

Fire & Rescue Service Headquarters Summergroves Way Kingston upon Hull HU4 7BB
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To: Members of the Governance, Audit and Scrutiny Committee	Enquiries to: Samm Campbell Email: committeemanager@humbersidefire.go.uk Tel. Direct: (01482) 393205 Date: 24 June 2022
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Dear Member

I hereby give notice that a meeting of the **GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE** of Humberside Fire Authority will be held on **MONDAY 4 JULY 2022 at 10.00AM** at HUMBERSIDE FIRE & RESCUE SERVICE HEADQUARTERS, SUMMERGROVES WAY, KINGSTON UPON HULL, HU4 7BB.

Public and press attendance at meetings

Due to current social distancing requirements, a **maximum of 4 people** will be permitted entry to the public gallery - **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>](https://zoom.us/join) and then enter:

Meeting ID: 891 2303 3563

Passcode: 398213

The business to be transacted is set out below.

Yours sincerely



Mathew Buckley
Monitoring Officer & Secretary to Fire Authority

Enc.

A G E N D A

Business	Page Number	Lead	Primary Action Requested
<u>Procedural</u>			
1. Apologies for absence	-	Monitoring Officer/ Secretary	To record

Business	Page Number	Lead	Primary Action Requested
2. Declarations of Interest (Members and Officers)	-	Monitoring Officer/ Secretary	To declare and withdraw if pecuniary
3. Minutes of the meeting of 15 June 2022	(pages 1 - 2)	Chairperson	To approve
4. Matters arising from the Minutes, other than on the Agenda	-	Chairperson	To raise
<u>Governance</u>			
5. Update: Matters Arising/ Feedback from Fire Authority	verbal	Chairperson and Monitoring Officer/ Secretary	To consider and make any recommendations to the HFA
6. Draft Annual Statement of Assurance 2021/22	(papers to follow)	Director of Service Improvement	To consider and make any recommendations to the HFA
<u>Audit</u>			
7. External Audit Progress Update	(papers to follow)	Mazars	To consider and make any recommendations to the HFA
<u>Finance and Performance</u>			
8. Treasury Management Annual Report 2021/22	(pages 3 - 9)	Head of Finance	To consider and make any recommendations to the HFA
9. Annual Statement of Accounts (unaudited) 2021/22	(pages 10 - 101)	Head of Finance	To consider and make any recommendations to the HFA
<u>Scrutiny Programme</u>			
10. Fire Standards	(pages 102 - 122)	Director of Service Improvement	To consider and make any recommendations to the HFA
11. GAS Committee Scrutiny Programme 2022/23	(pages 123 - 129)	Monitoring Officer/Secretary	To approve
12. Any Other Business	-	All Members	To raise

Under the Openness of Local Government Bodies Regulations 2014 members of the public may film, record, take photographs or use social networking during Authority and committee meetings that are open to the public. *The Monitoring Officer/Secretary kindly requests advance warning from anyone wishing to film, record or take photographs during open meetings so that suitable provision can be made.*

HUMBERSIDE FIRE AUTHORITY
GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE

15 JUNE 2022

PRESENT: Independent Co-opted Members Chris Brown, Jim Doyle, Pam Jackson, and Gerry Wareham.

Councillors Briggs as an observer.

Niall McKiniry - Assistant Chief Fire Officer/Executive Director of Service Delivery, Steve Duffield - Temporary Director of Prevention and Protection, Matthew Sutcliffe - Temporary Director of Service Improvement, Lisa Nicholson - Monitoring Officer/Secretary, and Samm Campbell - Committee Manager were also present. Andy McCulloch - Internal Audit (TIAA) attended remotely.

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

The Monitoring Officer/Secretary took the chair for Minute 40/22.

PROCEDURAL

40/22 ELECTION OF THE CHAIRPERSON OF THE COMMITTEE 2022/23 - *Resolved* - That James Doyle be appointed Chairperson of the Governance, Audit and Scrutiny Committee until its Annual General Meeting in 2023.

James Doyle took the chair.

41/22 APOLOGIES FOR ABSENCE - Apologies for absence were received from Kathryn Lavery.

42/22 DECLARATIONS OF INTEREST - There were no declarations of interest.

43/22 MINUTES - *Resolved* - That the minutes of the meeting of the Committee held on 11 April 2022 be confirmed as a correct record.

44/22 MATTERS ARISING FROM THE MINUTES, OTHER THAN ON THE AGENDA - There were no matters arising.

GOVERNANCE

45/22 UPDATE: MATTERS ARISING/FEEDBACK FROM FIRE AUTHORITY - The Monitoring Officer/Secretary provided feedback on items considered by the Fire Authority at its meetings of 29 April and 10 June 2022.

Resolved - That the update be received.

FINANCE AND PERFORMANCE

46/22 DRAFT ANTI-FRAUD AND CORRUPTION STATEMENT 2020/21 - The Temporary Director of Service Improvement submitted a report summarising the draft Anti-Fraud and Corruption Statement for 2021/22.

The Statement summarised the key incidents and issues from the year 2021/22. The Service had four main policies (reviewed annually) in place relating to fraud and corruption:

Whistleblowing, Anti-Bribery, Anti-Money-Laundering, and Anti-Fraud and -Corruption. Staff members were periodically reminded of the policies and provided with information on how to report any concerns they might have, with an option to report anonymously to an external organisation.

Resolved - That the report be received;

47/22 HMICFRS INSPECTION UPDATE - The Temporary Director of Service Improvement provided the Committee with a verbal update in relation to Her Majesty's Inspectorate of Constabulary and Fire and Rescue Service's (HMICFRS).

The Service had completed and returned pre-publication checks on HMICFRS's draft inspection report and it was expected that the final version would be published later in the summer. The Inspectorate had begun a consultation on its inspection programme with reference to the length and scope of inspections and future themed inspections (such as the ones conducted in relation to Covid-19).

Resolved - That the update be received.

SCRUTINY PROGRAMME

48/22 DRAFT GAS COMMITTEE SCRUTINY PROGRAMME 2022/23 - The Committee Manager submitted a report summarising the Committee's draft Scrutiny Programme 2022/23.

Resolved - That the Programme be approved with thanks to the Committee Manager.

TREASURY MANAGEMENT ANNUAL REPORT 2021/22

SUMMARY

1. This report provides Members with a review of the Authority's treasury management activity and Prudential Indicators for the year 2021/22.
2. The report shows full compliance with the Authority's Prudential Indicators for 2021/22.

RECOMMENDATIONS

3. That Members take assurance from the treasury management activities undertaken during 2021/22 and the Prudential Indicators as outlined in paragraphs 14 and 15 and detailed in Appendix 1.

BACKGROUND

4. Treasury Management, as defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice 2009 is:

"The management of the organisation's investments and cash-flows, its banking and money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of the optimum performance consistent with those risks."

5. One of the main requirements of the CIPFA Code is that Members receive an annual report detailing treasury management activities within the year and compliance with the annual Treasury Management Policy.
6. This report provides Members with details of the Authority's treasury management activities and Prudential Indicators for the 2020/21 financial year in line with the requirements of the Code.

INVESTMENT ACTIVITY

7. The Authority's temporary investments totalled £11.0m as at 31 March 2022.

Table 1 – Investment income earned 2021/22

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

* Benchmark set as average SONIA rate for the year

8. Interest earned during 2021/22 was £24k lower than originally budgeted for in respect of investment activity for the year, due to lower interest rates than anticipated.

BORROWING

Short-Term Borrowing

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

Long-Term Borrowing

10. Long-term loans are taken out either to replace existing loans which have matured or to fund capital expenditure. Under the Prudential Regime there are no longer centrally imposed limits on borrowing, but individual Authorities are required to determine themselves what is a sustainable and affordable level of borrowing as an integral part of their Medium-Term Financial Planning processes.
11. The Authority's average level of borrowing was £17.2m for 2021/22, on which £591k of interest was payable. The Authority repaid £827k of PWLB debt upon maturity and took £3.0m of new borrowings during the year. Closing PWLB debt at 31 March 2022 was £19.1m.

PRUDENTIAL INDICATORS

12. Appendix 1 details the agreed Prudential Indicators for 2021/22 and the actual figures for 2021/22.
13. During the financial year the Authority operated wholly within the limits approved.

Capital Expenditure

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

Treasury Management

15. Based on the Operational Boundary definition, external debt at 31 March 2022 was £11.0m below the agreed Operational Boundary for 2021/22 and the maturity structure for both borrowing and investments remain within the approved upper and lower limits. Subsequent borrowing or re-scheduling during 2022/23 will take into account prevailing interest rates on offer from the Public Works Loans Board, the current maturity structure of loans, balanced with the need to reduce capital risk by keeping down cash-balances.

STRATEGIC PLAN COMPATIBILITY

16. Treasury management is an integral part of the financial management of the Authority. Utilising approved borrowing and investment strategies will maximise investment income whilst minimising exposure to liquidity and market risks.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

17. The continued approach to investment of surplus funds is designed to further mitigate against potential losses as a consequence of counterparty failure and reflects a prudent approach to treasury management activity.

LEGAL IMPLICATIONS

18. The Authority must comply with the requirements of the CIPFA Code of Practice on Treasury Management and the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008. This report ensures such compliance.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

19. No direct issues arise from this report.

CORPORATE RISK MANAGEMENT IMPLICATIONS

20. The application of and regular monitoring thereafter of a prudent Treasury Management Policy and related Prudential Indicators ensures that the Authority effectively manages financial risks whilst minimising borrowing costs and maximising investment income. It is therefore key to good financial management and an important element of the Medium Term Financial Planning Process.

HEALTH AND SAFETY IMPLICATIONS

21. No issues arising.

COMMUNICATIONS ACTIONS ARISING

22. No direct issues arising.

DETAILS OF CONSULTATION AND/OR COLLABORATION

23. The Authority's treasury management strategy has been developed using market information and specialist advice supplied by the Authority's treasury management advisors.

BACKGROUND PAPERS

24. 'Treasury Management and Capital Expenditure Prudential Indicators, Treasury Management Policy Statement 2021/22 and Minimum Revenue Provision (MRP) for 2021/22' – Report to Fire Authority March 2021.
CIPFA Code of Practice on Treasury Management 2009

RECOMMENDATION RESTATED

25. That Members take assurance from the treasury management activities undertaken during 2021/22 and the Prudential Indicators as outlined in paragraphs 14 and 15 and detailed in Appendix 1.

M RANSOM

Officer Contact: Martyn Ransom ☎ 01482 567176
Joint Deputy Chief Finance Officer/Deputy S.151 Officer

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

SE
21 June 2022

Prudential Indicators 2021/22

a) Capital Expenditure

Indicator 1 - Capital Expenditure

The actual capital expenditure for the current year compared to the revised budget, together with estimates of expenditure to be incurred in future years are shown below:

	2021/22 Revised £k	2021/22 Actual £k	2022/23 Estimate £k	2023/24 Estimate £k	2024/25 Estimate £k
Total Capital expenditure	7,129	1,960	7,292	3,157	2,863

The underspend against the revised 2021/22 budget reflects slippage across a number of capital schemes as reported to Members in the 2021/22 Annual Accounts report.

Indicator 2 - Capital Financing Requirement

The capital financing requirement for 2021/22 and estimates for future years are as follows:

	Revised Estimate 31/03/22 £k	Actual 31/03/22 £k	Estimate 31/03/23 £k	Estimate 31/03/24 £k	Estimate 31/03/25 £k
Underlying Capital Financing Requirement	21,386	17,691	23,029	24,043	24,578
Other Long-Term Liabilities	936	1,029	1,012	994	974
Total Capital Financing Requirement	22,322	18,720	24,041	25,037	25,552

The capital financing requirement measures the Authority's need to borrow for capital purposes. In accordance with best professional practice, the Authority does not associate borrowing with particular items or types of expenditure. The Authority has, at any point in time, a number of cash flows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved Strategy. In day to day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the Authority's underlying need to borrow for a capital purpose. A key indicator of prudence under the Prudential Code is: -

"In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years".

The S.151 Officer reports that the Authority has had no difficulty meeting this requirement during the course of this financial year and no difficulties are envisaged in future years. This takes into account current commitments, existing plans and the proposals contained in the Medium Term-Financial Plan.

Indicator 3 – Core Funds and Expected Investment Balances

The total core funds and expected investments for 2021/22 and future years are as follows:

	2021/22 Revised £k	2021/22 Actual £k	2022/23 Estimate £k	2023/24 Estimate £k	2024/25 Estimate £k
Total Core Funds	13,884	14,623	13,924	11,990	11,750
Expected Investments	10,193	11,000	7,564	4,116	3,500

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.).

b) Treasury Management

Indicator 4 - Operational Boundary for External Debt

The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly the S.151 Officer's estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring by the S.151 Officer.

	2021/22 Authorised Limit £k	Actual as at 31/03/22 £k	2022/23 Authorised Limit £k	2023/24 Authorised Limit £k	2024/25 Authorised Limit £k
Borrowing	21,600	19,069	25,000	25,000	25,000
Other Long-Term Liabilities	3,500	1,029	3,500	3,500	3,500
	25,100	20,098	28,500	28,500	28,500

The S.151 Officer confirms that borrowing in the year has not exceeded the operational boundary at any point within the year and is not expected to do so over the course of the next period based on information currently available.

Indicator 5 - Authorised Limit for External Debt

The table below shows the Authorised limit for External Debt for 2021/22 and subsequent three-year period as approved by Members compared to the actual level of borrowing as at 31 March 2022.

	2021/22 Authorised Limit £k	Actual as at 31/03/22 £k	2022/23 Authorised Limit £k	2023/24 Authorised Limit £k	2024/25 Authorised Limit £k
Borrowing	27,600	19,069	31,000	31,000	31,000
Other Long-Term Liabilities	3,500	1,029	3,500	3,500	3,500
	31,100	20,098	34,500	34,500	34,500

The Authorised Limit reflects the Authority's projected long- and short-term borrowing requirements, together with any other long-term liabilities it may have. The figures are based on the estimate of most likely, prudent but not worst-case scenario, with sufficient headroom over and above this to allow for operational management of, for example unusual cash movements.

The S.151 Officer confirms that the Authorised Limit has not been approached at any point during the year.

Indicator 6 - Ratio of Capital Financing Costs to Net Revenue Stream

The ratio of financing costs to net revenue stream for the current year and estimates for future years are as follows: -

	2021/22 Estimate %	2021/22 Actual %	2022/23 Estimate %	2023/24 Estimate %	2024/25 Estimate %
Ratio of Financial Costs to Net Revenue Stream	3.06	3.49	3.35	3.62	3.91

These ratios indicate the proportion of the net budget of the Authority that is required to finance the costs of capital expenditure in any year. Estimates of financing costs include current commitments and the proposals contained in the capital programme of the Authority.

In calculating the ratio, Net Revenue Streams in any year have been taken to exclude any element of the net budget requirement that is intended to provide reserves for the Authority.

Indicator 7 – Upper and Lower Limits for the maturity structure of borrowings

This indicator seeks to ensure the Authority controls its exposure to the risk of interest rate changes by limiting the proportion of debt maturing in any single period. Ordinarily debt is replaced on maturity and therefore it is important that the Authority is not forced to replace a large proportion of loans at a time of relatively high interest rates.

“The Authority will set for the forthcoming financial year both upper and lower limits with respect to the maturity structure of its borrowings. The prudential indicators will be referred to as the upper and lower limits respectively for the maturity structure of borrowing and shall be calculated as follows:

Amount of projected borrowing that is fixed rate maturing in each period expressed as a percentage of total projected borrowing that is fixed rate;

Where the periods in question are:

- Under 12 months
- 12 months and within 24 months
- 24 months and within 5 years
- 5 years and within 10 years
- 10 years and above”

(Paragraph 74 of the code)

	Actual as at 31/03/22	Upper Limit	Lower Limit
	%	%	%
Under 12 Months	4.72	15	0
12 months and within 24 months	7.87	15	0
24 months and within 5 years	14.00	30	0
5 years and within 10 years	41.95	60	0
10 years and above	31.46	80	0

The S.151 Officer confirms that the maturity structure of external debt as at 31 March 2022 is within the upper and lower limits approved by the Authority.

ANNUAL STATEMENT OF ACCOUNTS 2021/22 - UNAUDITED

SUMMARY

1. This report contains the Authority's full unaudited Statement of Accounts for 2021/22 (see Appendix A) and also highlights below the key aspects of revenue and capital outturn for the year.
2. The Accounts covered by this report in Appendix A are subject to audit by Mazars in their role as the Authority's external auditor. The draft unaudited Statement of Accounts for 2021/22 was signed and published on the Authority's website on 17 June 2022 which is an excellent achievement.

RECOMMENDATIONS

3. That Members:
 - (a) take assurance from the Accounts presented; and
 - (b) approve the Capital Programme Rephasing at paragraph 8 of this report.

2021/22 ANNUAL STATEMENT OF ACCOUNTS

4. The production of the Annual Accounts is a key task for the Finance Team.
5. Shaun Edwards within our Finance Team has undertaken a significant amount of the work required to deliver our Annual Accounts and he has done an excellent job against very tight timescales delivering them in a timely manner.
6. Mazars (the Authority's External Auditors) have been very supportive throughout the process and have participated in regular meetings during the period.

2021/22 FINANCIAL YEAR

7. Revenue Budget

The revenue budget contains all of the Authority's day-to-day expenditure for the financial year.

The outturn position for the revenue budget for 2021/22 is a £0.991m underspend. This compares well to the period 11 end of February 2022 projection (£0.988m underspend) in the Management Accounts.

The full schedule of variances are set out in more detail in Appendix 1 of the attached Statement of Accounts on pages 68 and 69.

8. Capital Programme

The outturn for the Capital Programme shows a spend of £1.960m. The table in Appendix 2 on page 70 of the Annual Accounts sets this out in detail. Across the categories of the capital programme the picture is broadly as follows:-

- (A) Estates: Invest to Save (£0.165m).
- (B) Vehicles: fleet replacement (£0.242m).
- (C) Plant and Equipment: Personal Protective Equipment (£1.036m); IT (£0.260m) and equipment (£0.127m).

The schemes that have not completed in 2021/22 are shown below and therefore it is proposed that the following allocations be rephased into the 2022/23 Capital Programme as follows:-

Project	2021/22		
	Allocation £'000	Actual £'000	Proposed Rephasing into 22/23 £'000
Buildings			
Invest to Save	207	165	42
Goole Fire Station	387	-	387
Scunthorpe Fire Station	100	-	100
Pocklington Fire Station	100	-	100
Bridlington Fire Station	100	-	100
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
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	127	430
	7,065	1,830	5,235

*Only schemes with rephasing are included in the table above

RESERVES

9. Table 1 below shows the overall position on Reserves at 31 March 2022 / 1 April 2022.

Table 1

Summary of Reserves 31 March 2022 / 1 April 2022

(excluding ESFM (Humberside) Ltd Reserve)

Reserve	31 March 2022 £m	Proposed Movements £m	1 April 2022 £m	Notes
General Reserve	7.438	(1.530)	5.908	To maintain the Prudent Minimum level of reserves based on assessment annually.
Earmarked Reserves				
Insurance	0.500		0.500	To meet potential uninsured losses.
The Ark - National Flood Resilience Centre	1.000		1.000	To meet HFA possible contribution to the Ark project
Capital Programme Funding	4.160	(0.750)	3.410	Funding for the Capital Programme to replace capital grant funding from the Home Office which has now ceased
Business Continuity Reserve*	0.300	0.700	1.000	To meet any expenditure required in relation to maintaining the Service's resilience
ESMCP	0.265		0.265	To meet the costs of the ESMCP roll-out
Grenfell and Protection	0.071		0.071	Home Office funding to respond to the Grenfell Tower Inquiry findings and Protection investment
East Coast & Hertfordshire Control Room Consortium	0.470	0.530	1.000	To meet Humberside's share of the infrastructure costs of the East Coast and Hertfordshire Control Room Consortium.
Uniform Replacement Programme	0.150	(0.150)	0.000	Uniform Replacement Programme now completed
Pay and Prices	0.000	1.200	1.200	Funding for anticipated pay and prices increases in excess of budget assumptions
COVID	0.210		0.210	To meet ongoing costs of responding to COVID-19
Environmental Initiative	0.030		0.030	Develop environmental infrastructure
Total Revenue Reserves	14.594	-	14.594	

*previously named resilience reserve

10. Table 1 shows overall revenue reserves of £14.594m at 31 March 2022. The Authority has worked hard in recent years to deliver a sound level of reserves. This is particularly important against the uncertain financial backdrop for 2023/24 onwards.
11. The Authority's budget is balanced for 2022/23. The Service is monitoring carefully the financial impact of inflationary pressures and pay awards. 2023/24 onwards will require careful monitoring given that the Government's austerity programme is likely to continue beyond 2022/23.

DIRECTORS' DECLARATIONS

12. International Auditing Standards require auditors to ask management and those charged with governance about arrangements that the body has put in place:
- to prevent and detect fraud; and
 - to comply with applicable law and regulations.
13. This requirement applies each year as part of the audit of the Authority's Annual Accounts. The Authority's written response to the questions posed is included as

Appendix B to this report. The Chair of the Authority, the CFO/CE and the Section 151 Officer signed the final version and returned it Mazars.

UPDATE ON THE AUDIT

14. Mazars will commence their audit work on 20 June 2022. The Government has specified that the timescales for Annual Account sign-off by the S151 Officer is 31 July 2022 and also the completion of the audit is 30 September 2022.

CONCLUSION

15. This report captures the financial impact of the Authority's activities during the 2021/22 financial year. The picture is one of robust finances despite the austerity that has been in place over the period 2011/12 to 2020/21.
16. The financial challenges will continue over the period 2023/24 onwards and the Authority is well placed to meet these challenges.

STRATEGIC PLAN COMPATIBILITY

17. Good financial management is a key enabler for the achievement of the Authority's Strategic Objectives.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

18. Timely and accurate financial statements are key to the Authority's financial health and financial planning.

LEGAL IMPLICATIONS

19. The Fire Authority must approve the final audited accounts by 30 September 2022 for 2021/22 Annual Accounts.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

20. An Equality Analysis will be undertaken on any relevant aspects as required.

CORPORATE RISK MANAGEMENT IMPLICATIONS

21. No direct issues arising but the Authority continues to actively mitigate risks by earmarking reserves where possible. This is a prudent approach and an essential element of sound financial management.

HEALTH AND SAFETY IMPLICATIONS

22. No direct issues arising.

COMMUNICATION ACTIONS ARISING

23. No direct issues arising.

DETAILS OF CONSULTATION AND/OR COLLABORATION

24. The Authority's Finance Officers have worked closely with Mazars since January 2022 to ensure that robust arrangements were in place to produce the 2021/22 Statement of Accounts. The statutory notice to 'call the audit' was placed on the Service's website on 16 May 2022 and the public inspection period for the Accounts commenced on 20 June 2022.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

25. 2021/22 Annual Accounts working papers.

RECOMMENDATIONS RESTATED

26. That Members:

- (a) take assurance from the Accounts presented; and
- (b) approve the Capital Programme Rephasing at paragraph 8 of this report.

K WILSON

Officer Contact: Kevin Wilson ☎ 01482 567183
Executive Director of Finance/S151 Officer

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

KW/MS
June 2022

2021/22



HUMBERSIDE
Fire & Rescue Service

Humberside Fire Authority Annual Accounts 2021/22 (Unaudited)

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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 clauaclated 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

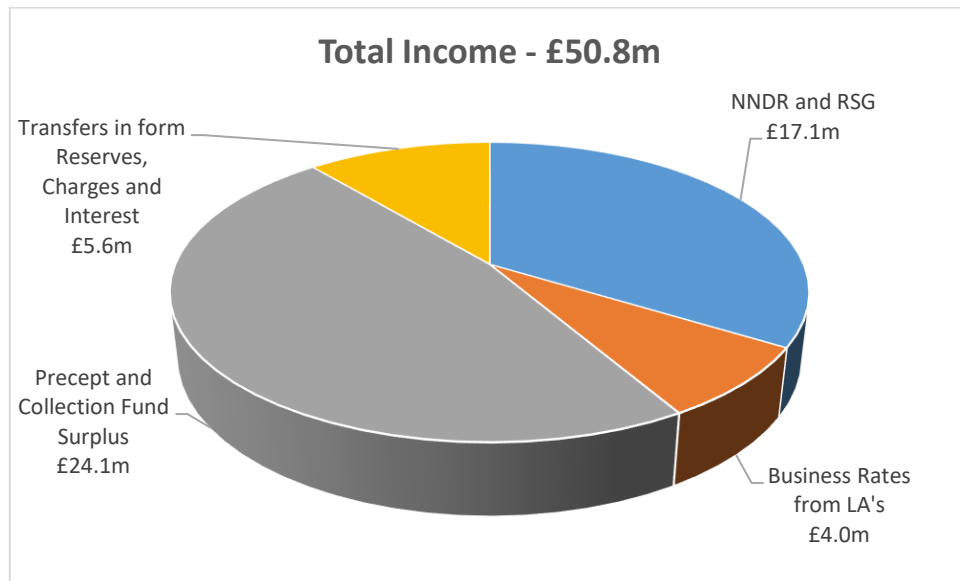
Since 2011/12 the Authority has suffered a circa 40% reduction in external funding which equates to approximately £11.5m.

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.

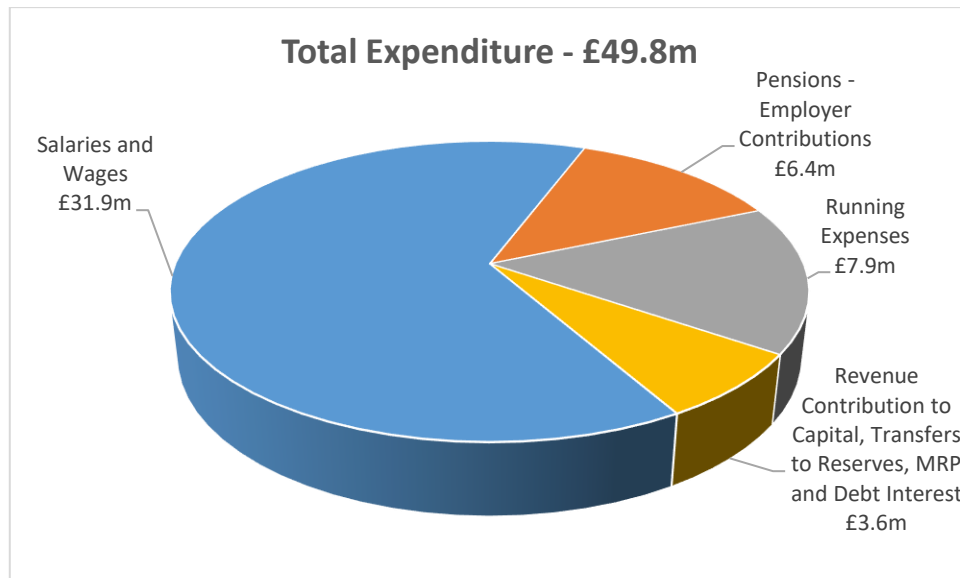
The Authority's position over the medium-term is sound, but will be kept under continuous review particularly with regard to any cost pressures arising and also pay awards that may be agreed over the next 2 to 3 years against a backdrop of tight financial settlements from the Government.

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

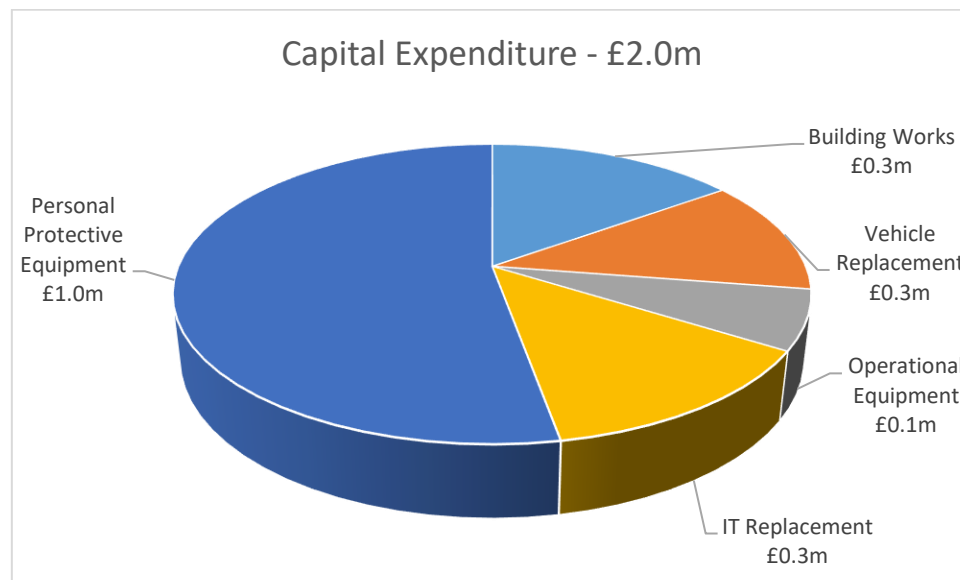
During 2021/22, the overall variance across all non-pay budgets was an underspend of £593k. This was primarily due to lower ICT costs due to investment in the WAN in previous years, lower business rate charges, lower spend on travel costs and fuel.

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. 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		Note(s)	Gross Expenditure	Gross Income	Net Expenditure
3,502	(576)	2,926	Community Fire Safety		3,348	(446)	2,902
39,605	(668)	38,936	Fire Fighting & Rescue Operations *		37,855	(675)	37,180
16,710	(846)	15,863	Management and Support		16,627	(1,606)	15,022
130		130	Corporate and Democratic Core		132		132
28		28	Corporate Management		15		15
25		25	Non Distributed Cost/(Income)				-
60,000	(2,090)	57,908	Cost of Services		57,978	(2,726)	55,251
226	(65)	161	Other Operating Expenditure	11	193	(29)	164
14,510	(12)	14,498	Financing and Investment Income and Expenditure	11	15,094	(16)	15,078
	(48,897)	(48,897)	Taxation and Non-Specific Grant Income	11		(48,002)	(48,002)
		23,670	(Surplus) or Deficit on Provision of Services				22,490
		(494)	(Surplus) or Deficit on Revaluation of Non Current Assets	5			(14,329)
		78,176	Remeasurement of the net defined liability / (asset)	4			(31,479)
		77,682	Other Comprehensive Income and Expenditure (Surplus)/Deficit				(45,808)
		101,352	Total Comprehensive Income and Expenditure (Surplus)/Deficit				(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	11,928
1,267	Cash and Cash Equivalents	16	149
18,040	Current Assets		23,489
(7,334)	Short-Term Creditors	8	(8,201)
(127)	Short-Term Provisions		(143)
(931)	Short-Term Borrowing	7	(1,006)
(8,392)	Current Liabilities		(9,350)
(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 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'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	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of employer assets					-	-					-	-
Present value of funded liabilities					-	-					-	-
Present value of unfunded liabilities			(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)
	18,720	19,508
Explanation of Movements in Year		
Increase/(Decrease) in the Underlying Need to Borrow		
Unsupported by Government Financial Assistance	(788)	1,637
	(788)	2,168

Valuation of Property carried at Current Value

The following statement shows the progress of the Authority's rolling programme for the revaluation of non-current Assets. The valuation of the building stock is carried out by the 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 2020	<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 2020	<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	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	4,171	4,085
	<u>8,201</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	6,390	5,175
	<u>11,928</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		Current	
	31 March		31 March	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'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	Loans and Receivables	Available for sale Assets		Measured at amortised cost	Loans and Receivables	Available for sale Assets	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Interest Expense	(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	5
Three to six months	39	36
Six months to one year	-	-
More than one year	-	-
	<u>80</u>	<u>41</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.

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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 2022).

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

Due to an error in revaluations of property during 2020/21 the following balances have been restated:

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)
	149	1,267	(1,118)

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
	26,346	26,283

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		
	(29)	(65)

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)
	(740)	(621)

Cash Flow Statement – Cash Flows from Investing Activities

	2021/22	2020/21
	£'000	£'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	(6,948)	(4,749)

Cash Flow Statement – Financing Activities

	2021/22	2020/21
	£'000	£'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	2,002	3,353

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)
(2,490)	Firefighters' contributions	(2,443)
<u>(8,278)</u>		<u>(7,809)</u>
(89)	Transfers in from other authorities	-
	Benefits payable:	
16,649	Pensions	16,963
3,391	Commutations & lump sum retirement benefits	4,152
<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>
(11,673)	Top-up grant receivable to the Firefighters' Pension Fund	(13,306)
<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	<p>For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because:</p> <p>events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.</p>
Agency Arrangements	An arrangement between two organisations where one will act as an agent, collecting money on behalf of the other party, to whom the money is then paid over. An example of this is council tax collections, where the four local authorities collect money from tax payers on behalf of the Authority and then pay it over.
Amortisation	The measure of the cost of the wearing out, consumption or other reduction in the useful economic life of the Authority's Intangible Assets during the accounting period, whether from use, the passage of time, or obsolescence through technological or other changes.
Asset	<p>An item having value to the Authority in monetary terms. Assets are categorised as either current or non-current:</p> <p>A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and inventories);</p> <p>A non-current asset provides benefits to the Authority and to the services it provides for a period of more than one year and may be tangible e.g. a fire station or intangible, e.g. computer software licences.</p>
Audit of Accounts	An independent examination of the Authority's financial affairs.
Balance Sheet	A statement of the recorded Assets, Liabilities and other balances at the end of the Accounting Period.
Budget	The forecast of net revenue and Capital Expenditure over the Accounting Period.
Capital Expenditure	Expenditure on the acquisition of a non-current asset, which will be used in providing services beyond the current Accounting Period or expenditure that adds to,

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

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

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

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

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

size or incidence to give fair presentation of the Accounts.

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

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

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

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

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

Appendix 4

Feedback form

Humberside Fire Authority

STATEMENT OF ACCOUNTS 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

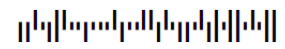
☐

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 STANDARDS SCRUTINY REPORT

SUMMARY

1. The intention of this report is to provide insight into the origin, context and processes of Fire Standards (FS). The introduction of FS is intended to establish a consistent approach within the fire sector relating to professional standards for principal activities. ([Fire Standards Website](#))

RECOMMENDATIONS

2. The GAS committee use the content of the report to take assurance in the progress the Service is making in complying with the FS, alongside providing information and guidance in relation to support their scrutiny of this subject.

REPORT DETAIL

3. **Background Summary**

3.1 In May 2018 the government announced that a new Fire Standards Board (FSB) would be created, with the responsibility for overseeing and commissioning professional standards for fire and rescue services across England, to ensure a nationally coordinated approach.

3.2 The government FSB proposal was developed in conjunction with the National Fire Chiefs Council (NFCC), Local Government Association and other partners.

3.3 The FSB is independent from government and supported by the NFCC's central programme office which produce the FS, alongside the creation and management of working groups discuss and develop the criteria content.

3.4 The FSB forms part of the government's proposals towards their fire reform programme focused on professionalism, effectiveness, and accountability of fire and rescue services.

4. **The Mission, Role and Responsibilities of the FSB**

4.1 The mission of the FSB is to develop and maintain a suite of standards which set out 'what good looks like'.

4.2 The role of the FSB is to oversee the identification, organisation, development and maintenance of professional standards for fire and rescue services in England.

4.3 The FSB is responsible for approving standards and the approach to their development, setting the priorities for standards development work.

4.4 FSB will commission work based on proposals from third parties, monitor progress with ongoing work and approve completed work.

4.5 FSB will seek to ensure that any standards presented for approval have:

- Been developed in line with the agreed development process
- Undergone appropriate consultation with subject matter experts and relevant stakeholders
- Undergone an independent quality assurance process

4.6 The FSB board consists of 6 members with a nominated independent chair and vice chair. Members have representation from areas which include the head of the fire strategy and reform unit, NFCC, and PFCC.

5. Fire Standards Arrangements (FS)

5.1 FS are a key component of continuous improvement in the sector. They form a point of focus against which performance can be measured and improvements can be made.

5.2 FS are the benchmark that set out what communities can expect their fire and rescue service to achieve and are applicable to all FRSs in England.

5.3 It is anticipated that FS will be integrated into HMICFRS inspection framework and judgment criteria.

5.4 Learning from inspections will be used to inform the identification and continual development of FS. This process included an agreed memorandum of understanding between FSB and HMICFRS in how they work together and share information. (Appendix 1)

6. Fire Standards Consultation

6.1 Prior to the formal publication all FS are subject to public consultation, from which the FSB duly consider the received feedback and comments.

6.2 The consultation process is published in the FSB website which details the desired outcomes and associated purpose of the FS.

7. Issued Fire Standards

7.1 As part of the planning and preparation to launch a FS the NFCC created a timeline (Appendix 2) detailing the subject alongside the short to medium term dates for the consultation and publication.

7.2 When a FS is launched it is published on the FSB website.

7.3 The published FS details the range of criteria for each FRS to work against to satisfy compliance. Although each FS criteria is unique to the subject matter, there is commonality in both the structure and context outlined below:

- What is necessary to meet the requirements of the FS
 - This includes a list of the specific criteria needed to achieve the standard
 - Of the listed criteria, the FS will differentiate by stating if an FRS *must*, *should*, or *may* need to implement the related criteria.
- Expected benefits of achieving the standard the FS
- Legal requirements or mandatory duties
- Linked qualifications, accreditations of FS
- Guidance and supporting information

7.4 As of the 22.06.2022 there is a total of 11 FS issued, detailed in the below table. *Please Note: It is expected that a 'Data Management' FS will be issued in July.*

Title	FSB Date Issued	FSB Review Date
Core Code of Ethics	18.05.2021	31.05.2024
Community Risk Management Planning	18.05.2021	30.06.2024
Emergency Preparedness & Resilience	31.05.2022	31.05.2025
Emergency Response Driving	16.02.2021	28.02.2024
Fire Investigation	31.03.2022	31.03.2025
Operational Competence	16.02.2021	28.02.2024
Operational Learning	16.02.2021	28.02.2024
Operational Preparedness	16.02.2021	28.02.2024
Prevention	30.07.2021	31.07.2024
Protection	03.09.2021	30.09.2024
Safeguarding	31.01.2022	28.02.2025

8. Fire Standards Implementation Toolkit

8.1 The FSB create and publish an implementation toolkit (Appendix 3) to accompany each standard. (Please Note: the implementation toolkit is provided sometime after the issue date of the FS itself).

8.2 The purpose of the toolkit is to assist each FRS in planning, delivering, and reporting on their FS implementation.

8.3 The format of the implementation toolkit (Microsoft Excel) uses a sequence of tabs which record the title of the criteria and lists the associated sub-criteria, using a GAP analysis model, against which the FRS populates with narrative and evidence.

8.4 The GAP analysis model enables the FRS to determine their level of compliance individually against each of the sub-criteria and holistically against the overarching FS.

8.5 Compliance is calculated and assessed within the implementation toolkit as either *none*, *partial* or *full*. The assessed rating is derived from the information and evidence provided in the toolkit.

8.6 Compliance with FS is subject to an assessed calculation, via pre-populated formulas, integrated into the toolkit spreadsheet, to inform an automated dashboard. The dashboard coordinates and illustrates the criteria which assess compliance as either *none*, *partial* or *full*.

8.7 Issued FS do not have any official mandated or recommended timescale in which they should be fully compliant. Timeliness of compliance needs to be considered and managed accordingly through each respective FRS.

9. HFRS Processes & Performance

9.1 In managing compliance with each of the FS, Corporate Assurance created an internal process plan which details roles and responsibilities from the date the FS is issued. (Appendix 4)

9.2 Corporate Assurance facilitate the administration for each FS, in accordance with the process plan, managed through a dedicated site on the internal portal (Appendix 5) which includes the following activities:

- Monitoring and reviewing the FSB website for the latest news, including consultation and the issuing dates of upcoming FS
- Maintaining the FS portal page with the latest news, updates and implementation toolkit

- Reporting of FS performance in relation to compliance is done through the quarterly SLT performance meeting
- Reviewing of FS through Directorate monthly meetings

9.3 The responsibility to implement and validate compliance with the FS is that of the respective Directorate function, details of which are stated on the implementation toolkit.

9.4 If the criteria within a FS involves cross Directorate work, those functions must effectively collaborate to evidence compliance.

9.5 To support compliance with each FS a Policy Delivery Guidance (PDG) is currently in development, to build upon the internal structure already established to add an increased consistency in the Service's approach. This PDG will be aligned to the Services 'Performance and Risk' policy. The content of the PDG concentrates on the following areas:

- Process plan (roles and responsibilities)
- FS consultations
- FS implementation
- FS quality assurance (including EDI)
- Compliance monitoring
- Compliance reporting
- Record management
- Related Service plans and documents (including the Risk and Opportunity Register and Service Improvement Plan)

9.6 Further work continues to be progressed to support the effective management and implementation of FS within HFRS. This includes utilising Service documents and meetings to address themes and topics identified through the implementation toolkit GAP analysis which comprises the following: Service Improvement Plan, Risk Register, Directorate Meetings, and internal audit.

9.7 The infrastructure HFRS have created has being exemplified as best practice through the NFCC working groups.

STRATEGIC PLAN COMPATIBILITY

5. This report is aligned specifically to 'What we must do well' and 'We efficiently manage the Service', within the Strategic Plan 2021-2024.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

6. None directly in relation to this report, however each of the FS managed through the respective Directorate, would be assessed to determine if any further investment would be needed to accomplish full compliance. The identification and request for additional funds / resources would be rationalised by the appropriate Directorate manager(s).

7. LEGAL IMPLICATIONS

- Each FS would be assessed to determine legal implications against the individual criteria requirements for each.
- Cohesion with the Fire and Rescue National Framework, 'Section 2 Delivery of Functions'.

8. **EQUALITY IMPACT ANALYSIS /HR IMPLICATIONS**

An Equality Impact Analysis would be completed as applicable against each individual FS and / or sub criteria by the responsible Directorate lead.

9. **CORPORATE RISK MANAGEMENT IMPLICATIONS**

There is a clear need to ensure HFRS are working towards and / or are compliant with all FS as mandated. As applicable FS compliance will be detailed in the corporate risk and opportunity register.

10. **HEALTH AND SAFETY IMPLICATIONS**

None directly arising.

11. **COMMUNICATION ACTIONS ARISING**

Communication on going processes to inform and report against the FS

12. **DETAILS OF CONSULTATION**

Consultation of the FS is managed through the FSB

13. **BACKGROUND PAPERS AVAILABLE FOR ACCESS**

- Appendix 1 – Memorandum of understanding
- Appendix 2 – Timeline
- Appendix 3 – Implementation Toolkit example
- Appendix 4 – Internal Process Plan
- Appendix 5 – FS HFRS Portal Screenshot

RECOMMENDATIONS RESTATED

14. The GAS committee use the content of the report to take assurance in the progress the Service is making in complying with the FS, alongside providing information and guidance in relation to support their scrutiny of this subject.

M SUTCLIFFE

Officer Contact: Jamie Morris ☎ 01482 567479
T/Head of Corporate Assurance

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

4 July 2022

Memorandum of Understanding
between the
Fire Standards Board
and
Her Majesty's Inspectorate of
Constabulary and Fire & Rescue Services

1. Introduction

- 1.1. The Fire Standards Board (FSB) and Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) are collectively engaged in promoting improvements in fire and rescue services in England.
- 1.2. The aim of this Memorandum of Understanding (MoU) is to describe the common understanding and intended approach of each body in relation to the other in respect of their roles and responsibilities, recognising their separate, discrete but complimentary functions and jurisdictions.
- 1.3. This MoU is not intended to, and shall not have effect so as to, create legal relations between the FSB and HMICFRS or any legally enforceable obligation. It is approved and signed by the Chair of the FSB and HM Chief Inspector of Fire & Rescue Services. It remains in place until a new document has been agreed and replaces it.

Fire Standards Board

- 1.4. The role of the FSB is to oversee the identification, organisation, development and maintenance of professional fire standards for fire and rescue services in England. The Fire and Rescue National Framework for England requires all fire and rescue authorities to have due regard to the fire standards approved by the FSB.
- 1.5. The FSB is independent of government and fire and rescue services.

HMICFRS

- 1.6. HMICFRS was given responsibility to inspect the effectiveness and efficiency of fire and rescue services in England in 2017. HMICFRS's inspectors each have dual responsibility to inspect both fire and rescue services in England and police forces in England and Wales.
- 1.7. HMICFRS's current functions in relation to fire and rescue are set out in the Fire and Rescue Services Act 2004 which was amended by the Policing and Crime Act 2017. The primary statutory responsibility is for HMICFRS to inspect and report on the effectiveness and efficiency of every fire and rescue authority in England.
- 1.8. HMICFRS is independent of government and fire and rescue services.
- 1.9. HMICFRS's inspection programme is subject to the approval of the Home Secretary under the Fire and Rescue Services Act 2004.

2. Working together

- 2.1. The role of the FSB is to set fire standards for fire and rescue services in England. In its role in assessing the efficiency and effectiveness of fire and rescue services, HMICFRS will have due regard to fire standards approved by the FSB. This meets the requirement in the Fire and Rescue National Framework for England which states that HMICFRS will have regard to fire standards as part of its inspections.
- 2.2. The FSB will monitor the effectiveness of its standards in supporting continuous improvement, including any learning from HMICFRS regarding the extent to which the standards have been applied and successfully implemented. The FSB will build on the evidence provided by HMICFRS to further develop and enhance its standards.
- 2.3. Where they exist, HMICFRS will use the standards produced by the FSB to develop its inspection processes and criteria and, where and to the extent appropriate, inspect against them.
- 2.4. Where HMICFRS identify key learning for the sector from their inspections, this will be given on an ongoing basis to the FSB to consider.
- 2.5. Effective points of contact at a senior level will be established between both organisations.
- 2.6. These points of contact should aim to meet every quarter to primarily share learning and evidence of effective practice gained from inspections and through standards development. This will inform the development of new standards, the review of existing standards and the evolution of inspection criteria. Formal minutes will not be taken, but a record of key decisions and/or actions will be made and shared with each organisation after each meeting.
- 2.7. Both organisations will respect the confidentiality of the information provided.
- 2.8. Both organisations will develop and keep under review the relationship between them to ensure that it remains effective.
- 2.9. Where HMICFRS considers making recommendations that would have an appreciable effect on the FSB, these should, where appropriate and practicable, be consulted on in a timely manner before publication.
- 2.10. Where HMICFRS identifies inconsistency in the application of the FSB's standards, it will inform the FSB accordingly. This will be done once the relevant report has been published. The exception is if the issue has the potential to cause a risk to the public. In such cases, this information will be shared immediately.

3. Communication

- 3.1. HMICFRS and the FSB are committed to the principles of good public administration, including good communication and effective consultation with each other and with others throughout fire and rescue. They will ensure that, where necessary, statements make clear their respective roles and duties. They undertake to communicate and consult each other fully to appropriate timescales.
- 3.2. They will agree appropriate procedures to ensure effective working including timescales for consultation, points of contact and other liaison arrangements. Where appropriate and practicable, they will ensure that consultation exercises are co-ordinated so as to avoid unnecessary duplication of effort for respondents.
- 3.3. In relation to communications with the media, neither should speak on behalf of the other unless specifically agreed beforehand.

4. Review

- 4.1. This memorandum of understanding will be reviewed annually and, where appropriate, revised by agreement between FSB and HMICFRS. An earlier review can be triggered by any one of the following events:
 - (a) the appointment of a new Chief Inspector of Constabulary/Fire and Rescue;
 - (b) the appointment of a new Chair of the FSB;
 - (c) a significant change in government policy relating to the affairs of HMICFRS;
 - (d) where the FSB or HMICFRS has some other substantial reason to seek a change to the concordat.
- 4.2. Any review of this concordat should be undertaken jointly by FSB and HMICFRS. The resulting document should be published to replace this version.

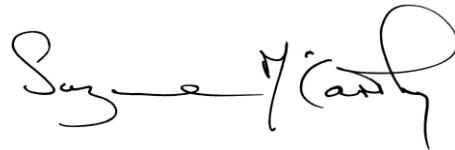
5. Signatures

The memorandum of understanding is made between Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services and the Fire Standards Board and signed on their behalf by:



Sir Thomas Winsor WS

Her Majesty's Chief Inspector of Fire
and Rescue Services



Suzanne McCarthy


Chair
Fire Standards Board

All Programme Products

	2021					2022										
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	April	May	Jun	July	Jun	Jul	Aug	Sep
People	EDILaunch ForumsLaunch Events CalendarLaunch Neurodiversity ToolkitLaunch Diversity Gender ToolkitLaunch EIA Training ToolkitLaunch Racial Equality ToolkitLaunch Religion & Beliefs ToolkitLaunch Data Toolkit															
	Maturity ModelsLaunch Maturity Models framework & self assessment tools					LeadershipLaunch coaching and mentoring portalLaunch talent management frameworkLaunch Recruitment HubLaunch supervisory leadership development programmeLaunch Direct Entry scheme										
Fire Standards	Fire StandardsFire ProtectionSafeguarding					Service LeadershipDeveloping LeadersEmergency Planning & ResilienceData Requirements & ManagementService Management (Nov TBC)										
N.O.G.	National Operational GuidanceEnvironmental Protection consultationTerrorist Attacks consultationWater Rescue publishedGeophysical Hazards publishedFires & Firefighting consultationEnvironmental Protection publishedTerrorist Attacks publishedFires & Firefighting published															
Prevention	PreventionPerson Centred Framework doc on UKFRSOnline Home safety (HAS) assessment toolElearning HAS training packageCentral recording data setRisk stratification to underpin work to dateEvaluation of HAS Elearning package and tool															
Fire Control	Fire Control – Q2Remaining Fire Survival Guidance (NOG & TS)Water Survival Guidance (NOG & TS)Fire Control – Q3Emergency Call Management – People at RiskMultiple Calls (NOG & TS)Control Room CommandFire Control – Q4MTA Stay Safe Survival GuidanceEmergency Call Management & MobilisingBusiness Continuity															
Community Risk	Economic & Social Value (ESV)PilotTool testedPresent to Fire ChiefsConsultation with FRSESV available to FRSCompetency project delivers frameworkDefinition of Risk (DOR)Proof of conceptGo/No go decisionFinal reportConsultation with FRS112DOR available to FRS112Evaluation project delivers gap analysis & recommendation															

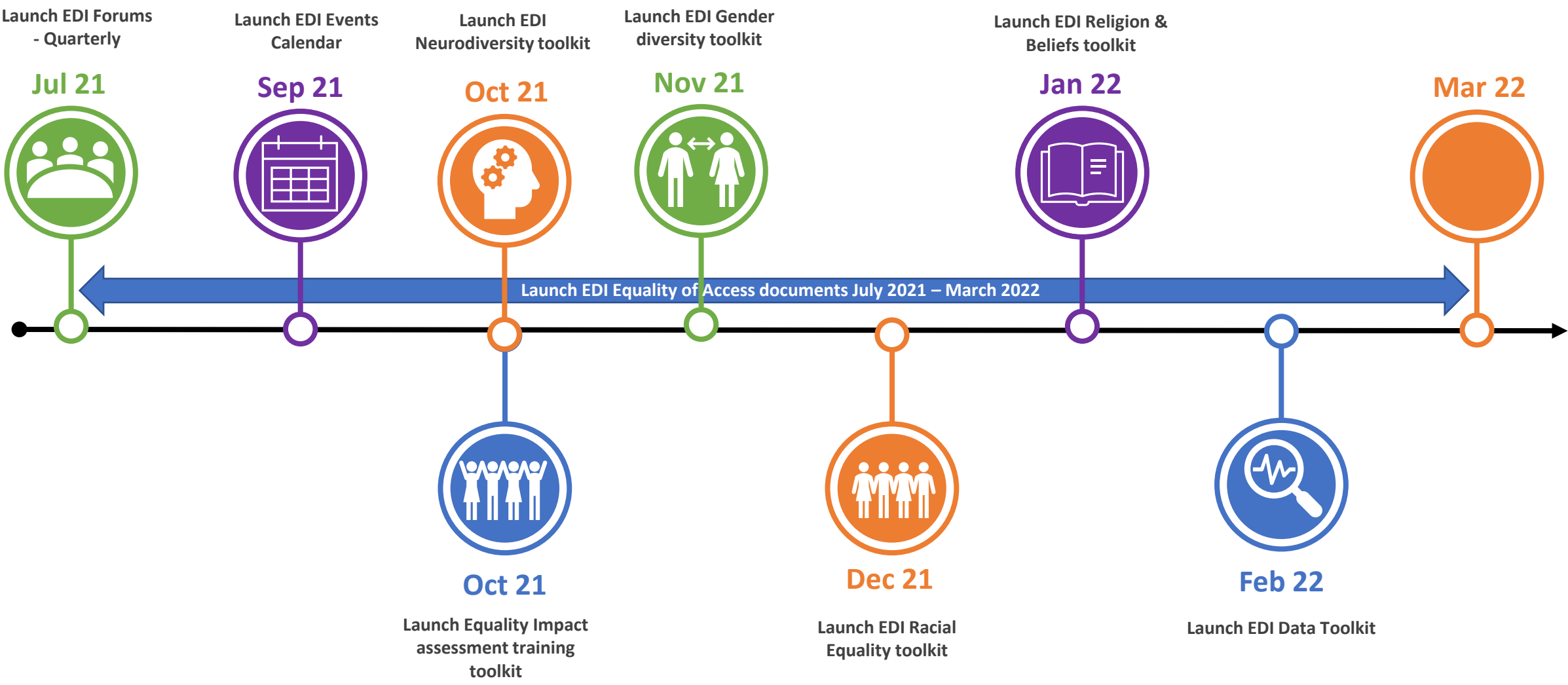
Product Roadmap – People Programme EDI

June 21




Products Published to date

- Link to Maturity models infographic (links to all products produced so far)



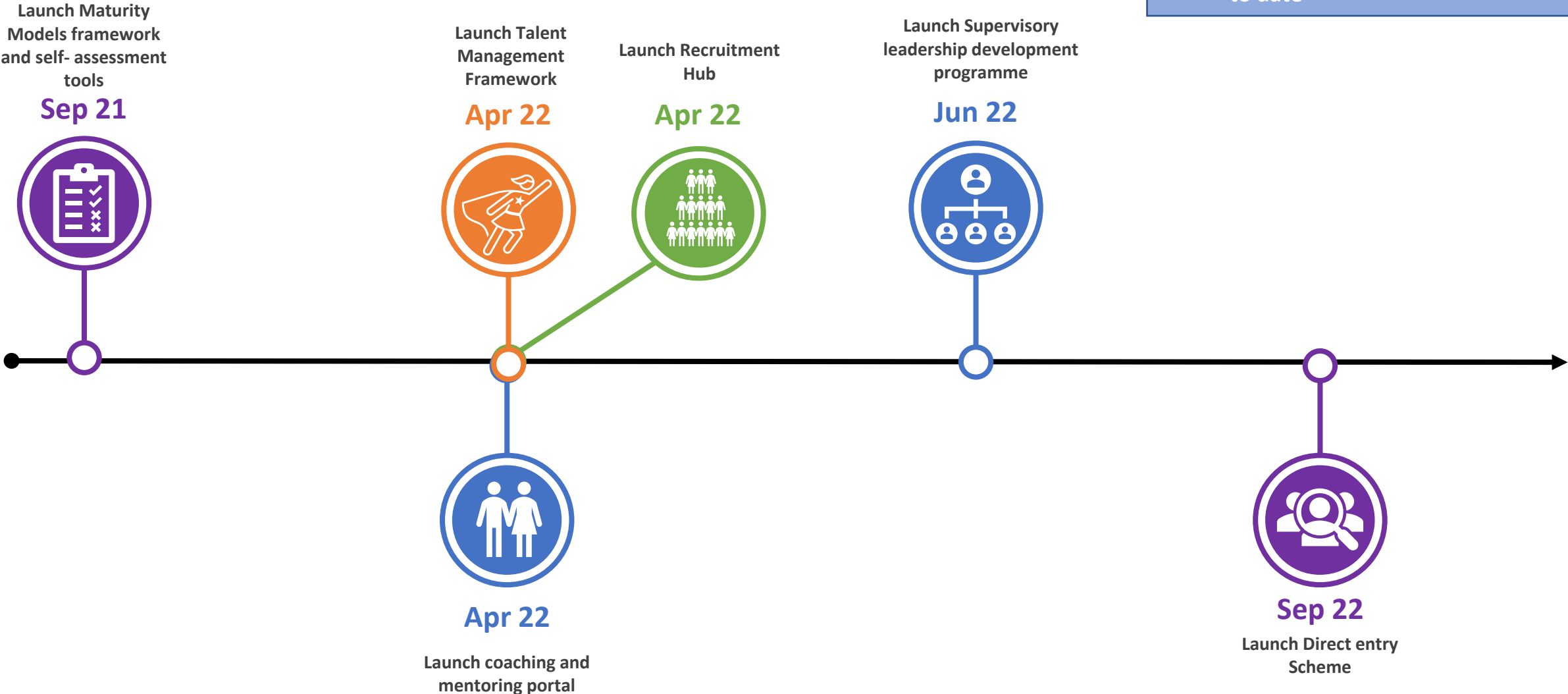
Product Roadmap - People Programme - Leadership and Maturity Models

June 21



- Link to Maturity models infographic (links to all products produced so far)

Products Published to date



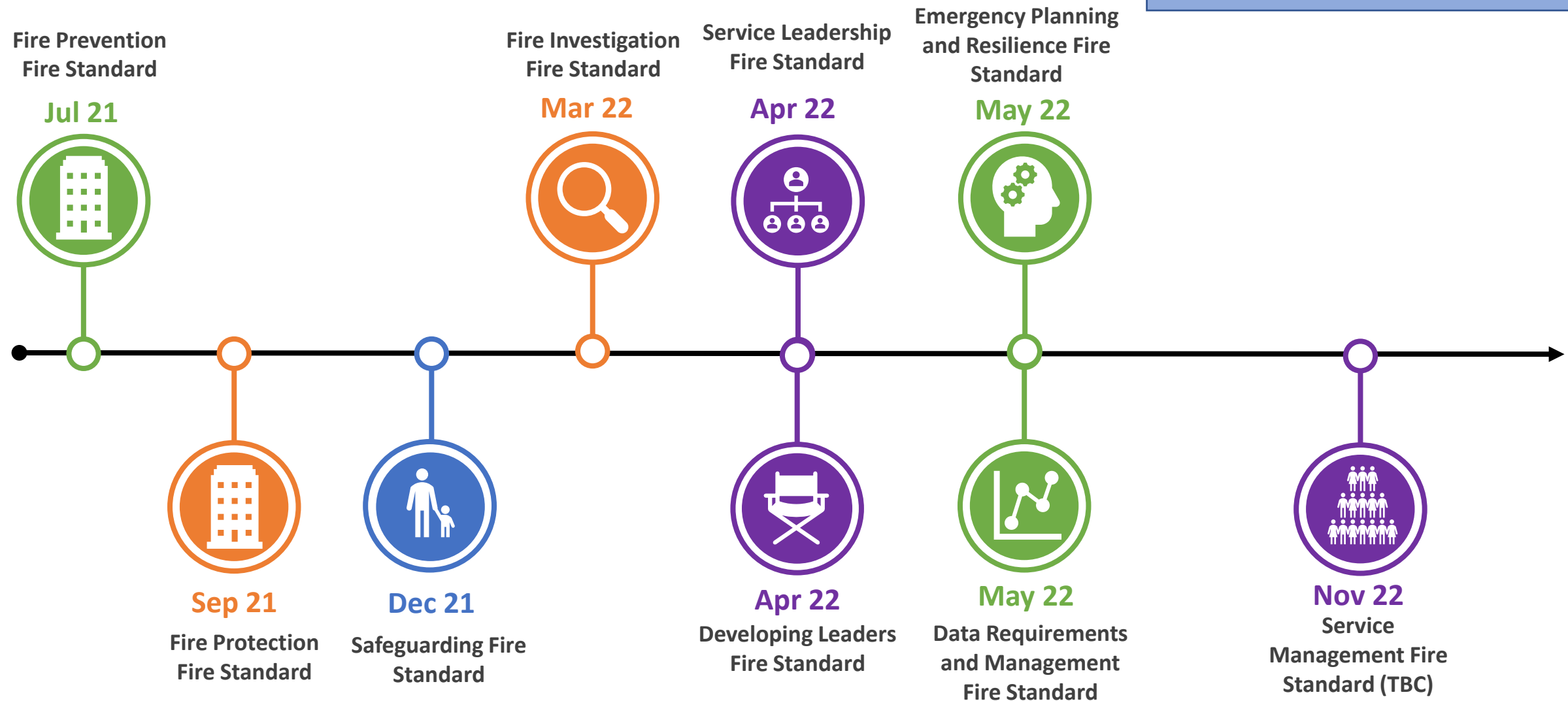
Product Roadmap – Fire Standards

June 21




Six Fire Standards Published to date

- [Emergency Response Driving](#)
- [Operational Preparedness](#)
- [Operational Competence](#)
- [Operational Learning](#)
- [Code of Ethics](#)
- [Community Risk Management Planning](#)



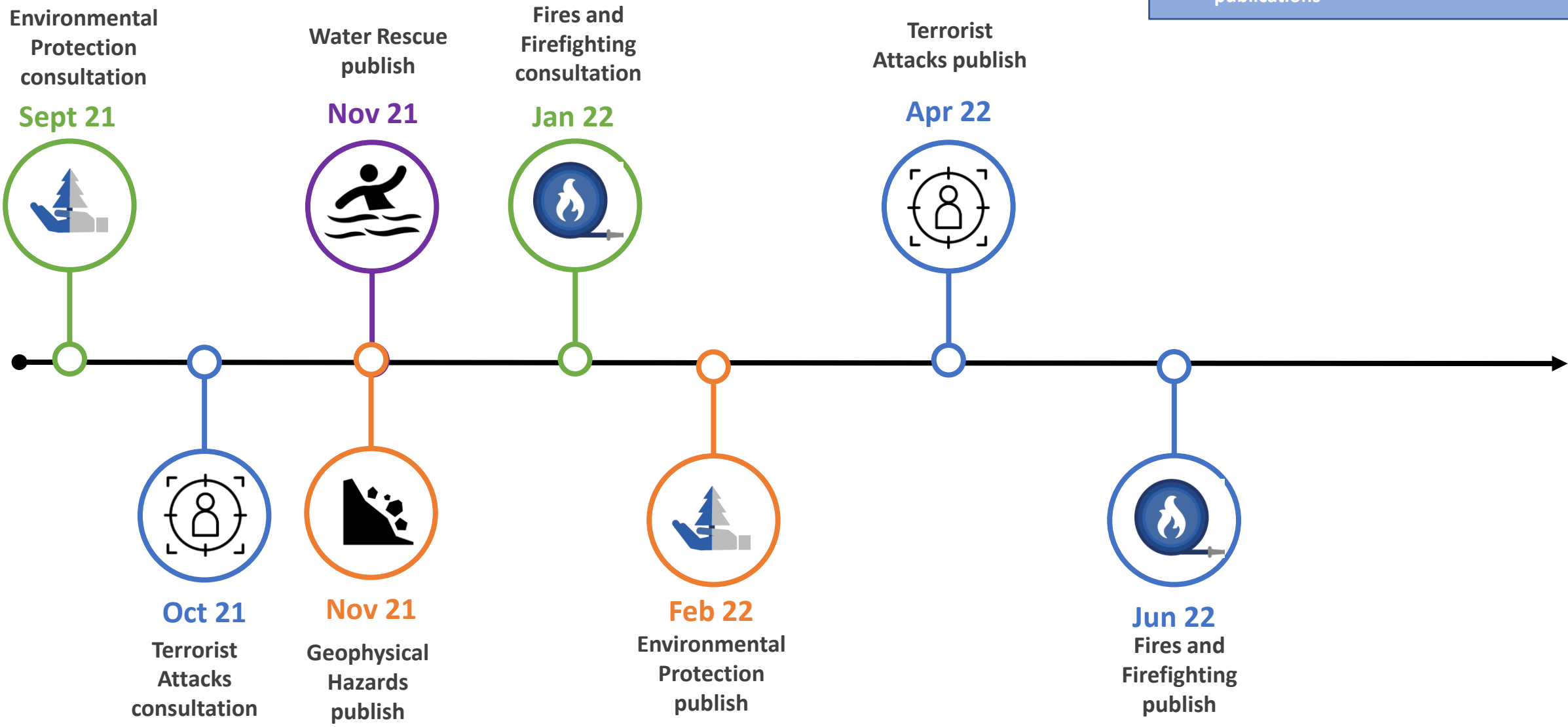
National Operational Guidance – Review Schedule (TBC)

July 21



Significant upcoming publications

- Grenfell phase 2
- MEN Arena inquiry
- White paper
- JESIP Joint Doctrine



Product Roadmap – Prevention Programme

Launch Person Centred Framework (PCF) document with timeline on UKFRS

Aug 21



Sept 21
Online home safety assessment (HSA) tool and standardised process



Elearning training package (evaluation of impact April 22)

Nov 21



Nov 21
Central recording and data set



Risk stratification to underpin work so far

Mar 22



Apr 22
Evaluation of HSA Elearning package and tool



June 21



Work carried out to date

- Scoping and research
- Strengthen core components
- Involvement and input into the Prevention Fire Standard

2022 Onwards Workstreams

- Evaluation – The economic and social value of prevention activity
- Children and young people workstreams
- Person Centred Framework continued work
- Integrating and sharing prevention activity
- Prevention Competency Framework – Competencies required and training specifications

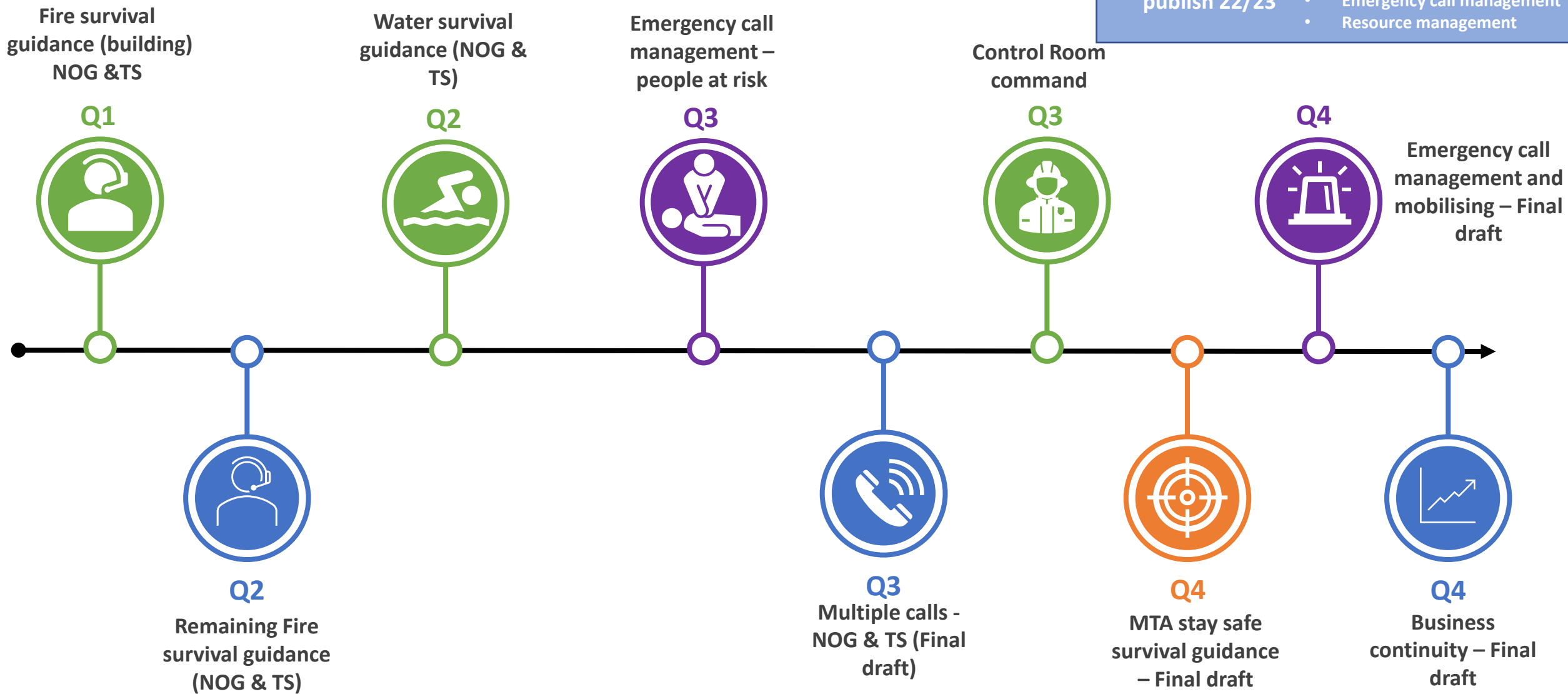
Product Roadmap – Fire Control

July 21

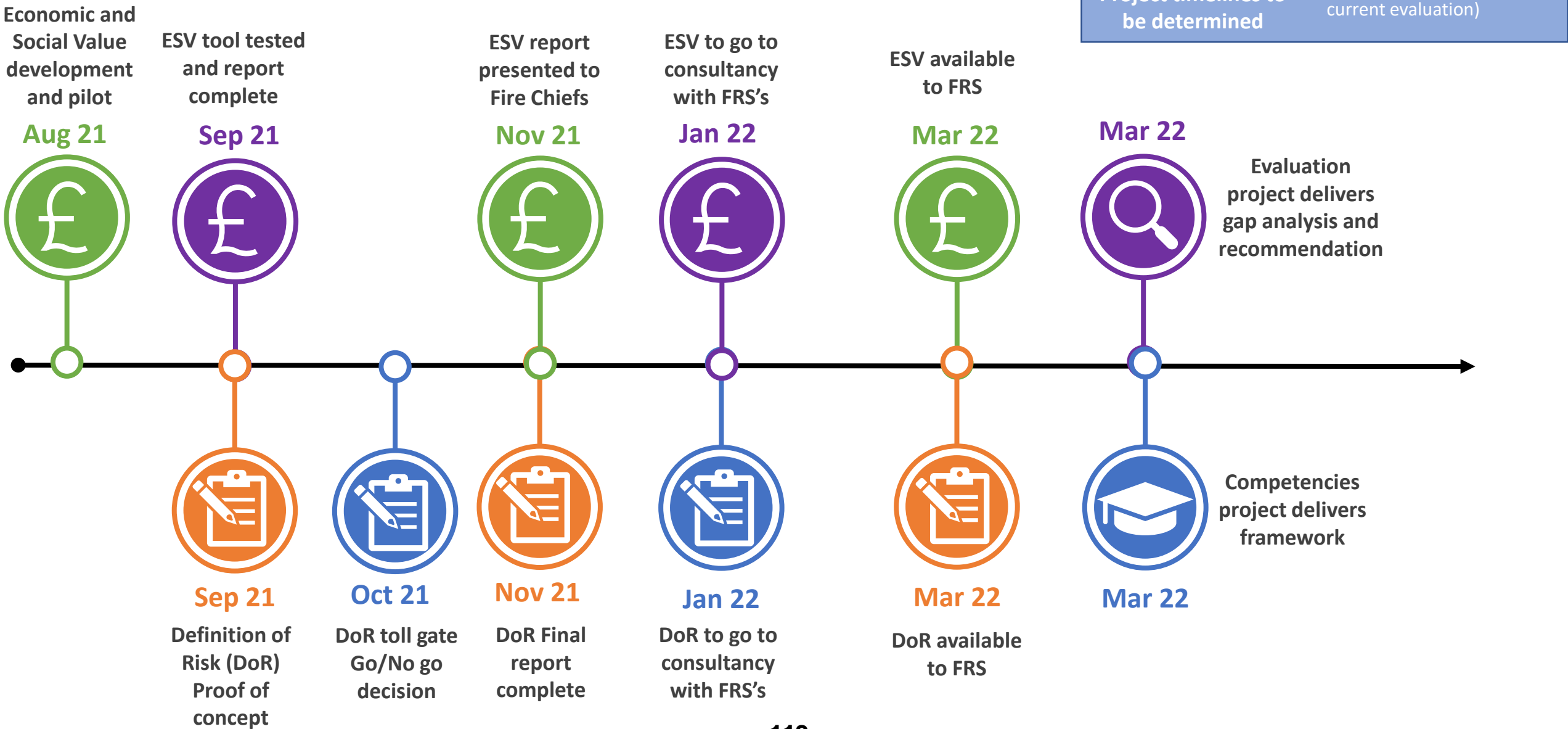


Products pipeline
publish 22/23


- Multi agency
- Multiple incidents
- Entrapment survival guidance
- Hazmat survival guidance
- Geohazards survival guidance
- Incident management
- Emergency call management
- Resource management



Product Roadmap – Community Risk Programme



July 21



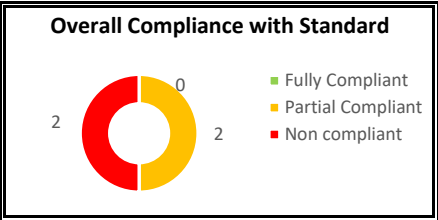
Project timelines to be determined

- Guidance for risk managers (Framework of competencies for risk managers)
- Evaluation of fire service interventions (gap analysis of current evaluation)

EXAMPLE FIRE STANDARD

IMPLEMENTATION TOOL

Please fill in the contact details below:	
Fire and Rescue Service	Fire and Rescued
Contact Name	Jane Smith
Contact Email Address	Jsmith@FRS.com
Contact Phone Number	999 212



Criteria	Description	Priority			Impact			Compliance			Chart
		Low	Medium	High	Low	Medium	High	Fully Compliant	Partically Compliant	Non Compliant	
1	Undertake all appropriate risk assessments, as required under legislation, to prepare for an operational response	0	1	2	0	0	3	2	1	0	
2	Align relevant policies, procedures and tailored guidance in preparation for working with other fire and rescue services or responder agencies	0	1	2	0	1	2	1	1	1	
3	Base their operational policies, procedures and tailored guidance on National Operational Guidance, unless by exception its content is not relevant to the service	1	0	2	1	0	2	1	1	1	
4	Evidence that learning is evaluated and that improvements have been adopted and embedded	0	0	2	0	0	2	1	1	0	
	Total	1	2	8	1	1	9	5	4	2	

Compliance Information Guide

Compliance Implementation Toolkit

- The purpose of the implementation toolkit spreadsheet is to report the Service's compliance status against each Fire Standard
- The format and terminology of the implementation toolkit spreadsheet is informed by the Fire Standards Board
- You **must** read the instructions tab on the implementation toolkit spreadsheet before populating with your content

Pre-launch Preparations:

- The 'Fire Standards Board Road Map' outlines the provisional launch dates for new fire standards.
- The road map provides the timeline for all aspects of the fire standard including consultation periods.
- It is the responsibility of respective Directorate(s) to view the road map in preparation for consultation and / or launch date(s) of standards related to their area of work.
- Frequently, information relating to fire standards is shared through various channels and groups in the sector, outside of the Fire Standards Board, therefore it is essential that any updates received are shared with Corporate Assurance to centrally coordinate as required.

Corporate Assurance Responsibilities & Performance Management

- Corporate Assurance quality assure implementation toolkits. Please Note: The implementation toolkit is not always published alongside the launch of the Fire Standard
- Corporate Assurance upload the implementation toolkit spreadsheet into the applicable Fire Standards folder onto the portal site
- The compliance status of each standard will be reviewed through the respective monthly Directorate meetings
- As applicable, the compliance status of each standard will be reported through SLT performance meetings
- As applicable, identified through the implementation toolkits, actions will be created and added into the Service Improvement Plan and / or Risk Register

Roles and Responsibilities

- It is the responsibility of the designated Directorate(s) to populate the mandatory implementation toolkit with related actions and links to evidence and validate the resulting compliance status. (Guidance on how to populate the spreadsheet is provided in the toolkit.)
- As, in some instances, work is already in progress against published Fire Standards, the following instruction must be adopted in addition to the process map below.
 - 1: Transfer and / or populate the designated implementation toolkit uploaded in the Fire Standards portal page with your agreed actions
 - 2: Include links (where indicated) to enable access to evidence used to support compliance toward the Fire Standard.
- If the Fire Standard requires cross Directorate work, it is the collective responsibility of those teams to work together in managing the compliance
- Directorate(s) responsible for the Fire Standard to inform Corporate Assurance of the staff needing access to the related Fire Standards folder on the portal

Version Control & the Portal

- Each implementation toolkit stored on the Fire Standards portal site will and should be the only version used in managing compliance.
- Only information from the toolkits will be used in reports and / or to inform audits / inspection related activities.
- Only use the implementation toolkit spreadsheet uploaded by Corporate Assurance on the Fire Standards portal page, **do not** duplicate or use alternative versions

Fire Standards Portal

SharePoint Fire & Rescue Service

Search this site

Latest News: Cervical Screening Awareness Week 22 June 2022

FS Fire Standards Home Fire Standards Documents Edit

+ New Page details Analytics Published 6/15/2022 Edit

Fire Standards

On this page you can view published Fire Standards and the HFRS Implementation Tools.

Implementation Tools are spreadsheets used to assist HFRS in the planning and implementation of each standard.

Published Fire Standards

Emergency Preparedness and Resilience	Fire Investigation
Safeguarding	Protection
Prevention	Operational Preparedness
Operational Learning	Operational Competence
Emergency Response Driving	Community Risk Planning

HFRS Implementation Tools

Emergency Preparedness and Resilience	Fire Investigation
Safeguarding	Protection
Prevention	Operational Preparedness
Operational Learning	Operational Competence
Emergency Response Driving	Community Risk Planning

Useful links

- YouTube | Fire Standards Board
- www.firestandards.org

Fire Standards Board on Twitter

Twitter no longer supports the Internet Explorer 11 browser. For this web part to work properly, use a browser supported by Twitter.

Governance, Audit and Scrutiny Committee 4 July 2022	Report by the Monitoring Officer/Secretary
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GAS COMMITTEE SCRUTINY PROGRAMME 2022/23

REPORT EXECUTIVE SUMMARY

This paper summarises the Governance, Audit and Scrutiny Committee's Scrutiny Programme 2022/23. Each year, the Committee will programme six specific, defined scrutiny items complete with scopes in order that relevant officers can focus their reports. Appendix 1 to this report will serve as a point of reference for report-writers and as a 'living document' during the year for the Committee as it considers the scopes for its scrutiny items.

RECOMMENDATIONS

1. That Members consider and approve the Scrutiny Programme 2022/23.

PUBLIC SCRUTINY PROCESS

2. Public scrutiny is a corporate process undertaken by the GAS Committee, appointed by the Fire Authority for its breadth of professional experience.
3. Five areas for scrutiny were identified by the Committee for its 2022/23 programme:
 - Procurement
 - Equality, Diversity and Inclusion - Equality Impact Analysis
 - Fire Standards
 - Emergency Response Business Continuity
 - General Data Protection Regulation

STRATEGIC PLAN COMPATIBILITY

6. This paper supports the achievement of Strategic Plan 2021-24 through the provision of independent scrutiny of activity.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

7. Independent scrutiny contributes towards efficiency review activity.

LEGAL IMPLICATIONS

8. None directly arising.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

9. None directly arising.

CORPORATE RISK MANAGEMENT IMPLICATIONS

10. Scrutiny of performance provides an assurance that arising risks are being mitigated.

HEALTH AND SAFETY IMPLICATIONS

11. None directly arising.

COMMUNICATION ACTIONS ARISING

12. GAS Committee papers are publicly available via the HFRS Website.

DETAILS OF CONSULTATION AND/OR COLLABORATION

13. SLT regarding scrutiny topics.

RECOMMENDATIONS RESTATED

14. That Members consider and approve the Scrutiny Programme 2022/23.

**S CAMPBELL
M BUCKLEY**

Officer Contact: Samm Campbell ☎ 01482 393205
 Committee Manager

 Mathew Buckley ☎ 01482 567174
 Secretary/Monitoring Officer

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

SC
June 2022

GAS Committee Scrutiny Programme 2022/23		
Meeting Date	Responsible Officer	Item and Scope
4 July 2022	Director of Service Improvement	Fire Standards <ul style="list-style-type: none"> • Origin of fire standards. • Current fire standards. • Likely future fire standards. • Impact of fire standards on service delivery and quality. • Timeliness of adoption of new fire standards. • Impact on policy and strategy (particularly the Service Improvement Plan, Strategic Risk Register and Community Risk Management Plan). • Embedding changes introduced by fire standards (including reference to training and examples of the process of embedding fire standards). • Reporting on performance in relation to fire standards. • Assurance for Members around adoption and performance in relation to fire standards. • Impact of major incidents on fire standards.
5 September 2022	Director Emergency Response	Emergency Response Business Continuity <ul style="list-style-type: none"> • Business continuity arrangements (including crews and control). • Role of the East Coast Control Room. • Planning for industrial action. • The right to strike in the light of State of Fire and Rescue recommendations. • Impact of the White Paper. • Arrangements with the Fire Brigade Union (including reference to planning, co-production and the Joint Consultative Committee). • Arrangements with partner organisations.

		<ul style="list-style-type: none"> • Training for staff and volunteers.
14 November 2022	Executive Director of Finance/Section 151 Officer & Head of Finance	Procurement <ul style="list-style-type: none"> • Assurance around compliance, ethics and value for money. • Calculation of value for money. • Environmental and climate considerations. • Safeguarding considerations and ethical requirements in relation to contractors. • Prioritisation of local procurement and weighting in the procurement process (with particular reference to capital projects). • Joint procurement - how it has worked in the past and impacts on ethics and standards. • Research and development procurement. • Potential standardisation of procurement nationally and the impact of guidance like the Fire Standards. Revenue expenditure compared to capital expenditure.
23 January 2023	Executive Director of People and Development	Equality, Diversity and Inclusion - Equality Impact Analysis <ul style="list-style-type: none"> • Criteria for the use/requirement of Equality Impact Analyses (EIA) (including the relevant policies as background papers). • Training for managers/writers (with particular reference to the decision not to undertake an EIA). • Publication of EIA. • Quality assurance of EIAs. • Impact of EIAs on decisions and how they are followed up. • Learning from individual EIA outcomes.
20 February 2023	Director of Service Improvement	General Data Protection Regulation <ul style="list-style-type: none"> • State of GDPR in the Service in relation to action plan developed with East Riding of Yorkshire Council. • Assurance for Members that the Service is compliant with GDPR. • Awareness of GDPR across the Service (including training). • Key risks and vulnerabilities. • Collecting, processing and storing of data. • Response standards in relation to freedom of information and subject access requests. • Controls on devices and use of data. • Reporting of GDPR breaches and learning from breaches (including a summary of the nature of breaches)

		and any identified patterns).
10 April 2023	TBC	Topic to be decided following the publication of the HMICFRS inspection report in summer 2022.