the right skills	RI	Good
Ensuring fairness and promoting diversity	RI	Good
Managing performance and developing leaders	RI	Good

- 4.4 Within both the Round 2 inspection report and the Fire and Rescue Tranche 2 report, notable practice was identified, which included positive reference to the following areas:

Service Improvement: *'Humberside created a service improvement plan using the areas for improvement highlighted in our 2018 inspection, with the aim of improving the service it provides to the public. It was clear throughout our inspection that this has worked' (Roy Wilsher, HM Inspector of Fire & Rescue Services)*

Effectiveness:

- **Innovative practice:** Falls Response Team
- Well produced and comprehensive Integrated Risk Management Plan (IRMP) (now known as Community Risk Management Plan (CRMP))
- Effective use of findings and recommendations of the Grenfell Tower Inquiry
- Staff throughout the organisation can easily access the information they need to help prevent or mitigate risks to the public and themselves
- With more skilled personnel and continuing investment in training operational staff, it is meeting its targets for its risk-based inspection programme
- The service has prioritised its resources in a way that enables it to respond to a wide range of incidents in its area.
- It trains its staff well in incident command

Efficiency:

- Since our last inspection we have found that the service continues to manage its finances well and is improving its overall efficiency
- It is encouraging to see that productivity at the service's fire stations has improved since the last inspection
- The service has a well-established collaborative approach. It is a leader in this regard, with many departments integrated with police colleagues and other partners, both regionally and nationally.
- The service analyses risk well, and this is apparent in its medium-term financial planning.

People:

- **Innovative Practice:** The service has developed a positive action programme called Rookie Reds
- The service has improved in managing its people since our last inspection, with policies and procedures in place that cover all relevant areas.
- The service has a positive working culture.
- The service has developed excellent wellbeing services
- Since our last inspection, the service has improved its workforce planning
- The service has a positive view of learning and development, which is noticeable throughout the organisation
- We found that the service was actively promoting issues relating to EDI
- The positive action being carried out across the service is noteworthy.
- The service has created a new performance development review system, which includes consideration of staff wellbeing. There has been excellent take up of this.

Tranche 2 Findings:

- Humberside FRS has an effective partnership with local health bodies to provide a falls response service.
- As a result of the shift changes made by Humberside FRS, operational crews are more productive. The crews now routinely carry out protection and prevention work, and they gather risk information alongside their operational duties.
- Some services are making more efficient use of technology. For example, Humberside FRS has procured a new IT system that allows on-call firefighters to manage their availability effectively.
- We were pleased to find that this was also the case in most Tranche 2 service, including Humberside, who in particular have clearly worked hard to improve their values and culture
- Positive action projects have been limited in scope; we did find elements of good work in this area in Humberside.

- 4.5 In preparation for the round 3 inspection (sometime later in 2023 onwards), the Service will remain focused on a continuous cycle of improvement. using and enhancing current effective procedures such as the Service Improvement Plan.
- 5. STRATEGIC PLAN COMPATIBILITY**
- 5.1 This report is aligned to all elements of the plan in accordance with HMICFRS requirements
- 6. FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS**
- 6.1 None directly in relation to this report.
- 7. LEGAL IMPLICATIONS**
- 7.1 Inspection conducted in accordance with HMICFRS inspection requirements
- 8. EQUALITY IMPACT ANALYSIS /HR IMPLICATIONS**
- 8.1 An Equality Impact Analysis would be completed as applicable against associated activities used as evidence in the inspection.
- 9. CORPORATE RISK MANAGEMENT IMPLICATIONS**
- 9.1 There is a clear need to ensure HFRS continue to work collaboratively with HMICFRS and ensure requirements of the inspection are completed.
- 10. HEALTH AND SAFETY IMPLICATIONS**
- 10.1 None directly arising.
- 11. COMMUNICATION ACTIONS ARISING**
- 11.1 Communication on going processes to inform and report against HMICFRS activity.
- 12. DETAILS OF CONSULTATION**
- 12.1 N/A
- 13. BACKGROUND PAPERS AVAILABLE FOR ACCESS**
- 13.1 Appendix 1: HMICFRS Inspection schedule

M SUTCLIFFE

Officer Contact: Jamie Morris ☎ 01482 567479
Senior Service Improvement Officer

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

23 September 2022

Statistical breakdown	
Number of interviews	24
Number of *Desktop Reviews	16
Number of Staff Forums	6
Number of **Reality Tests	11
Number documents and / or additional information requested	222 (125 pre inspection 76 during inspection, 21 post inspection)
Number of staff spoken with (approx.)	156

**Desktop Review, is a sample testing process in which inspectors check the validity and accuracy of records, systems, against Service policy, process and key lines of enquiry arising from other inspection activities*

***Reality testing, operationally focused on stations and in the control room which includes asking crews to demonstrate the use of equipment, recording processes, use of risk information and technology*

Timetable overview	
Pre-inspection material submitted	<ul style="list-style-type: none"> Document Return (policies, guidance, reports, strategic documents) Self-assessment Data returns (bi-annual ongoing request) Staff survey Rep bodies survey HR pre inspection questionnaire
Pre-Inspection activity: W/C 06.09 (On-site)	<ul style="list-style-type: none"> Control Room Visit Station Visit – Clough Rd, Brough Safe and Well Visit Protection Visit Prevention Meeting (observer)
Week 1: W/C 13.12 (On-site)	<ul style="list-style-type: none"> Strategic briefing (setting the scene aligned to the self-assessment and what has improved since the last inspection) Meeting with HFA Chair Control room reality testing and interviews (SM, WM & operators) External Partner Interviews (Police, Health and Estates)
Week 2: W/C 10.01 (Remote)	<ul style="list-style-type: none"> Prevention and Protection Pre-Desktop Interviews – IT, Fleet, Estates, Finance, Performance
Week 3: W/C 17.01 (On-Site)	<ul style="list-style-type: none"> Desktop Reviews (Prevention, Protection, IRMP, Intranet & Internet, Major Incident, Debrief, Absence, Diversity, Promotions, Competence) Interviews – Risk
Week 4: W/C 24.01 (Remote)	<ul style="list-style-type: none"> Interviews (LRF, Health & Safety) Staff Forum – Diversity
Week 5: W/C 31.01 (On-site)	<ul style="list-style-type: none"> Reality Testing (Winterton, Barton, Calvert Lane, Clough Rd, Kirton Lindsay, Preston, Bridlington, Scunthorpe, Peaks Lane, & Goole) Staff Forums (SM, WM, FF, On-Call, Non-Ops)
Week 6: W/C 07.02 (Remote)	<ul style="list-style-type: none"> Interviews (Diversity, Training, HR, Occ Health, Prevention, Protection, Response & CFO)
Hot Debrief 23.02.2022	<ul style="list-style-type: none"> HMI provided feedback to SLT and HFA Chair on their findings (NB this did not include an indication to the graded judgments or for challenge against their findings)
Pre-Publication Check	<ul style="list-style-type: none"> 10 working days before publication (to assess for factual accuracy)
Publication	<ul style="list-style-type: none"> 27.07.22
State of Fire Repot	<ul style="list-style-type: none"> December 2022 / January 2023