



**DORSET & WILTSHIRE  
FIRE AND RESCUE  
AUTHORITY**

# **Statement of Accounts**

## 2023/24

# **Unaudited**

PASSIONATE ABOUT

**CHANGING & SAVING LIVES**

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**Certificate for the Approval of the Statement of Accounts**

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## Narrative Report

### 1 Introduction

Welcome to the Statement of Accounts for the Dorset & Wiltshire Fire and Rescue Authority (the Authority) for the year ended 31 March 2024. Publication of these accounts is required under the current Accounts and Audit Regulations, and their form is prescribed by the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code), published by the Chartered Institute of Public Finance & Accountancy (CIPFA). The information contained in the Statement is of a highly technical nature, and readers may find it useful to refer to the glossary at the end of this document.

This Narrative Report provides a guide to the Statements that follow, describing changes in accounting policies and presentation, explaining material items within the Accounts, comparing revenue spending with the budget that was set for the year, outlining the resources available for capital expenditure and other financial commitments and setting the accounts into the context of ongoing plans for service delivery.

Dorset & Wiltshire Fire and Rescue Authority (the Authority) was formed on 1 April 2016. It is the responsibility of the Authority to help improve the safety, health and welfare of 1.54 million people living in the counties of Dorset and Wiltshire, an area covering some 2,350 square miles.

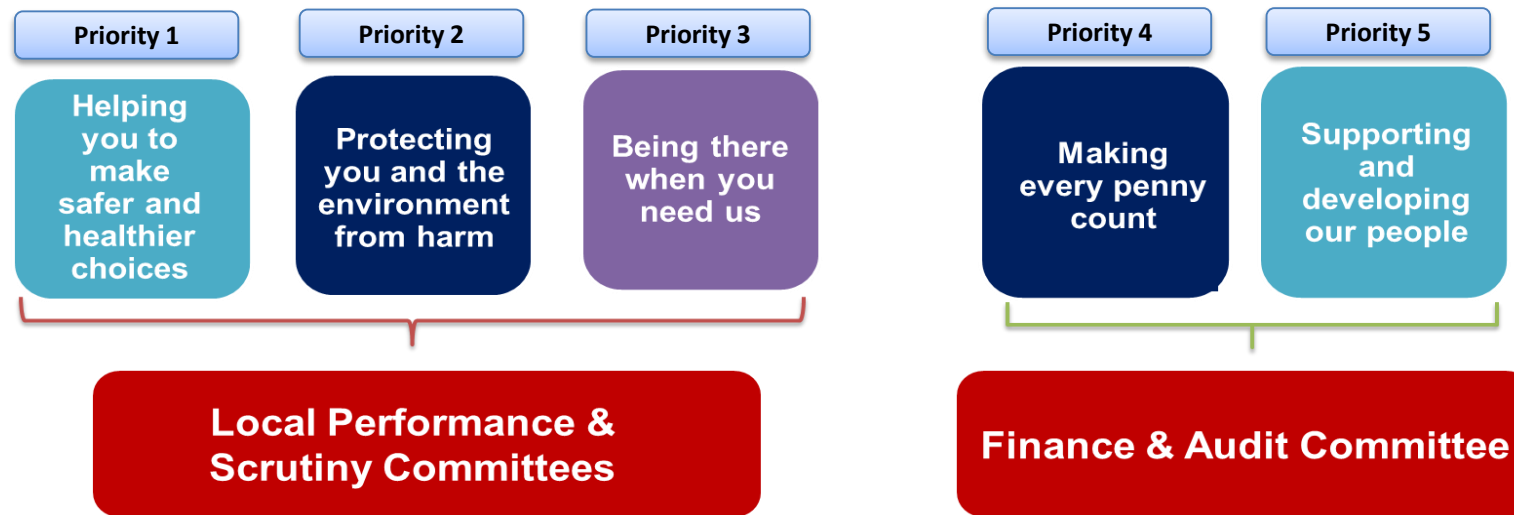
We have 50 fire stations covering the area, and serving our local communities. Crews are available to respond to emergency calls 24 hours a day. This operational response is supported by staff based at a number of other sites, including our Headquarters in the Five Rivers Health & Wellbeing Centre in Salisbury, support offices in Potterne and Poundbury, our Control Centre in Potterne (where 999 calls are answered), Training Centres in Devizes and West Moors and Vehicle Workshops in Charminster and Melksham.

The Service is accountable to the public via the Authority, which is made up of 18 members from the four current constituent authorities of Bournemouth, Christchurch and Poole Council; Dorset Council; Swindon Borough Council; and Wiltshire Council. Sound governance arrangements are in place for the Authority. A comprehensive framework of assurance exists to support our annual Statement of Assurance and the Annual Governance Statement, which is included at the end of this document.

The activities of the Service are governed by the Home Office and legislation, with responsibilities set out in the Fire and Rescue Services Act 2004 and the Fire and Rescue National Framework for England. His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) independently inspects all fire and rescue services, assessing and reporting on efficiency, effectiveness and leadership (see: <https://hmicfrs.justiceinspectorates.gov.uk/fire-and-rescue-services/dorset-and-wiltshire/>).

The Service is working towards making life safer for people across the counties of Dorset and Wiltshire and helping to strengthen and secure the changing communities we live in, by working together with others to deliver local solutions for local priorities. Full details of our plans are set out in our Community Safety Plan (CSP) covering the period 2024-2028 (see website link below). We have a number of key targets to achieve over the life of the CSP to help us to measure the progress we make against our five key priorities shown below.

## Narrative Report



Priorities 1 to 3 are monitored by our Local Performance and Scrutiny (LPS) Committees, which monitor performance across our large fire and rescue service area, whilst maintaining a local focus. They help foster local accountability and allow for service delivery to be tailored to local needs and expectations.

Performance against Priorities 4 and 5 is reviewed by the Finance and Audit Committee, allowing the Authority to fulfil its wider corporate role in terms of audit, governance, financial and people management.

The full Community Safety Plan is available on our website ([www.dwfire.org.uk](http://www.dwfire.org.uk)) if you would like to know more.

## Narrative Report

### 2 Explanation of the Statements

The Statement of Accounts comprises the following elements:

#### ◆ Narrative Report

This provides a guide to the most significant matters reported in the Statement of Accounts. It sets out information about the Authority's financial performance and economy, efficiency and effectiveness in its use of resources over the financial year, as required by the Accounts and Audit Regulations 2015, together with commentary on our wider corporate performance.

#### ◆ Statement of Accounting Policies

Accounting policies are included for all items that have a significant effect on the amounts included in the financial statements. Examples of such items include the measurement bases used, accruals, financial instruments, leases, overheads, provisions and reserves. Note 1 to the Financial Statements sets out the critical judgements that have been made in applying the accounting policies.

#### ◆ Statement of Responsibilities for the Statement of Accounts

This sets out the respective responsibilities of the Authority and the Treasurer in preparing, publishing and approving the Statement of Accounts. The Treasurer signs this statement, stating that it gives a true and fair view of the financial position of the Authority at 31 March 2024 and of its income and expenditure for the year.

#### ◆ Independent Auditor's Report

The Statement of Accounts is audited by Bishop Fleming, our external auditor, whose opinion and certificate is included in this section following the conclusion of the audit.

#### ◆ The Financial Statements

There are four principal financial statements which, taken together, show the results of the stewardship and accountability of elected Members and management for the resources entrusted to them. These are the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet and the Cash Flow Statement. These statements contain the information about the Authority's financial position, performance and cash flows. Full information is presented relating to the year of account, 2023/24, along with comparative information for the previous year. Throughout the Statement, payments, expenditure and assets are shown as positive figures (debits) and receipts, income, reserves and liabilities as negative figures (credits).

## Narrative Report

### ◆ Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost of providing services in the year in accordance with generally accepted accounting practices. The gross expenditure and income on the revenue account is supplemented by amounts in respect of financing and investment activities, gains and losses on the sale or revaluation of assets, pension adjustments, taxation and general grant income. The resulting deficit on the provision of services is taken to the Movement in Reserves Statement to be adjusted back to the actual deficit for the year under statute.

### ◆ Movement in Reserves Statement (MIRS)

This statement shows the movement in the year on the different reserves held by the Authority, analysed between usable and unusable reserves. Usable reserves can be used to fund expenditure or set against the need to raise the Council Tax. Unusable reserves are funds that must be set aside for specific legal or accounting purposes. Further detail about all reserves, and restrictions on their use, is given in Notes 12 and 13.

### ◆ Balance Sheet

The Balance Sheet shows the value at the balance sheet date of the assets, liabilities and reserves of the Authority, with long-term and current assets and liabilities shown separately. For this purpose, 'current' generally means within 12 months of the reporting date.

The most significant item in the Balance Sheet is the Pensions Liability, matched by the Pensions Reserve. These amounts are explained in Note 22 and later in this Narrative Report. The true net worth of the Authority is shown by deducting the Pensions Reserve from the total Reserves. This adjusted figure matches the net assets less the Pensions Liability.

### ◆ Cash Flow Statement

This statement shows the movements in cash and cash equivalents during the year. Cash equivalents are short-term liquid investments that are readily convertible to cash. The statement classifies cash flows arising from operating, investing and financing activities. The statement is constructed indirectly by removing from the other statements all accruals and other accounting adjustments, leaving the transactions which involve cash or cash equivalents. The net movement in cash and cash equivalents in the year is reconciled to the movement shown in that item on the Balance Sheet.

### ◆ Notes to the Financial Statements

The four financial statements are followed by comprehensive notes. The Notes give more detail about items shown on the face of the financial statements, present information required under regulations or by the Code which is not presented elsewhere and provide further information relevant to an understanding of the accounts. The notes are cross-referenced to the financial statements, the accounting policies and to each other as appropriate. Comparative figures for 2022/23 are shown as required.

## Narrative Report

### ◆ Expenditure and Funding Analysis (EFA) Note

The Expenditure and Funding Analysis shows how expenditure is used and funded from resources (Government grants, Council Tax and business rates) by the Authority in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision-making purposes by the Authority. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the CIES.

### ◆ The Firefighters' Pension Fund Account and Net Assets Statement

The Firefighters' Pension Scheme is an unfunded pension scheme, and as such it holds no assets that need to be ring-fenced. Instead the purpose of the Firefighters' Pension Fund Account is to provide a basis for identifying the balance of cash-based transactions taking place over the year and the arrangements needed to close that balance. The primary objective is to allow the separation of the cost of providing pensions from the cost of running a fire and rescue service. For this reason, the pension fund account is shown after the other financial statements. The net cost of the pensions in the year is met by a grant from the Government.

### ◆ Annual Governance Statement

The Authority 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. The Annual Governance Statement sets out the arrangements in place to discharge this responsibility and the requirement of the Accounts and Audit Regulations 2015 to prepare and publish an Annual Governance Statement.

### ◆ Glossary of Terms

The glossary is provided to aid the reader in understanding the complex terms that are used throughout the Statement of Accounts.

## 3 Comparison of revenue outturn to budgets

Each year, a net revenue budget is approved by the Authority. The net revenue budget for 2023/24 was set at £65.991m, funded by £48.349m from council tax, £4.403m from revenue support grant, £10.557m from non-domestic rates, £2.682m from other non-ringfenced grants and £0.639m net transfer from reserves. During the financial year variations and budget adjustments are approved within this sum, with any change in total budget being matched by a change in transfers to or from reserves. The actual spending on the Service's running costs, interest payable and other operating costs, net of income generated from charges and contributions, is known as the outturn. The outturn is contained within the CIES, but does not match the format of that Statement as required by the Code. A reconciliation is shown in the EFA note. The difference between the outturn and the approved budget is transferred to or from Reserves. In order to demonstrate the Authority's stewardship of public funds, a comparison of the outturn to the approved budget is shown in the next table, followed by reasons for the most significant variations in 2023/24.



## Narrative Report

The pay awards agreed for uniformed and corporate staff after the budget had been set resulted in the need to carefully manage resourcing levels throughout the financial year and recruitment. This, and the reduced usage of on-call staff compared to the previous financial year, helped absorb a significant amount of the expected overspend. Additional costs were also incurred on reactive maintenance and utility costs. Savings were generated on fuel costs, vehicle maintenance costs and equipment purchase and maintenance costs. Efficiencies were also achieved on ICT hardware and licence costs and an insurance rebate linked to our PFI properties was confirmed late in the financial year. Investment returns on the small sums of cash the Authority has invested were significantly higher than budgeted for due to the enhanced yields that were available throughout the financial year. There was also a significant increase in the funding levels that the Authority received via business rates and associated Government grants that was confirmed after the budget was formally set in February 2023. Note 17 details all of the grants and contributions received during the year.

2023/24	Original Budget £000s	Approved Budget £000s	Outturn £000s	Variation £000s
Employees	53,850	53,947	54,253	306
Premises	4,392	4,354	4,644	290
Transport	1,657	1,627	1,423	-204
Supplies and Services	5,900	5,839	5,717	-122
Agency and Contracted Out Services	2,817	2,685	2,569	-116
Democratic Representation	113	113	104	-9
Capital Financing and Leasing	4,313	4,206	4,182	-24
Income	-6,412	-6,938	-7,269	-331
Net expenditure	66,630	65,833	65,623	-210
<i>Funded by:</i>				
Council Tax	-48,349	-48,349	-48,349	0
Revenue Support Grant	-4,403	-4,403	-4,403	0
Business Rates	-10,557	-10,557	-10,287	270
Non-ringfenced Grants	-2,682	-2,682	-3,834	-1,152
Total funding	-65,991	-65,991	-66,873	-882
Transfers to (+) or from (-) Reserves	-639	158	1,250	1,092

## Narrative Report

Main reasons for variations in 2023/24	Variation from Budget £000s
Unbudgeted pay awards and other net differences on pay and pension costs	306
Net additional spend on property maintenance and repairs	85
Additional spend on electricity, fuel and gas	192
Savings on vehicle fuel and maintenance costs	-202
Equipment, PPE and clothing	-114
ICT and Communications	-87
Insurance rebate	-80
Increase in investment income	-255
Increase in business rates funding and non-ringfenced grants	-882
Other differences	-55
<b>Net Revenue Underspend</b>	<b>-1,092</b>

### 4 Significant assets acquired or liabilities incurred

Notes 5 and 6 show movements on property, plant and equipment and intangible assets by way of capital expenditure, depreciation, amortisation, revaluations and disposals. Additions to these assets are also set out in Note 19, which shows how the additions were financed in the year.

## Narrative Report

The table below shows the amounts added to asset values through capital expenditure.

Capital expenditure in the year	See Note	2023/24 £000s
Enhancements to existing buildings		962
Other ICT systems and communications equipment		737
Operational & other equipment		378
Vehicles		2,637
Property, plant and equipment	5	4,714
Software licences (intangible assets)	6	0
Total capital expenditure	19	4,714

### 5 The Pensions Liability

Reference has already been made to the Pensions Liability and Reserve, which have a significant impact on the Balance Sheet of the Authority. The balance was £423.3m at 31 March 2024, a decrease of £5.4m since the start of the year. All of the figures for pensions, except the actual contributions made by employees and the Authority, are calculated or estimated by the Actuary, who interprets the requirements of International Accounting Standard (IAS) 19 "Employee Benefits" and other relevant accounting provisions. The Authority has appointed Barnett Waddingham LLP, a firm of independent actuaries, to estimate the value of the liability in relation to the Firefighters' Pension Scheme (FPS) each year. Wiltshire Council, as the administering authority for the Local Government Pension Scheme (LGPS), appointed Hymans Robertson LLP as actuaries to the Wiltshire Council Pension Fund.

Details of the transactions for pensions are set out and explained in Note 22, which also describes the nature and benefits of the schemes to which the Authority contributes - the FPS, which includes the 1992, 2006, 2015 and Modified schemes, and the LGPS. The transactions for the various firefighters' schemes are aggregated in the Accounts.

The sum shown as the Pensions Liability represents the underlying commitment that the Authority has in the long run to pay post-employment (retirement) benefits. As such, it appears in the Balance Sheet as a long-term creditor. Each year, the amount of future benefits earned by current members of the schemes (the "current service cost") is charged to the Cost of Services in the CIES and credited to the Pensions

## Narrative Report

Liability. A "past service cost" may arise if the value of future benefits earned in previous years increases due to changes in pensions policy.

The CIES is also charged, in the section for "Financing income and expenditure", with net interest on the defined benefit liability. The cost in 2023/24 was £20.1m (£17.2m in 2022/23). This charge is taken out of the General Fund in the MIRS.

The CIES shows, after the surplus or deficit on the provision of services, the "actuarial gains and losses" on pensions assets and liabilities. These are the changes to be made to the value of the liability as a result of the judgements and calculations made by the Actuary.

### 6 Borrowing and other sources of funds

The Balance Sheet as at 31 March 2024 shows that outstanding debt stands at £16.224m (£16.261m in 2022/23), of which £37k is repayable within a year. £36k was repaid in 2023/24.

Note 19 to the Financial Statements shows how capital spending in 2023/24 was financed by revenue contributions, capital grants and receipts. The Authority did not undertake any new long-term borrowing during 2023/24 (nil in 2022/23).

The Authority approves an annual Treasury Management Policy, which includes arrangements for borrowing. The current policy is to borrow from the Public Works Loan Board, the temporary money market, bank overdrafts and internal balances. Access to leasing markets is also available if market conditions indicate that leasing is worthwhile. There is ready access to the Public Works Loan Board, which is part of HM Treasury, for long-term loans, but account is taken of the risks of treasury management, daily cash flows, trends in interest rates, national market conditions and forthcoming maturities, when deciding whether and when to borrow, and for how long.

### 7 Provisions, contingencies and write-offs

Provisions are recognised where the Authority has a legal or constructive obligation arising from a past event that will probably require settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. The provision is charged to the CIES in the year and credited in the Balance Sheet. When payment is actually made, it is set against the provision, and any difference is charged or credited to the revenue account.

The Balance Sheet at 31 March 2024 contains two provisions totalling £598k. These are set out in Note 11.

## Narrative Report

As part of the revised arrangements for non-domestic rates starting on 1 April 2013, the Authority shows in the Balance Sheet an allocated 1% share of the provisions made by the billing authorities for appeals against rating valuations. These are as notified by the billing authorities and amounted to £453k at 31 March 2024.

The Authority also makes provision for insurance claims that have been notified, but not settled, during the current or earlier financial years. The value of these claims was estimated at £145k at 31 March 2024.

Where it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably, a contingent liability is recognised. Contingent liabilities are also recognised where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. A contingent asset would be recognised in similar circumstances, but where the Authority expects to benefit from the receipt of an asset. Contingent assets and liabilities are not shown in the Balance Sheet, as no amount can be calculated, but any that do exist are described in Note 23.

There were no material write-offs of debts during the year. The Authority includes within debtors on the Balance Sheet its share of Council Tax and Non-Domestic Rates arrears, net of a provision for bad debts, as notified by the billing authorities. Those authorities do not provide information about sums written off against these provisions.

### 8 Material events after the reporting date

Post Balance Sheet events occur between the Balance Sheet date (31 March 2024) and the date on which the accounts are authorised for issue. These may be adjusting events - i.e. the figures recorded in the accounts must be changed, or non-adjusting events, for which there must be a note to the financial statements, but no actual change to the figures. Under the Code, adjusting events do not require a note, but material events would generally have to be explained. The existence of Post Balance Sheet events is reviewed each time the Statement is published, both before and after audit. There are no such events to report.

### 9 Inspection

All fire services in England were inspected by HMICFRS for the first time during 2018 and 2019. Our Service was inspected in the Tranche 2 inspection round, with the findings published in July 2019. Overall, the Service was rated as "Good" in all three areas of Effectiveness, Efficiency and People. Of the 45 fire and rescue services inspected only 10 received a minimum of three "Good" ratings.

## Narrative Report

HMICFRS was commissioned by the Home Secretary to carry out a Covid-19 themed inspection of all fire and rescue services in England. Each Service had a two-week inspection period between September 2020 and November 2020, where a virtual inspection was completed. The Inspectorate found that the Service had good arrangements in place, with no significant areas of concern. These arrangements remained in place during 2021/22.

A second round of full inspections took place during 2021 and 2022, having been delayed as a result of the Coronavirus pandemic. We were in the third tranche of Services inspected and our 6-week inspection period began on 28 February 2022. The results of the third tranche inspections were released on 20 January 2023. We were pleased to see that we had maintained our overall "Good" ratings for Effectiveness and People, and delighted to be judged as "Outstanding" for Efficiency, one of only 3 Services nationally to receive this judgement. Within the People pillar we received an "Outstanding" judgement for "getting the right people with the right skills".

Our third inspection is currently ongoing, with the results expected to be published towards the end of 2024.

### 10 Corporate Performance 2023/24

Performance arrangements for the Service for 2023/24 were centred on the delivery of the strategic priorities defined within our Community Safety Plan. Each of our priorities is supported by Key Lines of Enquiry (KLOEs), which pose specific questions against which our performance is appraised using performance indicators and commentary provided by officers throughout the year. A full review of each year's service performance can be found in our Annual Report publication, which is available on our website ([dwfire.org.uk](http://dwfire.org.uk)).

#### Priority 1: Help you to make safer and healthier choices

The Service completed 7,730 Safe and Well visits in 2023/24 (9,712 in 2022/23). We made 561 safeguarding referrals (548 in 2022/23). The majority of referrals involved concerns for poor mental health in adults and self-neglect. This growing trend is set to continue due to the impacts of the 'cost of living' crisis, increases in the number of people reporting mental health issues and our ageing population.

Last year we attended 752 road traffic collisions (711 in 2022/23), resulting in 196 rescues (175 in 2022/23). Working in partnership with Police and other organisations we aim to reduce the number of these incidents, through our prevention activities. We align our activity to local and national campaigns, and work closely with our partners. We have coordinated 43 (63 in 2022/23) digital Road Safety education events, 47 (63 in 2022/23) Safe Drive Stay Alive (SDSA) events and 23 (14 in 2022/23) Survive the Drive events, where we work closely with the Ministry of Defence to deliver safety messaging to MOD personnel. We have also hosted 12 (16 in 2022/23) Biker Down sessions.

## Narrative Report

Our youth education work is recognised by our partners as being effective, enjoyable, and educational. Over 28,700 children received safety messages; over 20,500 in schools and colleges, over 4,100 in organised groups such as Cubs and Brownies and over 2,500 in pre-schools and nurseries. There were 1,354 operational crew sessions and 55 referrals for fire safety intervention.

Sadly, there have been 6 deaths in fire related incidents in 2023/24 (6 in 2022/23). His Majesty's Coroner has confirmed one of these as fire related (at time of publication), but no determination has yet been made on the other five. Each fire death is investigated at a fatal fire case conference to explore Service and multi-agency learning and improvement. We also consider how we can improve the identification of vulnerable individuals and tailor our interventions accordingly.



### Priority 2: Protect you and the environment from harm

In response to the Grenfell Tower Inquiry, Government have introduced the Fire Safety Act 2021 and Fire Safety (England) Regulations 2022. These place new requirements on the building managers of all multi-occupied residential buildings to conduct regular checks, share risk information, provide floor plans and to report defects in firefighting equipment. In line with our Community Safety Plan, we increased our capacity to deliver the added workload associated with these requirements by restructuring our Protection department and investing in new permanent staffing resources.

## Narrative Report

Our inspection programme continues to look at higher risk buildings including high rise buildings, residential care homes and sleeping risk above commercial catering establishments. As well as providing support and guidance, we sometimes take formal action to resolve issues in buildings where we deem them to be unsafe. Along with increasing our specialist teams, crews at wholetime stations have been trained to complete lower risk fire safety checks on premises such as offices, shops or small industrial units. We also completed 920 fire safety audits (842 in 2022/23) and responded to 1,645 building regulation consultations (1,653 in 2022/23) as part of our statutory duties last year. In total there were 6,787 positive engagements with businesses (5,971 in 2022/23).

We have continued to strengthen our arrangements for collecting and sharing risk information across all departments, as well as with partner agencies, including support to a national agreement with the Care Quality Commission to improve safety in residential care settings. Our approach to public events has also evolved in preparation for the introduction of new legislation know as Martyn's Law that places a wider emphasis on public safety at sporting and cultural events. This information, along with other hazard information identified through our inspection and audit process, is shared with our firefighters to keep them safe when they attend incidents and to ensure that the firefighting response is efficient and timely. To help us do this we conducted a number of multi-agency exercises. This year we have focused a number of them testing our new procedures for tackling high-rise fires.

Last year we attended 5,779 Automatic Fire Alarm (AFA) calls (4,653 in 2022/23). 2,014 of these were in commercial premises (1,795 in 2022/23). From April 2024 we will no longer attend AFA's at commercial premises. We will attend premises where we know people are sleeping and those with higer risk occupants.





## Narrative Report

### Priority 3: Be there when you need us

Last year we responded to 14,605 incidents in total (14,988 in 2022/23), attending 2,789 fires (3,398 in 2022/23). 850 were deliberate fires (932 in 2022/23), representing an 8% reduction in a five-year average, and 1,939 were accidental dwelling fires (2,466 in 2022/23). Of these accidental fires, 605 (631 in 2022/23) were in the home, representing a 10% reduction in a five-year average. We attended 752 road traffic collisions (711 in 2022/23), a 17% increase against the 5 year average. 4,623 non-fire related calls were attended (4,848 in 2022/23). There has been a 75% increase in non-fire related calls since 2016/17, as demand has grown to support partner agencies at incidents.

We have a corporate target to achieve a 10-minute response time (including call handling and travel time) to fire in sleeping risk premises. Performance for 2023/24 shows an average response time of 9 mins and 31 seconds compared to 9 mins and 13 seconds in 2022/23. The long-term trend shows a small increase and is impacted by On-Call firefighter availability, increases in road traffic and the specific location of some incidents.

The average response time for the first appliance attending road traffic collisions (including call handling and travel time) was 12 mins and 6 seconds in 2023/24 (11 mins and 59 seconds in 2022/23), compared to our target of 15 minutes. All failures to meet the response standards are investigated to see if there were any contributing factors that are in our control that could be improved. Our Local Performance and Scrutiny committees monitor this information in more detail.



## Narrative Report

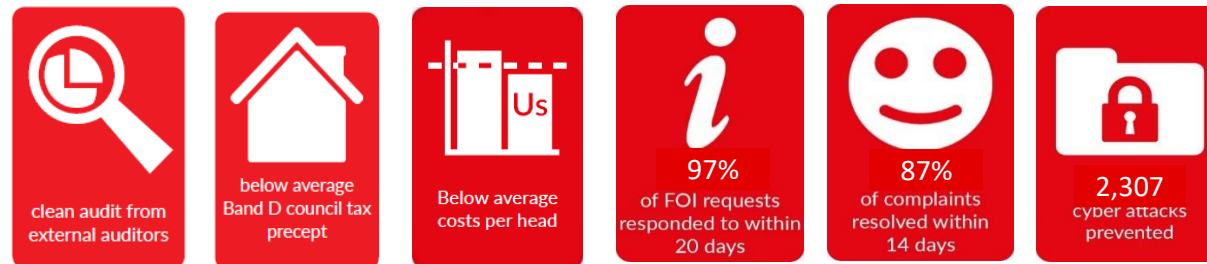
### Priority 4: Make every penny count

The Authority continues to be a low-spending and efficient authority. Since April 2016 we have delivered total cashable savings of more than £55m and our annual savings total is now £9m. For 2023/24 our Band D fire precept figure was £84.43 compared to a national average for combined fire authorities of £87.70. Firefighter costs per person were £22.45 compared to an all-England average of £24.51.

As well as ensuring sound financial management, we are pleased that our internal and external auditors have confidence in our arrangements and have not raised any significant governance issues. Our Annual Governance Statement provides further detail.

Our electricity consumption Service-wide has reduced over the past two years with 2.28m kWh consumed in 2023/24, compared to 2.32m kWh in 2022/23. Over the same time period our gas consumption has reduced from 3.48m kWh down to 3.30m kWh. Whilst carbon dioxide electricity emissions have increased by 2.6%, gas emissions have decreased by 4.2%.

During 2020 the Authority achieved accreditation to the International Standard (ISO) 45001 for occupational health and safety, and this has subsequently been maintained. The Authority also achieved the ISO 55001 standard for asset management systems in 2023/24. This helps ensure that we have a systematic and cost effective approach to our fleet, equipment, PPE, and estate, and also supports ISO 45001.



## Narrative Report

We have maintained a good level of performance in meeting our legal requirements in relation to information management, and in responding to threats from cyber attacks. 97% of Freedom of Information requests were responded to within 20 days, 1% higher than 2022/23. 87% of complaints received by the Service were resolved within 14 days, compared to 83% in 2022/23. In February 2022 we achieved the Cyber Essentials security standard providing additional assurance to our partners, key stakeholders and the public that we take cyber security extremely seriously and have appropriate arrangements in place to guard against a wide range of potential cyber threats and attacks. Re-accreditation to the Cyber Essentials standard is again taking place to support compliance with the Home Office Assessment Framework. During the year 2,307 cyber attacks were prevented (2,363 in 2022/23).

### Priority 5: Supporting and developing our people

The safety and competence of our workforce is of paramount importance. Our staff are appropriately trained to be able to deal with the risks they may encounter when carrying out their role. We have continued to develop our incident commanders and have introduced new technology to support them. For example, by providing body worn cameras, our incident commanders can submit footage of real incidents for assessment of competence. The use of these cameras will also allow remote support at incidents.

As part of our workforce development we continue to provide extensive leadership and management training. We also have a range of courses to enhance the skills of our leaders, so that they can drive cultural change and enable all our staff to achieve their best.

We continue to invest in the apprenticeship scheme, and currently have 26 members of staff in the scheme. 19 staff members completed an apprenticeship in 2023/24. The apprenticeship options cover a wide range of areas across the Service including: Emergency Contact Handler (Control Firefighter), Facilities Management, Finance, Human Resources, Leadership Development and Operational Firefighter.

The diversity of our workforce remains a priority for us and we aspire to create a workforce that is more diverse. To help us achieve this we use positive action activities which includes 'have a go days' and a buddying scheme to ensure potential applicants have a good understanding of the work we do as well as information and advice in the lead up to our recruitment processes. We also provide a lot of helpful information on our website including videos of existing staff who share their experience of working for the Service as well as handy recruitment tips for anyone considering a career in the fire and rescue service. We have a corporate target to improve the diversity of our workforce as a whole compared to the previous five years. Overall numbers in 2023/24 show a 5.8% increase in diversity compared to this previous five-year average.



## Narrative Report

We are committed to maintaining the health and wellbeing of all our staff by providing services that offer support in the home and at work with health-related issues. These services include physical, emotional and mental health support. Mental health wellbeing sessions are integrated into the training for supervisory managers, to ensure they are supported and able to recognise the early signs of mental health issues for themselves and others. These integrated sessions use films, animations, interactive e-learning programmes and podcasts.

Absence management continues to be a key focus for us, with the long-term trend for all staff groups absence showing a small increase. Overall absence last year averaged 9.45 days/shifts lost per person. This has reduced from 11 days/shifts in 2022/23 but still represents a 1.4% increase against the 5 year target.

### 11 Future developments

Our future plans are set out in our Community Safety Plan (CSP), and on 8 February 2024 the Authority approved a revenue budget of £73.9m for 2024/25, along with a new Medium Term Financial Plan (MTFP), to support the delivery of this CSP. The CSP is also supported by our Strategic Assessment of Risk, which examines a range of key factors that impact on our organisation, from opportunities and challenges emerging from within the fire sector and those within the wider public-sector environment. The assessment aims to highlight the strategic and operational risks we face and describes how we intend to deal with them.

Whilst we achieved a balanced budget for 2024/25, we are facing further financial challenges due to the ongoing uncertainty over funding in the medium to long term. Central Government provided a single-year Funding Settlement for 2024/25, the approach for the sixth consecutive year. Future years budget plans are therefore based on a range of assumptions about the future funding levels we are likely to receive. The projected deficit for 2025/26 is £2m, increasing to £2.5m in 2026/27 and £3.1m in 2027/28.

This changes our position fundamentally moving forward with a need to take control and achieve ongoing financial sustainability via a clear resource and savings programme which is already underway and will deliver £2.5m of permanent revenue budget savings over the next two years. The Authority has a good track record of sound financial management and is well placed to address the challenges that it faces in the immediate future, and longer term.

### 12 Further information

Publications which cover the Authority's budgeting, performance and operational activity are available on the website of the Dorset & Wiltshire Fire and Rescue Authority ([dwfire.org.uk](http://dwfire.org.uk)).

## Statement of Significant Accounting Policies

### 1 General principles

The general principles adopted in compiling the accounts of the Authority are in accordance with the recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA). They are contained in the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code), which is based on International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS). This Code constitutes 'proper accounting practice' under the terms of section 21(2) of the Local Government Act 2003. The accounts are prepared on a going concern basis.

The accounting policies specified in this Statement are the principles, bases, conventions, rules and practices applied by the Authority in preparing and presenting the financial statements. When accounting policies are changed, they are applied retrospectively, unless the Code requires transitional arrangements to be followed. Where retrospective adjustments are made, the comparative figures shown are restated as if the new policy had always been applied, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change. Additionally, the impact of any accounting changes required by Accounting Standards issued but not adopted by 1 January 2024 must be disclosed.

### 2 Measurement bases

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognised and carried in the Balance Sheet and Comprehensive Income and Expenditure Statement. Accounts are maintained on an historic cost basis, but elements are included in the statements at fair value, which is defined in the Code as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For land and buildings, whether purchased outright or financed by leasing, current value is used, determined as the amount that would be paid for the asset in its existing use. For intangible assets, assets held for sale and financial instruments, the fair value is defined more specifically as detailed in the relevant accounting policies.

### 3 Accruals

The accounts of the Authority are maintained on an income and expenditure basis, such that amounts relating to the year of account, but due to be paid or received after the end of the year, are included as creditors or debtors, known collectively as accruals. Where actual amounts are not known, estimated amounts are included. If it is necessary to make significant judgements in estimating accruals, these are recorded in Note 1 to the Financial Statements.

## Statement of Significant Accounting Policies

### 4 Cash and cash equivalents

Cash comprises notes and coins, and bank accounts that are payable on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible to cash and which are subject to an insignificant risk of changes in value. Although the Code does not define short-term, an investment with a maturity of more than three months would fall outside this definition. Where bank accounts are overdrawn, these are included on the basis that they are an integral part of the Authority's cash management. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment purposes.

The Authority invests its working cash balances in banks and building societies in the short-term money market in accordance with its Treasury Management Policy and Annual Investment Strategy. All investments made have a maturity date less than 365 days and either fall within the definition of cash equivalents or are counted as short-term investments.

### 5 Contingent assets and liabilities

A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority.

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

Both contingent assets and liabilities are detailed as memorandum items in the Notes to the Financial Statements.

### 6 Employee benefits

Short-term employee benefits such as salaries, National Insurance contributions and benefits in kind are recognised as an expense in the year of account. The cost of annual leave earned before the end of the year but not used is accrued. However, this accrual is not a valid expense for Council Tax, so it is reversed out in the Movement in Reserves Statement and charged to the 'Short-term accumulating compensated absences account', which is included in the unusable reserves in the Balance Sheet.

Long-term benefits such as the injury pensions payable to firefighters are included in the pensions amounts calculated by the Authority's actuaries.

## Statement of Significant Accounting Policies

### 7 Events after the Balance Sheet date

Events after the reporting period are those events, whether favourable or otherwise, that occur between the Balance Sheet date and the date on which the financial statements are authorised for issue. Those events that provide evidence of conditions that existed at the Balance Sheet date are adjusting events, and the Statement will be adjusted to account for material amounts that result from those events. Events which only give an indication of conditions that arose after the reporting period are non-adjusting events, and the Statement will not be adjusted for these, although they will be described in Note 4 if non-disclosure would adversely affect the true and fair view of the Authority's financial position.

Events after the reporting period are reconsidered at each date that the Statement is authorised for issue - i.e before and after audit, and at the time that the Treasurer re-certifies that the accounts give a true and fair view of the Authority's financial position and performance. The relevant dates will be disclosed in Note 4.

### 8 Material items and prior period adjustments

When items of income or expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement, or in Notes. Prior period adjustments result from a change in accounting policy or correction of a material error. Changes in accounting estimates are accounted for in the current year and do not give rise to a prior period adjustment.

Prior period adjustments are accounted for by restating the comparative figures for each prior period presented in the Financial Statements and Notes and adjusting the opening balances for the current period. There were no prior period adjustments to account for in the 2023/24 Financial Statements and Notes.

### 9 Financial instruments

Financial assets and liabilities are recognised in the Balance Sheet at the date that the Authority becomes a party to the contractual provisions of the financial instrument.

Financial liabilities (long-term loans) are initially measured at fair value and carried at their amortised cost. Annual charges to revenue for interest payable are based on the carrying amount multiplied by the effective rate of interest. As the Authority has borrowed solely from the Public Works Loan Board (PWLB), which does not charge significant transaction costs or involve complicated interest structures, all loans are recognised in the Balance Sheet at the principal amount when the loan is taken out. Amortised cost is the outstanding principal, whether the repayment is by maturity, annuity or equal instalments of principal. Loans repayable within a year are shown under current liabilities.

## Statement of Significant Accounting Policies

Trade creditors are classed as financial liabilities whose carrying amount is a reasonable approximation of their fair value.

Financial assets are initially measured at fair value and carried at their amortised cost. The Code defines a financial asset as current when the Authority expects to realise it within 12 months after the reporting period, or the asset is cash or a cash equivalent.

The Authority invests its surplus cash balances in the short-term money market, call and deposit accounts with banks. These may fall within the definition of cash equivalents as set out in Accounting Policy 4. For those financial assets held by the Authority, amortised cost means the outstanding principal, plus interest accrued at the Balance Sheet date.

Trade debtors are classed as financial assets whose carrying amount is a reasonable approximation of their fair value.

Interest costs and receipts are reported in the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement in the period to which they relate. The cash flows for interest are shown separately in Note 10.

The fair value of financial instruments is disclosed in Note 7. When measuring the fair value of financial instruments, the Authority uses valuation techniques that are appropriate in the circumstances and for which sufficient detail is available, maximising the use of observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of financial instruments are categorised within the fair value hierarchy as follows:

- ◆ Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority can access at the measurement date.
- ◆ Level 2 - inputs other than quoted prices included within Level 1 that are observable for the liability, either directly or indirectly.
- ◆ Level 3 - unobservable inputs for the liability.

The nature and extent of risks arising from Financial Instruments are disclosed in the Notes to the Financial Statements. Expected losses are calculated annually for assets which have a significant credit risk. Assets valued at amortised cost are reduced by the value of the expected losses (impairment), reducing their carrying amount. Material impairment allowances are disclosed separately.

### 10 Foreign currency

Foreign currency transactions are accounted for on the basis of the equivalent sterling value of the underlying transaction by applying the relevant exchange rate at the time.



## Statement of Significant Accounting Policies

### 11 Government grants and contributions

Government grants and third party contributions are recognised in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition which has not yet been satisfied. They are accounted for on an accruals basis once there is reasonable assurance that any conditions will be complied with and that the sums will be received.

Capital and Revenue Grants with outstanding unfulfilled conditions are held in the Balance Sheet as receipts in advance. For capital grants, once conditions are met, these grants are transferred to the Comprehensive Income and Expenditure Statement. If related expenditure has not been incurred by the end of the year, the grants are taken forward in the Unused Grants Account as usable reserves (Note 12). Once related capital expenditure has been incurred the sums are finally transferred to the Capital Adjustment Account to reflect the application of capital resources to finance capital expenditure. Unapplied grants for revenue purposes are transferred back to the Comprehensive Income and Expenditure Statement as relevant expenditure is incurred in later years.

### 12 Intangible assets

Assets that do not have physical substance, but which are identifiable and controlled by the Authority, such as software licences, are recognised as intangible assets at their historic cost, which may include expenditure required to bring the asset into use. They are amortised to revenue on a straight-line basis over their expected useful lives, as advised by ICT staff or other relevant officers. Software that forms part of a computer system which is purchased at the same time is not counted as a separate intangible asset, but included as an equipment asset in property, plant and equipment and depreciated appropriately.

### 13 Inventories

Inventories are measured at the lower of cost and net realisable value. An average or standard cost is applied to calculate the value.

### 14 Finance leases

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

Property, plant and equipment held under finance leases are included in the Balance Sheet at the commencement of a lease at their fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). Assets held under finance leases are depreciated in the same manner as other assets, except where the lease term is used when this is shorter than the expected life of the asset. The asset recognised is matched by a liability for the obligation to pay the lessor. The annual rental is divided into a reduction of

## Statement of Significant Accounting Policies

the liability in the Balance Sheet and a financing charge, which is included in the Comprehensive Income and Expenditure Statement.

As the expenditure on the assets increases the Capital Financing Requirement, this is written down each year by a sum equal to the reduction in the liability. This is recorded in the Movement in Reserves Statement as a transfer between the General Fund and unusable reserves. As a result of this transaction, the cost to the General Fund in the year is the same for a finance lease as it would be for an operating lease.

### 15 Operating leases

The Authority has used operating leases as an alternative to borrowing to obtain the use of some vehicles and equipment. Agreements to rent some premises over a period of time are also classified as operating leases. Annual leasing costs are charged directly to the Comprehensive Income and Expenditure Statement over the life of a lease on a straight-lines basis, and there is no value for these assets in the Balance Sheet.

### 16 Lease type arrangements

Some arrangements do not take the legal form of a lease, but may be deemed to be leases where fulfilment of the arrangement depends on a specific asset and the arrangement conveys the right to control the use of the asset. In such cases, the criteria set out in the Code determine whether the transaction is to be treated as a finance lease or an operating lease, and the relevant accounting treatment applies.

### 17 Private Finance Initiative (PFI)

The Authority accounts for the PFI scheme in accordance with IFRIC 12 - Service Concessions. The scheme is recorded as an asset in the Balance Sheet with corresponding financial liabilities which are discharged over the life of the contract, using the effective interest method. This method calculates the amortised cost of the liability and allocates interest expense over the life of the asset.

### 18 Non-current assets held for sale

Where property, plant and equipment and intangible assets are surplus to requirements and expected to be sold within a year, they are shown as assets held for sale in current assets. Their current value is interpreted as the amount that would be paid for the asset in its highest or best use, i.e. market value, and these assets are valued at the lower of the carrying amount and fair value less costs to sell. They are not depreciated or amortised. Assets which are not expected to be sold, but will be scrapped or abandoned, continue to be counted as property, plant and equipment until they are scrapped or abandoned.

## Statement of Significant Accounting Policies

If assets held for sale subsequently fail to meet the criteria set out in the Code, they are transferred back to property, plant and equipment, where they may be classified as 'surplus assets' and valued at fair value as defined in IFRS 13, not at current value in existing use.

Any revenue charges resulting from revaluations on reclassification to or from assets held for sale are not proper charges to the General Fund and are therefore matched by a transfer to the Capital Adjustment Account, recorded in the Movement in Reserves Statement.

### 19 Overheads

The Cost of Services in the Comprehensive Income and Expenditure Statement includes the net total cost of all services. Net total cost includes all expenditure and income directly attributable to the service, including depreciation charges, revaluation costs, support services and overheads.

### 20 Property, plant and equipment

#### a Recognition

The Code requires the Authority to maintain an Asset Register to record information about its capital assets. Property, plant and equipment is capitalised if these criteria are all met:

- ◆ it is held for use for delivering the service or for administrative purposes
- ◆ it is probable that future economic benefits will flow to, or service potential will be supplied to, the Authority
- ◆ it has a useful economic life of more than a year
- ◆ the cost can be measured reliably.

Once an asset has been recognised in the Balance Sheet, expenditure which enhances or replaces part of it is also recognised as adding value to it. Any replaced part is derecognised to avoid double-counting. Material component parts of an asset may be separately identified and valued, subject to a minimum cost of £10,000. Vehicles are counted as separate assets regardless of their individual cost. If different parts of an asset have significantly different estimated lives, the separate components will be treated as if they were individual assets.

Expenditure on repairs and maintenance, which may prolong the life of an asset by maintaining it in good condition, is charged to the Comprehensive Income and Expenditure Statement and not added to the value of the asset.

#### b Valuation

Property, plant and equipment are shown in the Balance Sheet at current value - the amount that would be paid for the asset in existing use. Where there is no market-based evidence of current value because of the specialised nature of the asset and it is rarely sold, such as drill towers, the current value is estimated using a depreciated replacement cost approach. Non-property assets, such as vehicles and equipment, are valued on a depreciated historical cost basis, as a proxy for fair value.

## Statement of Significant Accounting Policies

Property values are updated based on the results of annual revaluations of a representative sample of properties by type (stations and other properties). Every property will be valued at least once within a five-year period, with timings reviewed each year to ensure that carrying amounts for individual properties are not materially different from the current value at the year-end. Properties which are unlike any other are valued each year in a desk-top exercise by the Authority's valuer.

Valuations are undertaken by a professional valuer who is independent of the Authority.

Increases in value are matched by credits in the Revaluation Reserve to recognise unrealised gains. Gains on individual assets are credited to the Comprehensive Income and Expenditure Statement when they reverse impairment or revaluation losses previously charged there.

### c Impairment and other reductions in value

Reductions in value specific to individual assets and resulting from a known, identifiable cause, are classed as impairments. Those resulting from conditions not specific to one asset, such as a general and significant decline in the property market, or which cannot be ascribed to a particular cause, are recognised as revaluation losses. In each case, losses are charged to the Revaluation Reserve up to the value held there for individual assets and thereafter to the Comprehensive Income and Expenditure Statement, where they are matched by a transfer to the Capital Adjustment Account.

### d Derecognition

When an asset is derecognised for any reason, a gain or loss is calculated and charged to the Comprehensive Income and Expenditure Statement, where it is matched by a transfer to the Capital Adjustment Account.

Sales proceeds are credited to the Capital Receipts Reserve if they exceed £10,000 per asset. Receipts may be used to finance new capital expenditure.

### e Depreciation

All assets except land are depreciated over their expected useful lives. Land is excluded because it is deemed to have an unlimited useful life. Depreciation ceases if an asset is reclassified as held for sale or otherwise derecognised. Accumulated depreciation is written out on revaluation of an asset. The sum to be depreciated is the current value less the residual value. Residual values are based on prices current at the Balance Sheet date. Residual values, estimated lives and depreciation methods are reviewed annually, and any changes are a change in accounting estimates, not policies. If material, the monetary effect of these changes is recorded in Notes 5 and 6.

The estimated useful lives vary in length, with buildings generally being depreciated over 60 years, vehicles over 4 to 20 years and plant and equipment over 3 to 23 years. Where experience has shown that assets may last for a longer or shorter period, other estimated lives may be used, following advice from the valuers or officers in the ICT and other departments. Components of an asset may be depreciated over different estimated useful lives.

## Statement of Significant Accounting Policies

### 21 Provisions

A provision relates to a liability, or loss, that is likely to be incurred but where there is uncertainty as to the size and timing of the liability. Its purpose must be specific and it is charged to the Comprehensive Income and Expenditure Statement, where the expenditure would have been incurred. If it becomes clear that a provision, or part of it, is no longer required, then the excess amount is credited back to the Comprehensive Income and Expenditure Statement. If no reliable estimate can be made, then no provision is recognised and the liability is shown as a contingent liability.

The Authority maintains external insurance only for major risks, self-funding remaining risks. A provision has been established to meet insurance liabilities not covered externally.

The adequacy of all provisions at the Balance Sheet date is reviewed each year.

### 22 Reserves

The Authority holds reserves to guard against unforeseen and unbudgeted expenditure. These usable reserves include the General Fund and unused grants. Part of the General Fund has been earmarked for specific purposes. Details of individual earmarked reserves are shown in Note 12 to the Financial Statements. When expenditure is incurred which is to be financed from a reserve it is charged to the Comprehensive Income and Expenditure Statement and matched by a transfer shown in the Movement in Reserves Statement. This ensures that there is no net charge to Council Tax for that expenditure in the year.

Some reserves are kept to manage accounting processes, mainly for property, plant and equipment, and for retirement benefits. These do not represent usable resources for the Authority. They are shown as Unusable Reserves in the Balance Sheet and the Movement in Reserves Statement. Transactions in the year and further explanations are set out in Note 13 to the Financial Statements.

### 23 Value Added Tax (VAT)

The Authority is able to reclaim input VAT on nearly all of its purchases and must pay over output VAT to His Majesty's Revenue & Customs (HMRC) monthly. The balance owing to or from HMRC is included in creditors or debtors at the year-end as appropriate. VAT is not included on any transactions in the financial statements, except to the extent that it is not reclaimable.

## Statement of Significant Accounting Policies

### 24 Pensions

The Firefighters' Pension Schemes (FPS) are defined benefit, unfunded schemes. Accounting arrangements are in accordance with IAS 19 "Employee Benefits". The accounts of the Pension Fund are shown at the end of the Statement of Accounts, as they are separate from the Authority's main financial statements. The Pension Fund makes payments to pensioners and receives contributions from current employees and the Authority as employer. Any annual deficit or surplus on the Fund is due from or paid to the Government.

Corporate staff, fire control staff and some uniformed officers are eligible for membership of the Local Government Pension Scheme (LGPS). Staff participating in the LGPS are members of the Wiltshire Pension Fund and Wiltshire Council is responsible for administering the scheme.

The pension costs that are charged to the Authority are the employer's contributions paid to the funded pension scheme for employees who are members of the scheme, costs arising in respect of certain pensions paid to retired employees on an unfunded basis and some past service costs. Contributions to the fund are determined on the basis of rates set to meet the liabilities of the Pension Fund, in accordance with relevant Government Regulations. The amounts shown in the Authority's accounts for this scheme are those required by IAS 19. Wiltshire Council, as administering authority, publishes the accounts of the Wiltshire Pension Fund.

The Authority pays a firm of independent actuaries to value the pension liabilities in the FPS schemes and to provide all relevant pensions disclosures included in the Statement of Accounts. Wiltshire Council engages actuaries to provide disclosures relevant to the Authority's participation in the LGPS.

The Authority also maintains an earmarked reserve to meet the costs of ill-health retirements and injury compensation payments which are unpredictable and not included in the reimbursement from the Government.

### 25 Council Tax and Non-Domestic Rates

Under statute, the Authority issues precepts to billing authorities (Unitary Authorities, Boroughs and District Councils), which collect Council Tax on the Authority's behalf and pay it into a Collection Fund. Each precept is received in instalments during the year, adjusted for a share of the Collection Fund surplus or deficit, which demonstrates the billing authorities' effectiveness in collecting the Council Tax.

The amount shown for Council Tax income in the Comprehensive Income and Expenditure Statement is the accrued income for the year. The difference between this sum and the adjusted precept is taken to the Collection Fund Adjustment Account which is part of the unusable reserves in the Balance Sheet. A reconciling item is included in the Movement in Reserves Statement.

## Statement of Significant Accounting Policies

The Authority receives 1% of the Non-Domestic Rates collected by the billing authorities and a Top-Up Grant from the Government to bring that income up to a Baseline Funding Level allocated to the Authority by the Government. The amount of Non-Domestic Rating Income shown in the Comprehensive Income and Expenditure Statement is the accrued income for the year. The difference between this sum and the amount required by Regulations to be credited to the General Fund is reversed out using the Movement in Reserves Statement and carried forward in the Collection Fund Adjustment Account.

As the collection of Council Tax and Non-Domestic Rates is seen as an agency arrangement, shares of the cash collected belong to the billing authorities, the Authority and any other preceptors. A debtor or creditor is therefore recognised between the billing authorities and the Authority. The figures included in the Statement for Council Tax and Non-Domestic Rates debtors, creditors and adjustments are provided by the billing authorities, but may be estimated by the Treasurer if the appropriate figures are not received in time for the publication of the Statement of Accounts.

### **26 Apprenticeship Levy**

The government introduced the Apprenticeship Levy on 1 April 2017. Payment of the Levy is included as part of staff costs in the Cost of Services in the Comprehensive Income and Expenditure Statement.

When the Authority provides relevant approved training to its employees, it receives income from the Levy into its Digital Apprenticeship Service Account. This counts as grant income at the same time as the expense for training is recognised.

## 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 secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Treasurer
- ◆ manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- ◆ approve the Statement of Accounts.

### The Treasurer's responsibilities

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

In preparing this Statement of Accounts, the Treasurer has:

- ◆ selected suitable accounting policies and then applied them consistently
- ◆ made judgements and estimates that were reasonable and prudent
- ◆ complied with the local authority Code.

The Treasurer has also:

- ◆ kept proper accounting records which were up to date
- ◆ taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Statement of Accounts give a true and fair view of the financial position of the Authority at the accounting date and of its income and expenditure for the year ended 31 March 2024.



**Ryan Maslen**

Treasurer

31 May 2024



## Independent auditor's report to the Members of Dorset & Wiltshire Fire and Rescue Authority

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## Expenditure and Funding Analysis 2023/24

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (Government grants, Council Tax and business rates) by the Authority in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision-making purposes by the Authority. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

2022/23 (Prior year)	Net	Adjustments			Total	Net
	Expenditure General Fund *	Capital	Pensions	Other		Expenditure in the CIES
	£000s	£000s	£000s	£000s	£000s	£000s
Employees	52,232	0	8,858	-54	8,804	61,036
Premises	4,246	0	0	1	1	4,247
Transport	1,481	0	0	-4	-4	1,477
Supplies and Services	5,293	0	0	-268	-268	5,025
Agency and Contracted Out Services	2,542	0	0	-526	-526	2,016
Democratic Representation	104	0	0	0	0	104
Capital Financing and Leasing	5,445	-1,424	0	0	-1,424	4,021
Income	-7,325	0	0	594	594	-6,731
<b>Net Cost of Services</b>	<b>64,018</b>	<b>-1,424</b>	<b>8,858</b>	<b>-257</b>	<b>7,177</b>	<b>71,195</b>
Other Income and Expenditure	-60,386	458	8,523	-1,517	7,464	-52,922
<b>Surplus (-) or Deficit (+)</b>	<b>3,632</b>	<b>-966</b>	<b>17,381</b>	<b>-1,774</b>	<b>14,641</b>	<b>18,273</b>
<b>Opening General Fund* Balance at 1 April 2022</b>	<b>-23,296</b>					
Surplus or Deficit on the General Fund in the year	3,632					
<b>Closing General Fund* Balance at 31 March 2023</b>	<b>-19,664</b>					

\* General Fund includes Earmarked Reserves

## Expenditure and Funding Analysis 2023/24

2023/24 (Current year)	Net Expenditure General Fund * £000s	Adjustments				Net Expenditure in the CIES £000s
		Capital £000s	Pensions £000s	Other £000s	Total £000s	
Employees	54,253	0	-3,460	6	-3,454	50,799
Premises	4,644	0	0	0	0	4,644
Transport	1,423	0	0	-1	-1	1,422
Supplies and Services	5,717	0	0	-301	-301	5,416
Agency and Contracted Out Services	2,569	0	0	-489	-489	2,080
Democratic Representation	104	0	0	-1	-1	103
Capital Financing and Leasing	4,182	-122	0	0	-122	4,060
Income	-7,269	0	0	889	889	-6,380
<b>Net Cost of Services</b>	<b>65,623</b>	<b>-122</b>	<b>-3,460</b>	<b>103</b>	<b>-3,479</b>	<b>62,144</b>
Other Income and Expenditure	-66,873	387	8,926	457	9,770	-57,103
<b>Surplus (-) or Deficit (+)</b>	<b>-1,250</b>	<b>265</b>	<b>5,466</b>	<b>560</b>	<b>6,291</b>	<b>5,041</b>
<b>Opening General Fund* Balance at 1 April 2023</b>	<b>-19,664</b>					
Surplus or Deficit on the General Fund in the year	-1,250					
<b>Closing General Fund* Balance at 31 March 2024</b>	<b>-20,914</b>					

\* General Fund includes Earmarked Reserves



## Expenditure and Funding Analysis 2023/24

Capital adjustments relate to items charged to the General Fund for decision-making purposes, but excluded from the cost of services in the Comprehensive Income and Expenditure Statement. These items include the minimum revenue provision, the revenue provision for PFI, capital expenditure charged to revenue and interest payments. The interest element of these is included in other income and expenditure, whilst the remaining items are contained in the Movement in Reserves Statement. Other items which are included in the cost of services, but not allocated to the General Fund, include gains and losses on the disposal of assets and depreciation, which are reversed out in the Movement in Reserves Statement.

Adjustments related to pensions are more fully explained in Note 22b. The only pension-related costs attributable to the General Fund are the actual employer's contributions. All other pensions costs, provided by the actuary under IAS 19 requirements, are excluded from the General Fund when considering the surplus or deficit in the year.

Other adjustments include:

- ◆ The reversal of income and expenditure relating to the Networked Fire Services Partnership project, which does not form part of the Authority's General Fund (see Note 18).
- ◆ Collection Fund adjustments (Note 13d).
- ◆ Adjustments relating to short-term accumulating absences (Note 13e).
- ◆ Transfers to or from usable reserves during the year, which are not included in the cost of services in the CIES.

## Comprehensive Income and Expenditure Statement 2023/24

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

Gross Expenditure £000s	2022/23			2023/24		See Notes
	Gross Income £000s	Net Expenditure £000s		Gross Expenditure £000s	Gross Income £000s	
61,036	0	61,036	Employees	50,799	0	50,799
4,247	0	4,247	Premises	4,644	0	4,644
1,477	0	1,477	Transport	1,422	0	1,422
5,025	0	5,025	Supplies and Services	5,416	0	5,416
2,016	0	2,016	Agency and Contracted Out Services	2,080	0	2,080
104	0	104	Democratic Representation	103	0	103
4,021	0	4,021	Capital Financing and Leasing	4,060	0	4,060
0	-6,731	-6,731	Income	0	-6,380	-6,380
77,926	-6,731	71,195	<b>Cost of Services</b>	68,524	-6,380	62,144
			<b>Other Operating Expenditure</b>			
0	-25	-25	(Gains)/Losses on Disposal of Non-Current Assets	0	-91	-91
0	-8,669	-8,669	Pensions Top-up Grant	0	-11,194	-11,194
0	-8,694	-8,694	Total	0	-11,285	-11,285
			<b>Financing &amp; Investment Income &amp; Expenditure</b>			
		1,009	Interest payable & similar charges			973
		17,192	Net interest on the Defined Benefit Liability			20,120
		-175	Interest Income			-330
		18,026	Total			20,763

## Comprehensive Income and Expenditure Statement 2023/24

	2022/23			2023/24		
Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s		Gross Expenditure £000s	Gross Income £000s	Net Expenditure £000s
			<b>Taxation &amp; Non-specific Grant Income</b>			
		-45,062	Council Tax Income			-47,862
		-4,699	Non-Domestic Rates Income			-5,154
		-5,376	Non-Domestic Rates Top-up Grant			-5,328
		-3,998	Revenue Support Grant			-4,403
		-481	Compensation for expanded retail and nursery discounts and local newspaper relief			0
		-721	Services Grant			-423
		-1,917	Other non-ringfenced Government Grants			-3,411
		-62,254	Total			-66,581
		18,273	<b>(Surplus)/Deficit on Provision of Services</b>			5,041
			<b>Other Comprehensive Income &amp; Expenditure</b>			
		-254,454	Remeasurement of the net Defined Benefit Liability			-10,875
		856	(Surplus)/Deficit on Revaluation of Non-Current Assets			-2,865
		-253,598	Total			-13,740
		-235,325	<b>Total Comprehensive Income &amp; Expenditure</b>			-8,699

See Notes

## Movement in Reserves Statement 2023/24

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 'unusable reserves'. The statement shows how movements in the year of the Authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return the amounts chargeable to Council Tax for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

2022/23 (Prior year)	General Fund*	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves	See Notes
	£000s	£000s	£000s	£000s	£000s	
<b>Balance at 1 April 2022</b>	-23,296	0	-23,296	647,809	624,513	
<b>Movement in reserves during 2022/23</b>						
Deficit on provision of services	18,273	0	18,273	0	18,273	
<u>Other Comprehensive Income and Expenditure</u>						
Movement in Pensions Reserve	0	0	0	-254,454	-254,454	22b
(Surplus)/Deficit on Revaluation of Non-Current Assets	0	0	0	856	856	13a
Total Comprehensive Income and Expenditure	18,273	0	18,273	-253,598	-235,325	
<b>Adjustments between accounting basis and funding basis under regulations</b>						
<u>Reversal of items in the CIES</u>						
Depreciation and amortisation	-3,974	0	-3,974	3,974	0	5/6
Revaluation losses and reversal of previous losses	-47	0	-47	47	0	5/6
Effect of disposal of Non-Current Assets	-37	0	-37	37	0	
Retirement benefits under IAS 19	-27,552	0	-27,552	27,552	0	22b
Council Tax & NNDR income adjustment	1,867	0	1,867	-1,867	0	13d
Employee benefits accrual adjustment	-78	0	-78	78	0	13e

## Movement in Reserves Statement 2023/24

2022/23 (Prior year)	General Fund*	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves	See Notes
	£000s	£000s	£000s	£000s	£000s	
<u>Insertion of items not in the CIES</u>						
Minimum Revenue Provision	2,130	0	2,130	-2,130	0	19
Revenue Provision for finance leases	0	0	0	0	0	19
Revenue Provision for Private Finance Initiative	903	0	903	-903	0	19
Employer's contributions to pension schemes and payments to pensioners	10,171	0	10,171	-10,171	0	22b
Capital expenditure charged to revenue	1,929	0	1,929	-1,929	0	19
<u>Transfers</u>						
Transfers to/(from) Capital Receipts Reserve	48	-42	6	-6	0	12/19
Transfers to/(from) Capital Receipts Reserve	0	42	42	-42	0	
Rounding	-1	0	-1	1	0	
<b>Total adjustments</b>	-14,641	0	-14,641	14,641	0	
<b>Increase or Decrease in the year</b>	3,632	0	3,632	-238,957	-235,325	
<b>Balance at 31 March 2023</b>	-19,664	0	-19,664	408,852	389,188	

\* General Fund includes Earmarked Reserves

## Movement in Reserves Statement 2023/24

2023/24 (Current year)	General Fund*	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves	See Notes
	£000s	£000s	£000s	£000s	£000s	
<b>Balance at 1 April 2023</b>	-19,664	0	-19,664	408,852	389,188	
<b>Movement in reserves during 2023/24</b>						
Deficit on provision of services	5,041	0	5,041	0	5,041	
<u>Other Comprehensive Income and Expenditure</u>						
Movement in Pensions Reserve	0	0	0	-10,875	-10,875	22b
(Surplus)/Deficit on Revaluation of Non-Current Assets	0	0	0	-2,865	-2,865	13a
Total Comprehensive Income and Expenditure	5,041	0	5,041	-13,740	-8,699	
<b>Adjustments between accounting basis and funding basis under regulations</b>						
<u>Reversal of items in the CIES</u>						
Depreciation and amortisation	-4,039	0	-4,039	4,039	0	5/6
Revaluation losses and reversal of previous losses	-21	0	-21	21	0	5/6
Effect of disposal of Non-Current Assets	-179	0	-179	179	0	
Retirement benefits under IAS 19	-16,209	0	-16,209	16,209	0	22b
Council Tax & NNDR income adjustment	-292	0	-292	292	0	13d
Employee benefits accrual adjustment	-168	0	-168	168	0	13e

## Movement in Reserves Statement 2023/24

2023/24 (Current year)	General Fund*	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Reserves	See Notes
	£000s	£000s	£000s	£000s	£000s	
<u>Insertion of items not in the CIES</u>						
Minimum Revenue Provision	2,005	0	2,005	-2,005	0	19
Revenue Provision for finance leases	0	0	0	0	0	19
Revenue Provision for Private Finance Initiative	940	0	940	-940	0	19
Employer's contributions to pension schemes and payments to pensioners	10,743	0	10,743	-10,743	0	22b
Capital expenditure charged to revenue	758	0	758	-758	0	19
<u>Transfers</u>						
Transfers to Capital Receipts Reserve	171	-171	0	0	0	12/19
Transfers from Capital Receipts Reserve	0	171	171	-171	0	12/19
<b>Total adjustments</b>	-6,291	0	-6,291	6,291	0	
<b>Increase or Decrease in the year</b>	-1,250	0	-1,250	-7,449	-8,699	
<b>Balance at 31 March 2024</b>	-20,914	0	-20,914	401,403	380,489	

\* General Fund includes Earmarked Reserves

## 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 is usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves comprises those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2023			31 March 2024		See Notes
£000s	£000s		£000s	£000s	
		Property, Plant & Equipment			5
	37,616	Land & Buildings		40,567	
	21,894	Vehicles, Plant & Equipment		22,636	
	59,510			63,203	
	46	Intangible Assets		23	6
	250	Long-term Debtors		157	9
	59,806	<b>Long-term Assets</b>		63,383	
574		Inventories	611		8
6,430		Short-term Debtors	10,838		9
6,188		Cash & Cash Equivalents	1,690		10
	13,192	<b>Current Assets</b>		13,139	
-36		Short-term Borrowing	-37		7
-7,961		Short-term Creditors	-9,049		9
-807		Provisions	-598		11
0		Revenue Grants Received in Advance	0		
	-8,804	<b>Current Liabilities</b>		-9,684	



## Balance Sheet

31 March 2023			31 March 2024		See Notes
£000s	£000s		£000s	£000s	
-8,475		Long-term Creditors	-7,867		9/21
-16,225		Long-term Borrowing	-16,187		7
-428,682		Net Pensions Liability	-423,273		22
	-453,382	<b>Long-term Liabilities</b>		-447,327	
	-389,188	<b>Net Assets</b>		-380,489	
-3,052		General Fund	-3,102		12
-16,612		Earmarked General Fund Reserves	-17,812		12
	-19,664	<b>Usable Reserves</b>		-20,914	
-9,156		Revaluation Reserve	-12,021		13a
-9,709		Capital Adjustment Account	-9,344		13b
428,682		Pensions Reserve	423,273		13c
-1,294		Collection Fund Adjustment Account	-1,002		13d
329		Short-term Accumulating Compensated Absences Account	497		13e
	408,852	<b>Unusable Reserves</b>		401,403	
	389,188	<b>Total Reserves</b>		380,489	

## Cash Flow Statement

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

2022/23			2023/24		See Notes
£000s	£000s		£000s	£000s	
	18,273	<b>Net (surplus)/deficit on the provision of services</b>		5,041	
		Adjust net (surplus)/deficit on the provision of services for non-cash movements			
-3,974		Depreciation and amortisation	-4,039		
-47		Change in valuations of property, plant & equipment	-21		
458		(Increase)/decrease in creditors	-425		
-4,818		Increase/(decrease) in debtors	3,417		
99		Increase/(decrease) in inventories	37		
144		(Increase)/decrease in provisions	102		
-17,381		(Increase)/decrease in pension liability	-5,466		
0		Other non-cash items charged to the net surplus or deficit on the provision of services	-316		
2,212					
	-23,307	Adjust for items included in the net (surplus)/deficit on the provision of services that are investing and financing activities		-6,711	
	62	Proceeds from the sale of property, plant and equipment		271	
	-4,972	<b>Net cash flows from operating activities</b>		-1,399	10

## Cash Flow Statement

2022/23			2023/24		See
£000s	£000s		£000s	£000s	Notes
		<b>Investing activities</b>			
3,014		Purchase of property, plant, equipment and intangibles	5,521		
0		Purchase of short-term investments	0		
-62		Proceeds from sale of property, plant and equipment	-271		
0		Proceeds from short-term investments	0		
	2,952	<b>Net cash flows from investing activities</b>		5,250	
		<b>Financing activities</b>			
650		Cash payments for the reduction of outstanding liabilities			
0		- Private Finance Initiative	611		
608		Receipts from new long-term borrowing	0		
		Repayments of long-term borrowing	36		
	1,258	<b>Net cash flows from financing activities</b>		647	
	-762	<b>Net (increase)/decrease in cash and cash equivalents</b>		4,498	
	5,426	<b>Cash and cash equivalents at the beginning of the year</b>		6,188	
	6,188	<b>Cash and cash equivalents at the end of the year</b>		1,690	10

## Notes to the Financial Statements

### 1 Critical judgements in applying accounting policies

In applying the policies set out in the Statement of Accounting Policies, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in these Statement of Accounts are:

- ◆ There remains a high degree of uncertainty about future levels of Government funding for fire and rescue services. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.
- ◆ The accounts are prepared with the underlying assumptions of the accruals basis and the going concern basis i.e. the Authority's functions and services will continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

### 2 Assumptions made about the future and other 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 based on past experience, current trends and other relevant factors. The assumptions and other sources of estimation uncertainty disclosed below relate to the estimates that require the Authority's most difficult, subjective or complex judgements. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increases, those judgements become more subjective and complex. As some balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are set out below.

- ◆ 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 returns on pension fund assets. Actuaries are engaged to provide the authority with expert advice about the assumptions to be applied. The actuary has provided an assessment of the effect of changes in the assumptions used in estimating the pensions assets and liabilities included in the Accounts according to the requirements of IAS 19. This is reported in Note 22f.

## Notes to the Financial Statements

- ◆ The age and remaining lives of buildings and their elements have been advised by the Authority's Valuer and assessed as at the valuation date. Assets are valued on a five-year rolling basis. Asset lives have been provided based on the assumption that building elements will continue to be maintained normally over the period from the date of inspection to the valuation date and that there will be no untoward changes. If the remaining lives of buildings is reduced, depreciation charges will increase and the carrying value of the buildings will fall. It is estimated that the annual depreciation charge for buildings would increase by £92k for every year that the remaining lives had to be reduced.

The property valuations were undertaken at 31 March 2024, based on market conditions at that time. A 1% change in valuations equates to £406k.

- ◆ The debtors figure included in the accounts for Council Tax and Business Rates (NNDR) includes an estimation for those debts that may not be recovered. The bad debt calculation is completed separately by each of our four billing authorities and returned to us as the precepting authority to enable us to account for our share. An impairment allowance of £2.8m has been set aside in relation to Council Tax and Business Rates debts that may not be received. A provision of £453k has been set aside for business rate appeals that have yet to be determined. Any variation in actual recovery would affect the final collection fund surplus/deficit position. This in turn would impact on future year's budgets when recognised in line with statutory requirements.

### 3 Material items of income and expense

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

### 4 Events after the Balance Sheet date

Post Balance Sheet events occur between the Balance Sheet date (31 March 2024) and the date on which the accounts are authorised for issue. Events which have a material effect on the accounts must be disclosed in a note. No such events were identified before the final accounts were authorised for issue by the Treasurer on 31 May 2024.

## Notes to the Financial Statements

### 5 Property, plant and equipment

#### A Movements on balances

2022/23 (Prior year)	Land & Buildings £000s	Vehicles £000s	Plant & Equipment £000s	Total £000s
<u>Cost or valuation</u>				
At 1 April 2022	38,978	27,505	7,319	73,802
Additions in year	846	1,915	664	3,425
Revaluations	-903	0	0	-903
Derecognition due to disposals	0	-130	-81	-211
Reclassification	0	-6	6	0
Write-out depreciation on revaluation	-1,305	0	0	-1,305
Cost or valuation at 31 March 2023	37,616	29,284	7,908	74,808
<u>Depreciation</u>				
At 1 April 2022	0	-8,599	-4,227	-12,826
Charge for the year	-1,305	-1,749	-896	-3,950
Disposals in year	0	93	80	173
Write-out depreciation on revaluation	1,305	0	0	1,305
Depreciation at 31 March 2023	0	-10,255	-5,043	-15,298
Net Book Value at 31 March 2023	37,616	19,029	2,865	59,510
<u>Nature of asset holding at 31 March 2023</u>				
Owned	29,838	19,029	2,865	51,732
Private Finance Initiative	7,778	0	0	7,778
Net Book Value at 31 March 2023	37,616	19,029	2,865	59,510

## Notes to the Financial Statements

2023/24 (Current year)	Land & Buildings £000s	Vehicles £000s	Plant & Equipment £000s	Total £000s
<u>Cost or valuation</u>				
At 1 April 2023	37,616	29,284	7,908	74,808
Additions in year	1,291	2,637	1,115	5,043
Revaluations	2,844	0	0	2,844
Derecognition due to disposals	0	-555	-13	-568
Reclassification	0	0	0	0
Write-out depreciation on revaluation	-1,184	0	0	-1,184
Cost or valuation at 31 March 2024	40,567	31,366	9,010	80,943
<u>Depreciation</u>				
At 1 April 2023	0	-10,255	-5,043	-15,298
Charge for the year	-1,185	-1,897	-934	-4,016
Disposals in year	0	377	12	389
Write-out depreciation on revaluation	1,185	0	0	1,185
Depreciation at 31 March 2024	0	-11,775	-5,965	-17,740
Net Book Value at 31 March 2024	40,567	19,591	3,045	63,203
<u>Nature of asset holding at 31 March 2024</u>				
Owned	31,611	19,591	3,045	54,247
Private Finance Initiative	8,956	0	0	8,956
Net Book Value at 31 March 2024	40,567	19,591	3,045	63,203

## Notes to the Financial Statements

### B Revaluations

Property, plant and equipment are included in the Balance Sheet in accordance with the valuation policies set out in the Statement of Accounting Policies, with the addition of capital expenditure on purchases and improvements during the year.

A valuation of a representative sample of land and buildings covering about a fifth of the property assets was carried out as at 31 March 2024 by BNP Paribas, who are RICS qualified and independent of the Authority. The results of this valuation were applied to all properties, resulting in unrealised gains of £3.85m and revaluation losses of £1m.

In accordance with the Code, unrealised gains were posted to the Revaluation Reserve, except where they had the effect of reversing previous revaluation losses, when they were credited to the Cost of Services in the Comprehensive Income and Expenditure Statement, which had originally borne those losses. Losses at 31 March 2024 were charged against any balance for individual properties in the Revaluation Reserve, and to the Cost of Services where the balance in the Reserve was insufficient.

At the end of 2023/24, the Fleet Engineer advised that the useful lives of a number of vehicles would differ from those originally estimated. The effect of this change in accounting estimate was to increase depreciation in the year by £10k, as the value of vehicles will be written down over differing periods.

### C Impairments

Under the Code, impairment refers to a loss in the value of an asset for reasons specific to that asset, rather than general falls in prices or weakening of conditions in the property market as a whole. Impairments are charged against the Comprehensive Income and Expenditure Statement unless there is a specific balance in the Revaluation Reserve for the impaired asset.

With regard to its property assets, the Authority carries out repairs, planned and reactive maintenance each year, while also including funds in its capital programme for minor improvements which help to maintain the capital value as assessed periodically by the independent Valuers. In 2023/24, there were no specific events which caused the Authority to impair its assets.

### D Capital Commitments

At 31 March 2024, the Authority had outstanding capital commitments from purchase orders totalling £3.5m. In addition, the Authority had made prepayments of £1.2m (£311k in 2022/23) towards the cost of new vehicles and equipment.



## Notes to the Financial Statements

### 6 Intangible assets

The Authority accounts for its software as intangible assets, to the extent that they are not an integral part of an IT system which is accounted for as part of Property, Plant and Equipment. The value of software may include the costs of bringing into use. All software is given a finite life by ICT staff, based on an assessment of the period that the software is expected to be of use to the Authority. The standard life of software is three years, but assets may be amortised over other periods if licences have finite lives or greater accuracy is achievable.

2022/23 Net Value £000s		Gross Value £000s	2023/24 Amortisation £000s	Net Value £000s
70	Carrying Amount at 1 April	141	-95	46
0	Additions in year	0	0	0
-24	Amortisation in year	0	-23	-23
0	Derecognition on disposal or replacement	0	0	0
46	Carrying Amount at 31 March	141	-118	23

### 7 Financial instruments

The Authority does not have complex borrowing or lending arrangements, and as such its financial assets (investments, cash equivalents and debtors) and financial liabilities (borrowings and creditors) are classified as held at amortised cost.

Trade debtors and creditors arise during the normal course of the Authority's business, excluding those with related parties such as for Government grants and Council Tax arrears and prepayments. They are included within debtors and creditors which are analysed in Note 9.

Interest on investments is included in the Comprehensive Income and Expenditure Statement.

## Notes to the Financial Statements

31 March 2023			31 March 2024	
Long-term £000s	Current £000s	Financial Assets in the Balance Sheet	Long-term £000s	Current £000s
		<u>Financial Assets (Held at amortised cost)</u>		
	6,079	Investments (Cash equivalents)		1,577
	101	Trade debtors		51
0	6,180		0	1,628
		<u>Financial Liabilities (Held at amortised cost)</u>		
-16,225	-36	Public Works Loan Board (PWLB) loans	-16,187	-37
-8,210	-611	Private Finance Initiative	-7,597	-613
0	-1,532	Trade creditors	0	-2,121
-24,435	-2,179		-23,784	-2,771

2022/23		Interest in the Comprehensive Income and Expenditure Statement	2023/24	
Charged £000s	Credited £000s		Charged £000s	Credited £000s
	-175	Investments		-330
480		PWLB loans	478	

### Fair value

Financial liabilities represented by loans are carried in the Balance Sheet at their amortised cost. Their fair values have been assessed by calculating the present values of the cash flows that will take place over the remaining terms of the instruments, using the following assumptions:

- ◆ PWLB loans are discounted at the equivalent rate applicable at 31 March on replacement loans taken out for the period remaining on each loan
- ◆ no early repayment or impairment is recognised;
- ◆ where maturity is within 12 months, the carrying amount is assumed to approximate to the fair value;
- ◆ the fair value of debtors and creditors is the invoiced amount;
- ◆ where investments are counted as cash equivalents, their fair value is the same as the carrying amount; and
- ◆ other investments taken out close to the year-end and maturing within 12 months have a fair value that is the the same as the carrying amount.

## Notes to the Financial Statements

The difference between the fair value of PWLB loans and the carrying amount is due to the fixed rate of interest on the loans being higher than the prevailing rates (i.e. new loan rates) at 31 March 2024. The loan rates vary between 1.61% and 4.9%. The PWLB loans are classified in level 2 of the fair value hierarchy - i.e. their fair value is based on inputs other than quoted prices that are observable for the liability, either directly or indirectly.

The fair value of the PFI liability is estimated as the price the Authority would pay to transfer the liability to another market participant on 31 March by discounting at AA corporate bond yields.

31 March 2023				31 March 2024		
Carrying amount £000s	Fair Value £000s	Difference £000s		Carrying amount £000s	Fair Value £000s	Difference £000s
-16,261	-13,703	-2,558	PWLB loans	-16,224	-12,500	-3,724
-8,821	-6,462	-2,359	PFI liability	-8,210	-6,313	-1,897
-25,082	-20,165	-4,917	Totals	-24,434	-18,813	-5,621

## 8 Inventories

2022/23 Written off £000s	31 March 2023 Balance £000s		2023/24 Written off £000s	31 March 2024 Balance £000s
0	37	Vehicle Fuel	0	35
0	384	Clothing and Personal Protective Equipment	1	399
0	131	Equipment	0	149
0	22	Other	0	28
0	574	Total Inventories	1	611

## Notes to the Financial Statements

### 9 Debtors and creditors

31 March 2023			31 March 2024		
Debtors £000s	Creditors £000s		Debtors £000s	Creditors £000s	
101	-1,532	Trade debtors and creditors	51	-2,121	
3,281	-12,847	Related parties	4,969	-12,524	
1,035	0	Prepayments	3,814	0	
4,708	-1,316	Council Tax and Business Rates	4,915	-1,337	
-2,494	0	Impairment allowance for doubtful debts	-2,813	0	
49	-741	Other amounts	59	-934	
6,680	-16,436	Total	10,995	-16,916	
		Comprising -			
250	-8,475	Long-term balances	157	-7,867	
6,430	-7,961	Short-term balances	10,838	-9,049	
6,680	-16,436		10,995	-16,916	

Trade debtors and creditors are those arising in the normal course of the Authority's activities, excluding transactions with related parties.

Related party receivables and payables comprise transactions with public sector bodies as defined by HM Treasury for the purpose of Whole of Government Accounts. These include the Home Office and other Government Departments, other Fire Authorities and Local Authorities.

Prepayments are those amounts related to the 2024/25 financial year which have been processed in 2023/24. The largest element of this is the £1.7m payment of Firefighters' Pensions for April, as those pensions are paid in advance. At 31 March 2024 prepayments also include stage payments of £1.2m on five operational vehicles still being built at that date.

The Council Tax and Business Rates comprise the Authority's share of arrears (debtors) and sums received in advance (creditors) by the billing authorities. The impairment allowance for doubtful debts also primarily relates to Council Tax and Business Rates. These amounts are calculated or assessed by the billing authorities.

Other amounts include sums owed by or due to employees and former employees.

## Notes to the Financial Statements

### 10 Cash Flow Statement disclosures

31 March 2023		31 March 2024	
£000s	Cash and cash equivalents	£000s	
5	Cash held by the Authority	5	
6,183	Call and deposit accounts with banks	1,685	
6,188	Total cash and cash equivalents	1,690	

2022/23		2023/24	
£000s	Items included in Net cash flows from operating activities	£000s	
-175	Interest received	-322	
483	Interest paid	478	

Prior year	1 April 2022	Cash flows	Non-cash changes	31 March 2023
	£000s	£000s	£000s	£000s
<b>Changes in liabilities arising from financing activities</b>				
Long-term borrowings	-16,261	0	36	-16,225
Short-term borrowings	-608	608	-36	-36
Private Finance Initiative liabilities	-9,471	650	0	-8,821
Total liabilities arising from financing activities	-26,340	1,258	0	-25,082

Current year	1 April 2023	Cash flows	Non-cash changes	31 March 2024
	£000s	£000s	£000s	£000s
<b>Changes in liabilities arising from financing activities</b>				
Long-term borrowings	-16,225	0	37	-16,187
Short-term borrowings	-36	36	-37	-37
Private Finance Initiative liabilities	-8,821	611	0	-8,210
Total liabilities arising from financing activities	-25,082	647	0	-24,434

## Notes to the Financial Statements

### 11 Provisions

<b>Provision for Non-Domestic Rates Appeals</b>	
	<b>£000s</b>
Balance at 1 April 2023	-560
Share of Provisions made in 2023/24	107
Balance at 31 March 2024	-453

As part of the arrangements for non-domestic rates, the Authority shows in the Balance Sheet an allocated 1% share of the provisions made by the billing authorities for appeals against rating valuations.

<b>Provision for Insurance Claims</b>	
	<b>£000s</b>
Balance at 1 April 2023	-247
Use of provision during 2023/24	102
Balance at 31 March 2024	-145

The Authority operates an internal insurance fund, with external policies covering larger and more catastrophic losses. Provision has been made for claims notified but not settled relating to 2023/24 and earlier financial years.

The total provisions (£598k) are shown in the Balance Sheet as short-term liabilities.

## Notes to the Financial Statements

### 12 Usable Reserves

	Balance 1 April 22 £000s	Transfers out £000s	Transfers in £000s	Balance 31 March 23 £000s	Transfers out £000s	Transfers in £000s	Balance 31 March 24 £000s
General Fund	-2,884	0	-168	-3,052	0	-50	-3,102
Earmarked Reserves	-20,412	7,505	-3,705	-16,612	638	-1,838	-17,812
<b>Total General Reserves</b>	<b>-23,296</b>	<b>7,505</b>	<b>-3,873</b>	<b>-19,664</b>	<b>638</b>	<b>-1,888</b>	<b>-20,914</b>
Capital Receipts Reserve	0	48	-48	0	171	-171	0
<b>Total Usable Reserves</b>	<b>-23,296</b>	<b>7,553</b>	<b>-3,921</b>	<b>-19,664</b>	<b>809</b>	<b>-2,059</b>	<b>-20,914</b>

#### General Fund

The General Fund is the statutory fund into which all the receipts of the Authority are required to be paid and out of which all liabilities of the Authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Authority is statutorily empowered to spend on its services or on capital investment (or the deficit that the Authority is required to recover) at the end of the financial year.

#### Earmarked Reserves

The Earmarked Reserves are parts of the General Fund which have been designated for specific purposes by the Authority. When expenditure is incurred on these purposes in the revenue account, an equivalent amount is transferred from the Reserve. If the Authority decides that these purposes are no longer relevant, then the balances may be transferred back into the General Fund.

The Earmarked Reserves are analysed in the table below, with a description of the specific purposes assigned by the Authority.

#### Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. Where there is a balance on the reserve it shows the resources that have yet to be applied for these purposes at year-end.

## Notes to the Financial Statements

Earmarked Reserves	Balance 1 April 22 £000s	Transfers out £000s	Transfers in £000s	Balance 31 March 23 £000s	Transfers out £000s	Transfers in £000s	Balance 31 March 24 £000s	See note below
Ill Health Retirement	-255	78	0	-177	172	-140	-145	A
Insurance	-1,167	34	-100	-1,233	0	-103	-1,336	B
Unused grants	-4,084	2,154	-205	-2,135	322	-203	-2,016	C
Budget and Funding	-5,658	3,403	0	-2,255	0	-689	-2,944	D
Leadership and Training	-164	87	0	-77	0	0	-77	E
Capital Replacement	-7,652	1,539	-3,400	-9,513	92	-788	-10,209	F
Service Control	-436	0	0	-436	0	0	-436	G
Leasing Rental	-326	85	0	-241	85	0	-156	H
Youth Intervention	-52	52	0	0	0	0	0	I
ESMCP	-618	73	0	-545	52	0	-493	J
<b>Total Earmarked Reserves</b>	<b>-20,412</b>	<b>7,505</b>	<b>-3,705</b>	<b>-16,612</b>	<b>723</b>	<b>-1,923</b>	<b>-17,812</b>	

### Purposes of Earmarked Reserves

#### A Ill Health Retirement

For the Firefighters' Pension Scheme, the cost of ill-health retirements and any injury compensation granted has to be paid locally. In some circumstances, additional contributions have to be made to the Pension Scheme. This reserve recognises these specific liabilities, and helps to manage any unpredictable costs.

#### B Insurance

Provision has been made for all known or possible insurance claims (see Note 11 above). This reserve is to cater for claims not covered by the provision.



## Notes to the Financial Statements

### **C Unused Grants**

Under the Code, revenue grants and contributions are recognised in the Comprehensive Income and Expenditure Statement, provided there are no unfulfilled conditions attached to them. Transfers into this reserve represent income received in the year but not yet used to cover expenditure. Transfers out represent income received in previous years and used to cover net expenditure in the current year. An analysis of income received by way of grants, contributions and donations in the year is shown in Note 17.

### **D Budget and Funding**

This reserve provides funding to meet costs associated with changes the Service needs to make in order to meet the challenge of predicted shortfalls in funding and any other new Service requirements.

### **E Leadership and Training**

This reserve provides support for learning and training costs not covered within the annual training plan.

### **F Capital Replacement**

This reserve has been established to provide contributions towards the costs of funding future capital programmes. This will help to reduce the need to undertake external borrowing in future years and thereby reduce capital financing costs.

### **G Service Control**

This reserve was set up to help with transition costs associated with the establishment a new Service Control centre. It continues to be used to support Control related costs, including some costs associated with the Networked Fire Services Partnership (NFSP) (see Note 18).

### **H Leasing Rental**

This reserve funds costs of a lease for the Service's headquarters at the Five Rivers Health & Wellbeing Centre in Salisbury. The lease lasts for ten years and commenced in February 2016. The annual rental cost of £85k is matched by a transfer from the reserve.

### **I Youth Intervention**

This reserve has been used to support the costs of running youth intervention and education programmes.

### **J ESMCP**

This reserve is used to support one-off costs associated with the Emergency Services Mobile Communications project. This is a nationally led project that will see the replacement of the mobile communications system currently used in the emergency services.

## Notes to the Financial Statements

### 13 Unusable reserves

Balances on the Authority's unusable reserves are shown in the last part of the Balance Sheet, with transactions summarised in the Movement in Reserves Statement. Full details of those transactions are given here, with further explanation as appropriate.

#### a Revaluation Reserve

This Reserve contains the unrealised gains arising from increases in the value of individual items of Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

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

2022/23 £000s	Revaluation Reserve	2023/24 £000s
-10,012	Balance at 1 April	-9,156
-952	Unrealised gains on revaluation of property assets	-3,800
1,808	Unrealised losses on revaluation of property assets	935
0	Write-out accumulated gains on assets sold or scrapped	0
-9,156	Balance at 31 March	-12,021

## Notes to the Financial Statements

### b Capital Adjustment Account

This Reserve absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account matches the depreciation and other charges made to the Comprehensive Income and Expenditure Statement (CIES). It is credited with resources set aside to finance capital expenditure from capital grants and the revenue account, including revenue provisions for debt repayment.

2022/23 £000s	Capital Adjustment Account	2023/24 £000s	2023/24 £000s
-8,758	Balance at 1 April		-9,709
	Reversal of items relating to capital expenditure charged or credited to CIES		
3,950	Depreciation of non-current assets	4,016	
47	Revaluation gains and losses on Property, Plant and Equipment	21	
24	Amortisation of intangible assets	23	
37	Amounts of non-current assets written out on sale or disposal	179	
4,058	Net written out as the cost of non-current assets consumed in the year		4,239
1	Rounding		0
	Capital financing applied in the year		
-48	Capital Grants and Receipts applied to capital financing	-171	
-1,929	Capital expenditure charged against the General Fund	-758	
-2,130	Statutory provision for debt repayment	-2,005	
-903	Revenue provision in respect of Private Finance Initiative	-940	
-5,010			-3,874
-9,709	Balance at 31 March		-9,344

## Notes to the Financial Statements

### c Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement (CIES) as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation and changing assumptions and charging net interest on the defined benefit liability. However, statutory arrangements require benefits earned to be financed as the Authority makes employers' contributions to pension funds or pays any pensions or other benefits for which it is directly responsible.

The debit balance on the Reserve shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding has been set aside by the time that the benefits come to be paid. Further information about pensions liabilities is given in Note 22.

2022/23 £000s	Pensions Reserve	2023/24 £000s
665,755	Balance at 1 April	428,682
-254,454	Actuarial gains or losses on pensions assets and liabilities	-10,875
27,552	Reversal of items relating to retirement benefits charged or (credited) to the CIES Deficit on the Provision of Services	16,209
-10,171	Employers' pension contributions and direct payments to pensioners payable in the year	-10,743
428,682	Balance at 31 March	423,273

## Notes to the Financial Statements

### d Collection Fund Adjustment Account

The Collection Fund Adjustment Account records the differences arising from the recognition of Council Tax income in the Comprehensive Income and Expenditure Statement (CIES) as it falls due from the Council Taxpayers compared with the statutory arrangements for precepts on the billing authorities' Collection Funds. This reflects the notion that the billing authorities act as agents for the Authority in collecting the Council Tax. The Account also records the adjustments required to reflect the agency arrangements for the collection of Non-Domestic Rates (NNDR), as applied to the income shown in the CIES.

2022/23 £000s	Collection Fund Adjustment Account	2023/24 £000s
573	Balance at 1 April	-1,294
	Amount by which the income credited to the CIES differs from that calculated for the year in accordance with statutory requirements	
-226	Council Tax	487
-1,641	Non-Domestic Rates	-195
-1,294	Balance at 31 March	-1,002

## Notes to the Financial Statements

### e Short-term Accumulating Compensated Absences Account

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

2022/23 £000s	Short-term Accumulating Absences Account	2023/24 £000s	2023/24 £000s
251	Balance at 1 April		329
-251	Settlement or cancellation of accrual made at the end of the preceding year	-329	
329	Amounts accrued at the end of the current year	497	
78	Amount by which officer remuneration charged to the CIES on an accruals basis is different from that chargeable in the year in accordance with statutory requirements		168
329	Balance at 31 March		497

## 14 Members' Allowances

The total amount paid in allowances to Members in accordance with the Authority's approved scheme of Members' Allowances made under the Local Authorities (Members' Allowances) (England) Regulations 2003 was £101,791 (£102,998 in 2022/23). There were £2,029 of travelling and subsistence costs reimbursed during the year (£2,053 in 2022/23).

## Notes to the Financial Statements

### 15 Officers' remuneration

#### A Remuneration bands

The Accounts and Audit Regulations require the disclosure of the numbers of officers whose remuneration exceeded £50,000 in the year, analysed in bands of £5,000. Where appropriate, this table includes those officers listed in Note 15B and the effect of exit packages shown in Note 15C.

2022/23 No.	Remuneration band	2023/24 No.
63	£50,000 - £54,999	59
39	£55,000 - £59,999	36
30	£60,000 - £64,999	54
10	£65,000 - £69,999	11
13	£70,000 - £74,999	11
1	£75,000 - £79,999	6
2	£80,000 - £84,999	3
4	£85,000 - £89,999	1
1	£90,000 - £94,999	2
0	£95,000 - £99,999	3
	~	
2	£105,000 - £109,999	1
	~	
1	£120,000 - £124,999	0
	~	
0	£130,000 - £134,999	2
1	£135,000 - £139,999	0
	~	
0	£150,000 - £154,999	1
	~	
1	£160,000 - £164,999	0
	~	
0	£170,000 - £174,999	1
	~	
0	£200,000 - £204,999	1

## Notes to the Financial Statements

### B Senior officers' remuneration

The Accounts and Audit Regulations require the disclosure of the remuneration of senior officers whose annual salary is over £50,000 and who have responsibility for management to the extent that they can direct or control the major activities of the Authority, either solely or collectively. These officers are the Brigade Managers who collectively form the Strategic Leadership Team, and the S.151 Officer. Expenses are taxable payments, not reimbursements made for (e.g.) subsistence. Benefits in kind comprise the taxable cash equivalent value of any benefits provided by the Authority.

2023/24	Salary, fees and allowances £	Expenses & Benefits in kind £	Total excluding pension £	Employers' pension contributions £	Total £	See note
Role						
Ben Ansell, Chief Fire Officer	185,681	163	185,844	53,476	239,320	
Deputy Chief Fire Officer	157,828	163	157,991	33,933	191,924	
Assistant Chief Fire Officer, Director of Community Safety	139,260	163	139,423	40,107	179,530	
Assistant Chief Officer, Director of Service Support	116,040	4,250	120,290	24,949	145,239	
Assistant Chief Officer, Director of People Services	116,050	4,250	120,300	24,951	145,251	
Head of Financial Services & Treasurer	87,564	3,976	91,540	18,826	110,366	2
Head of Financial Services & Treasurer	49,578	2,444	52,022	10,659	62,681	3
Head of Corporate Support	77,751	5,438	83,189	16,716	99,905	
<b>Total</b>	<b>929,752</b>	<b>20,847</b>	<b>950,599</b>	<b>223,617</b>	<b>1,174,216</b>	



## Notes to the Financial Statements

2022/23	Salary, fees and allowances £	Expenses & Benefits in kind £	Total excluding pension £	Employers' pension contributions £	Total £	See note
Role						
Ben Ansell, Chief Fire Officer	164,688	163	164,851	47,430	212,281	
Deputy Chief Fire Officer	136,554	163	136,717	29,359	166,076	
Assistant Chief Fire Officer, Director of Community Safety	123,516	163	123,679	35,573	159,252	
Assistant Chief Officer, Director of Service Support	102,930	4,250	107,180	22,130	129,310	
Assistant Chief Fire Officer, Director of Service Support	40,813	0	40,813	7,812	48,625	1
Assistant Chief Officer, Director of People Services	102,930	4,250	107,180	22,130	129,310	
Head of Financial Services & Treasurer	79,453	4,250	83,703	17,082	100,785	
Head of Corporate Support	69,028	3,300	72,328	14,841	87,169	
<b>Total</b>	<b>819,912</b>	<b>16,539</b>	<b>836,451</b>	<b>196,357</b>	<b>1,032,808</b>	

- Notes: 1 The Assistant Chief Fire Officer, Director of Service Support left on 8 June 2022.  
2 The Head of Financial Services & Treasurer left on 7 March 2024.  
3 The replacement Head of Financial Services & Treasurer started on 4 September 2023.

## Notes to the Financial Statements

### C Exit Packages

The Code requires disclosure of the numbers and total cost of exit packages agreed in the year, in specified bands as shown in the table below. There was one compulsory redundancy in 2023/24.

The costs include payments to redundant employees and pension strain costs payable to the Pension Fund. Normal retirements are excluded, as the cost of these falls on the relevant pension fund, rather than on the Authority. All costs were accrued as at the date on which the agreements could no longer be changed or withdrawn.

2022/23		Exit package cost band	2023/24	
No.	£		No.	£
10	172,918	£0 - £160,000	3	164,691

### 16 External audit costs

The Authority's external auditor charged £120,357 for work undertaken in 2023/24 (£34,650 in 2022/23). The audit scale fee is £120,357 (£34,650 in 2022/23). A further £8,000 was charged in 2022/23 for additional work related to Value for Money and extended testing. Similar additional fees may be charged in 2023/24 and are estimated at £3,000.

## Notes to the Financial Statements

### 17 Grant income

The Authority credited the following grants and contributions to the Comprehensive Income and Expenditure Statement during the year.

2022/23 £000s		2023/24 £000s	2023/24 £000s
	<u>Credited to the Cost of Services</u>		
-7	National Resilience Grant (New Dimension)	-7	
-1,627	Private Finance Initiative (PFI) Grant	-1,627	
-77	Emergency Services Mobile Communications Programme Grant	0	
-71	Grants and contributions towards fire prevention activities	-7	
-280	Fire Protection funding	-271	
-439	Firelink Revenue Grant	-329	
-2,703	Fire Pensions	-2,703	
-542	Dorset Civil Contingencies Unit	-543	
-166	Other grants and contributions	-263	
-5,912			-5,750
	<u>Credited to Taxation and Non-specific Grant Income</u>		
-3,998	Revenue Support Grant	-4,403	
-5,376	Non-Domestic Rates Top-up Grant	-5,328	
-481	Compensation for expanded retail and nursery discounts and local newspaper relief	0	
-721	Services Grant	-423	
-1,917	Other non-ringfenced Government Grants	-3,411	
-12,493			-13,565
-18,405	<b>Total credited to the Comprehensive Income and Expenditure Statement</b>		<b>-19,315</b>

Grants and contributions which have not been used to match expenditure in the year are transferred to earmarked reserves, while those brought forward from previous years may be transferred to the revenue account to cover expenditure in the current year. These transfers are shown in Note 12 and in the Movement in Reserves Statement. They are excluded from this table.

## Notes to the Financial Statements

### 18 Related party transactions

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

Central Government has effective control over the general operations of the Authority, in that it is responsible for the statutory framework in which the Authority operates and provides much of its funding in grants. It also sets the terms of some of the transactions which the Authority has with other parties, such as Council Taxpayers. Grants received from central government are set out in Note 17.

Members of the Fire Authority have ultimate control over the Authority's governance and financial policies. The allowances paid to Members in the year are shown in Note 14. Where Members have declared personal interests in accordance with statutory requirements, the details of these have been recorded and are open to public inspection.

Key management personnel having the authority and responsibility for planning, directing and controlling the activities of the Service, and members of their families and households, have been asked to declare external interests which might affect the independence of the Authority. All those required to complete returns have replied with no material interests to declare. The payments made in respect of senior officers are detailed in Note 15.

The Authority is working with three other Fire Authorities (Devon & Somerset, Hampshire & Isle of Wight and Kent) in a Networked Fire Services Partnership (NFSP) project, to provide a collaborative approach to the provision of fire control services. The Authority is responsible for paying all partnership-related expenditure and for recovering each partner's share of these costs. During 2023/24 the partnership incurred total expenditure of £868k which was shared amongst the partners as detailed in the table below.

NFSP Costs Recovered	2022/23 £000s	2023/24 £000s
Devon & Somerset	195	267
Hampshire & Isle of Wight	209	283
Kent <i>(from 2023/24 only)</i>	0	55
Dorset & Wiltshire	195	263
Total	599	868

## Notes to the Financial Statements

The Authority also incurred another £98k of revenue expenditure on the project in the year. This expenditure was solely attributable to Dorset & Wiltshire Fire and Rescue Authority, rather than to the partnership.

The Authority undertakes the role of finance lead for the South West region of the Emergency Services Mobile Communication Programme (ESMCP). ESMCP is a Home Office led cross-government programme to deliver the new Emergency Services Network (ESN) critical communications system, which will replace the current Airwave service used by the emergency services in Great Britain. During 2020/21 £1.17m of Local Transition Resource (LTR) grant money was received by the Authority to hold on behalf of the region. In 2023/24, due to a national pause put on the project by the Home Office, none of this grant was distributed to our regional partners (Cornwall, Devon & Somerset, Gloucestershire, Hampshire and the Isle of Wight), nor did the Authority itself transfer any grant to revenue to finance any ESMCP related staff costs (£130k and £77k respectively in 2022/23). The balance of the grant as at 31 March 2024 is £270k, which is included as part of the Authority's liabilities on the Balance Sheet.

Other public bodies may be considered to be related parties in that they are subject to common control by central government. The principal transactions are shown elsewhere in the Statement.

## Notes to the Financial Statements

### 19 Capital expenditure and financing

The Capital Financing Requirement (CFR) is a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. It is increased annually by capital expenditure and the capitalisation of assets under the Private Finance Initiative, and reduced by the application of resources to finance that expenditure and the revenue provisions charged to the General Fund for the redemption of debt.

2022/23			2023/24	
£000s	£000s		£000s	£000s
	42,375	Opening CFR		40,790
		<u>Capital expenditure</u>		
593		Land and buildings	962	
1,915		Vehicles	2,637	
664		Plant and equipment	1,115	
0		Intangible assets	0	
	3,172			4,714
	253	Capitalisation of Private Finance Initiative Assets		329
		<u>Sources of finance</u>		
-1,929		Direct revenue financing	-758	
-48		Capital grants and receipts	-171	
-903		Revenue provision for Private Finance Initiative	-940	
-2,130		Minimum Revenue Provision	-2,005	
	-5,010			-3,874
	40,790	Closing CFR		41,959
		<u>Explanation of movement in CFR</u>		
	-935	Increase/decrease(-) in underlying need to borrow		1,780
	-650	Reduction in Private Finance Initiative liabilities		-611
	-1,585	Increase/decrease(-) in CFR		1,169

## Notes to the Financial Statements

### 20 Leases

The Authority has had the use of certain assets under the terms of operating leases. The annual rentals on these leases are charged to the Cost of Services in the Comprehensive Income and Expenditure Statement. The properties which are classified as operating leases are not included in the Balance Sheet.

2022/23 £000s	Operating leases Property	2023/24 £000s
356	Charged to the Cost of Services in the year	356
	Future minimum lease payments	
356	Not later than one year	148
408	Later than one year and not later than five years	323
539	Later than five years	476
1,303	Total of future minimum lease payments	947

### 21 Private Finance Initiative

The Authority signed a contract for a Headquarters building and Fire Station in Dorchester and a Fire Station and Area Headquarters in Poole on 10 July 2007, using the Government's Private Finance Initiative (PFI). This was part of a joint PFI funded project between the former Dorset Fire Authority and Dorset Police & Crime Commissioner. Poole Fire Station opened in August 2008, and the Headquarters and Dorchester Fire Station, sited at Poundbury in Dorchester, opened in October 2008. The Area Headquarters, located on the site of the former Poole Fire Station, opened in December 2009, but since July 2016 is now solely used by Dorset Police. The PFI contract will finish in December 2034, 25 years after the opening of the final site.

The Authority makes an agreed payment each year which comprises both fixed and variable elements. For 2023/24 the value of the Authority's share of those payments was £2.7m and the Authority received £1.6m of financial support from the Department for Levelling Up, Housing and Communities in the form of a PFI grant. Payments remaining to be made under the PFI contract at 31 March 2024 are as follows:

## Notes to the Financial Statements

	PFI liability	Interest	Service charges	Lifecycle replacement	Total
	£000s	£000s	£000s	£000s	£000s
Payable in 2024/25	613	463	1,350	347	2,773
Payable in 2 to 5 years	2,722	1,497	5,897	1,241	11,357
Payable in 6 to 10 years	4,165	957	8,570	1,141	14,833
Payable in 11 to 15 years	710	29	1,774	76	2,589
<b>Total</b>	<b>8,210</b>	<b>2,946</b>	<b>17,591</b>	<b>2,805</b>	<b>31,552</b>

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

2022/23 £000s		2023/24 £000s
-9,471	Balance at 1 April	-8,821
-253	Capitalisation of Private Finance Initiative Assets in year	-329
903	Principal repayment in the year	940
-8,821	Balance at 31 March	-8,210



## Notes to the Financial Statements

### 22 Defined Benefit Pension Schemes

#### a 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 benefits will not actually be payable until employees retire, the Authority has a commitment to make these payments which needs to be disclosed at the time that employees earn their future entitlements.

The Authority participates in two pension schemes:

- ◆ the Local Government Pension Scheme (LGPS) for corporate employees and for uniformed personnel who are not eligible to join the Firefighters' Pension Scheme (FPS). Members of staff participating in the LGPS are members of the Wiltshire Pension Fund and Wiltshire Council is responsible for administering the scheme.

The LGPS is a funded defined benefit scheme, into which the Authority and employees pay contributions that are calculated at a level intended to balance the pension liabilities with investment assets. The fund is invested in equities, bonds, property and other investments. The actuary for the Wiltshire Pension Fund is Hymans Robertson.

- ◆ the Firefighters' Pension Scheme (FPS) for uniformed personnel - this includes the 1992, 2006, 2015 and Modified schemes. Membership of each scheme is dependent on the personal circumstances of each member, such as whether they are a Wholetime or On-Call firefighter and their date of joining. Although the terms and conditions of each scheme vary, all are unfunded schemes, meaning that there are no investment assets built up to meet the pension liabilities, and cash has to be generated to meet actual pension payments as they fall due. This scheme is administered on behalf of the Authority by West Yorkshire Pension Fund. Actuarial advice and support is provided by Barnett Waddingham.

In addition, the Authority has made arrangements for the payment of added years to certain retired employees outside the provisions of the schemes.

Governance of the LGPS scheme is the responsibility of the Pension Fund Committee in Wiltshire, which includes Elected Members, employer organisations and representatives and employees. The Committee exercises the functions of an administering authority under the LGPS Regulations and makes strategic decisions about the Fund and has responsibility for running the Fund in an efficient and effective manner for the benefit of members and employers. Investments are made according to a Statement of Investment Principles. The Wiltshire Pension Board, which includes employer and member representatives, also provides an oversight role to ensure compliance with scheme regulations.

## Notes to the Financial Statements

The principal risks to the Authority of the LGPS are the assumptions made by the Actuary, statutory and structural changes to the scheme and the yields and performance of the investments. These are mitigated by the charges required to be made in the General Fund.

The last formal valuation of the LGPS pension fund was as at 31 March 2022.

The Authority is the Scheme Manager for the FPS. A Local Pension Board, comprising Fire Authority Members, pensioner representatives and employer representatives is responsible for monitoring the performance of the pensions administrator and assisting the Authority in its Scheme Manager role, so as to comply with the Regulations, any other legislation relating to the governance and administration of the scheme, and any requirements of the Pensions Regulator, as well as ensuring that effective and efficient governance and administration takes place.

The risks of the FPS are reduced by the top-up grant, which is paid by Government to cover the net deficit on the Scheme. The main residual risk concerns some injury liabilities for which the Authority is responsible. The last formal valuation of the FPS was at 31 March 2020. From 1 April 2015 a new benefit structure came into effect for the FPS meaning that all current active members will move into the new (2015) scheme from that date unless they qualify for protections that allow them to remain in their current scheme.

### **b Transactions relating to retirement benefits**

The cost of retirement benefits is recognised in the Comprehensive Income and Expenditure Statement (CIES) when they are earned by employees rather than when the benefits are actually paid as pensions. However, the charge that is required to be made against Council Tax is based on the amount payable in the year, so the real cost of retirement benefits is reversed out of the General Fund by way of the Movement in Reserves Statement (MIRS). The transactions on all of the FPS schemes are aggregated in the Accounts. The transactions made in the CIES and MIRS during the year are shown in this table.

## Notes to the Financial Statements

2022/23		Transactions in CIES and MIRS	2023/24	
Firefighters' Scheme £000s	LGPS £000s		Firefighters' Scheme £000s	LGPS £000s
		<b>Comprehensive Income and Expenditure Statement</b>		
13,216	5,172	Current service cost	4,406	2,594
493	179	Past service costs	242	65
16,222	970	Net interest expense	19,728	392
-16,360	-2,511	Benefits paid net of contributions by scheme participants	-19,374	-2,587
13,571	3,810	Total charged or credited to the deficit on the provision of services	5,002	464
		<u>Other Comprehensive Income and Expenditure</u>		
		Remeasurement of the net defined benefit liability comprising:		
0	5,851	Return on plan assets (excluding that in the net interest expense)	0	-2,406
-258,705	-40,403	Actuarial gains/losses from changes in financial assumptions	-6,733	-4,760
0	-590	Actuarial gains/losses from changes in demographic assumptions	284	-431
33,747	5,646	Other experience	912	2,259
-224,958	-29,496	Total charged to other comprehensive income and expenditure	-5,537	-5,338
-211,387	-25,686	Total charged to CIES	-535	-4,874
		<b>Movement in Reserves Statement</b>		
-13,571	-3,810	Reversal of net charges made to the deficit on the provision of services in accordance with the Code	-5,002	-464
7,736	2,435	Actual amount charged against the General Fund balance for pensions - Employers' contributions payable to the schemes	8,170	2,573

## Notes to the Financial Statements

### c Assets and liabilities in relation to retirement benefits

31 March 2023		Pensions assets and liabilities recognised in the Balance Sheet	31 March 2024	
Firefighters' Scheme £000s	LGPS £000s		Firefighters' Scheme £000s	LGPS £000s
-400,531	-43	Present value of unfunded liabilities	-400,643	-39
0	-71,759	Present value of funded liabilities	0	-73,392
-19,928	0	Present value of injury liabilities	-19,281	0
0	63,579	Fair value of employer assets	0	70,082
-420,459	-8,223	Net liability arising from defined benefit obligation	-419,924	-3,349

2022/23		Reconciliation of present value of scheme liabilities	2023/24	
Firefighters' Scheme £000s	LGPS £000s		Firefighters' Scheme £000s	LGPS £000s
-631,846	-100,069	Opening balance at 1 April	-420,459	-71,802
-13,216	-5,172	Current service cost	-4,406	-2,594
-493	-179	Past service cost	-242	-65
-16,222	-2,808	Interest cost on defined benefit obligation	-19,728	-3,437
-2,862	-769	Contributions by scheme participants	-3,159	-825
19,222	1,848	Benefits paid	22,533	2,360
		Remeasurement gains and losses:		
258,705	40,403	Changes in financial assumptions	6,733	4,760
0	590	Changes in demographic assumptions	-284	431
-33,747	-5,646	Other experience	-912	-2,259
-420,459	-71,802	Closing balance at 31 March	-419,924	-73,431

## Notes to the Financial Statements

2022/23		Reconciliation of the fair value of scheme assets	2023/24	
Firefighters' Scheme £000s	LGPS £000s		Firefighters' Scheme £000s	LGPS £000s
0	66,160	Opening balance at 1 April	0	63,579
0	1,838	Interest income on plan assets	0	3,045
2,862	769	Contributions by scheme participants	3,159	825
16,360	2,511	Employer contributions	19,374	2,587
-19,222	-1,848	Benefits paid	-22,533	-2,360
0	0	Transfers to/from other authorities	0	0
0	-5,851	Return on assets excluding that included in net interest	0	2,406
0	0	Other experience	0	0
0	63,579	Closing balance at 31 March	0	70,082

The liabilities show the underlying commitments that the Authority has in the long run to pay post-employment (retirement) benefits. The total liability of £423.3m has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet, resulting in a negative overall balance of £380.5m.

However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy:

- ◆ the deficit on the local government scheme will be made good by increased contributions over the remaining life of employees (i.e. before payment falls due), as assessed by the scheme actuary, and
- ◆ finance is only required to be raised to cover firefighter pensions when the pensions are actually paid.

In the year to 31 March 2025, the total employer contributions to be made by the Authority to the Wiltshire Council Fund are estimated at £8,844,000 and to the Firefighters' Schemes they are estimated at £2,582,000.

## Notes to the Financial Statements

### d Fair Value of Employer Assets

31 March 2023			Analysis of fair value of scheme assets Wiltshire Council Fund	31 March 2024		
Quoted prices in active markets £000s	Prices not quoted in active markets £000s	Total £000s		Quoted prices in active markets £000s	Prices not quoted in active markets £000s	Total £000s
			Property			
0	4,431	4,431	United Kingdom	0	4,885	4,885
0	2,668	2,668	Overseas	0	2,941	2,941
0	7,099	7,099	Total property	0	7,826	7,826
			Investment Funds and Unit Trusts			
0	25,478	25,478	Equities	0	28,084	28,084
0	17,414	17,414	Bonds	0	19,195	19,195
0	4,840	4,840	Infrastructure	0	5,335	5,335
0	8,461	8,461	Other	0	9,326	9,326
0	56,193	56,193	Total Investment Funds and Unit Trusts	0	61,940	61,940
			Cash and other			
0	287	287	Cash and cash equivalents	0	316	316
0	0	0	Other	0	0	0
0	287	287	Total cash and other	0	316	316
0	63,579	63,579	Total scheme assets	0	70,082	70,082

## Notes to the Financial Statements

### e Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method of valuation, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Firefighters' Schemes have been assessed by Barnett Waddingham, and the Wiltshire Pension Fund by Hymans Robertson, who are both independent actuaries.

31 March 2023		Principal assumptions used by the actuary	31 March 2024	
Firefighters' Scheme	Wiltshire LGPS		Firefighters' Scheme	Wiltshire LGPS
		<u>Mortality assumptions</u>		
		Longevity for current pensioners (in years)*		
20.6	22.1	Men	20.6	22.0
22.9	24.4	Women	23.2	24.2
		Longevity for future pensioners (in years) *		
21.9	22.3	Men	21.9	22.1
24.4	26.1	Women	24.6	25.8
16.0	20.0	Weighted average duration of the defined benefit obligation (in years)	15.0	20.0
3.30%	3.20%	Rate of inflation (Market derived RPI)	3.25%	3.10%
3.90%	3.45%	Rate of increase in salaries	3.90%	3.25%
2.90%	2.95%	Rate of increase in pensions	2.90%	2.75%
4.80%	4.75%	Rate for discounting scheme liabilities	4.90%	4.85%

\* Longevity assumptions are based on retirement at 65. Future pensioners are assumed to be age 45 as at 31 March 2024.

## Notes to the Financial Statements

### f Sensitivity analysis and risks and uncertainties relating to assumptions

There is a range of actuarial assumptions which is acceptable under IAS 19, particularly in respect of expected salary increases and demographic factors. The assumptions used are the responsibility of the Authority, after taking the advice of the actuaries. There are risks and uncertainties associated with whatever assumptions are adopted, as the assumptions are effectively projections of future investment returns and demographic experience many years into the future. Inevitably this involves a great deal of uncertainty about what constitutes a "best estimate" under IAS 19. The actuaries interpret this as meaning that the proposed assumptions are neutral, i.e. there is an equal chance of actual experience being better or worse than the assumptions used.

The assumptions used are largely prescribed and reflect market conditions at 31 March 2024. Changes in market conditions can have a significant effect on the value of liabilities reported. For example, a reduction in the net discount rate will increase the assessed value of liabilities as a higher value is placed on benefits paid in the future. The effect of changes in financial assumptions is shown in the table.

Approximate increases - Firefighters' Schemes	Change	Employer Liability £000s
<u>Change in financial assumptions 2023/24</u>		
Decrease in real discount rate	0.1%	4,537
Increase in member life expectancy	1 year	4,501
Increase in rate of increase in salaries	0.1%	4,315
Increase in rate of increase in pensions (CPI)	0.1%	4,540

Approximate increases - Wiltshire LGPS	Change	Employer Liability £000s
<u>Change in financial assumptions 2023/24</u>		
Decrease in real discount rate	0.1%	1,522
Increase in member life expectancy	1 year	2,937
Increase in rate of increase in salaries	0.1%	76
Increase in rate of increase in pensions	0.1%	1,474



## Notes to the Financial Statements

### 23 Contingent assets and liabilities

The Code defines a contingent asset as a possible asset that arises from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's control. Contingent assets are not recognised in the Comprehensive Income and Expenditure Statement or in the Balance Sheet because prudence cautions that the gains may never be recognised.

As at 31 March 2024, the Authority had the following contingent assets:

#### ◆ **Airwave Invoices: Competition and Markets Authority (CMA) decision and approach to credit notes**

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

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

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

As a result, and on the recommendation of the NFCC Finance Committee, the Home Office will be continuing to invoice FRAs in England at the original rate and will not apply the credit notes to the invoices the Home Office sends to FRAs. Instead, it will provide the total value of the credit to Buckinghamshire Fire, who have kindly agreed to hold the total credit that relates to Fire England until a final court decision is reached. Any monies remaining with Buckinghamshire Fire after the conclusion of the legal process will be shared between all FRAs in England based on their percentage share of the credit, if ultimately Motorola are unsuccessful in their court application. As at 31 March 2024 Dorset & Wiltshire Fire and Rescue Authority's share of the credit is estimated to be £237k.

#### ◆ **Marlborough Fire Station Insurance Claim for Flooding Damage**

During January 2024 Marlborough Fire Station was subject to flooding as the result of a storm, and sustained damage to the building and contents. The Authority is in the process of submitting an insurance claim for the repair costs of this damage, the first phase of which is estimated at £25k. A second phase of repairs will also be undertaken and an associated insurance claim made. The costs for the second phase are not yet known. As the insurance claims remain outstanding, the amounts have not been included in the Accounts, but as a contingent asset.

## Notes to the Financial Statements

The Authority is also required to disclose if there are possible obligations which may require payment or a transfer of economic benefit at some time in the future.

### ◆ **O'Brien v Ministry of Justice**

On 7 November 2018, the Court of Justice of the European Union (CJEU) ruled in favour of Mr O'Brien in a case concerning discrimination against part-time judges in the calculation of pensions. The ruling concluded that service prior to 7 April 2000 (deadline for the Part Time Workers Directive (PTWD) being transposed into UK law) must be taken into account under the PTWD for the purpose of calculating a retirement pension. The decision in this case is also applicable to on-call firefighters. This will provide the opportunity for staff who were employed at any time between 7th April 2000 and 30th June 2000 (this period was not included in the first exercise carried out in 2014/15), plus any on-call firefighters who were employed between 1st July 2000 and 5th April 2006, to access a pension.

This will be done through a second options exercise that will now take place. On 31 March 2023, the Home Office launched their formal consultation on '*Retained Firefighters' Pensions: Proposed Changes to the Firefighters' Pension Scheme (England) 2006*'. The consultation closed on 9 June 2023. On 8 September 2023, the Home Office published their consultation response. The Firefighters' Pension Schemes (England) (Amendment) Order 2023 was then laid before Parliament and came into force on 1 October 2023. FRAs were required to notify all those who may be eligible to take part in the second options exercise by 31 December 2023. The exercise will run for a period of 18 months.

## Notes to the Financial Statements

### 24 Disclosure of the nature and extent of risks arising from financial instruments

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

- ◆ credit risk - the possibility that other parties might fail to pay amounts due to the Authority
- ◆ liquidity risk - the possibility that the Authority might not have funds available to meet its commitments
- ◆ market risk - the possibility that financial loss might arise as a result of changes in interest rates, prices and other market conditions.

In managing these risks, the Authority has formally adopted a Treasury Management Policy Statement which complies with CIPFA's "Treasury Management in the Public Services: Code of Practice". It has also set treasury management indicators to monitor key financial instruments risks in accordance with CIPFA's Prudential Code.

The Authority's Treasury Management Policy states that the successful identification, monitoring and control of risk are the prime criteria by which the effectiveness of treasury management will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.

Responsibility for the implementation and monitoring of treasury management policies and practices is delegated to the Finance and Audit Committee and for their execution and administration to the Treasurer, who acts in accordance with CIPFA's "Standard of Practice on Treasury Management". Daily administration is carried out by staff in the Finance Department, following the policies set out in the Authority's Policy Statement and Annual Investment Strategy.

#### Credit risk

The Authority invests temporarily surplus cash in short-term deposits and call accounts with banks and other financial institutions in accordance with its Annual Investment Strategy, which gives priority to security and liquidity rather than yield.

The 2023/24 Treasury Management Policy Statement and Practices (incorporating the Annual Investment Strategy) allowed internal staff to invest surplus cash in a limited range of specified deposits, either fixed term or on call, but where the maturity was for no longer than one year. The Treasury Management Policy requires financial institutions to have a minimum short-term Fitch IBCA credit rating of F1 and a long-term rating of A. The criteria are used to derive a list of institutions which may be used, and authority is delegated to the Treasurer to vary the list and limits as circumstances dictate. The listings are reviewed at least quarterly. During 2023/24, although the Authority benefited from higher interest rates, investment activities continued to be constrained by the unwillingness of some institutions to accept short-term deposits for the sums available to invest. The Authority has appointed independent advisors to assist with Treasury Management, with a view to widening the range of investments in future years.

## Notes to the Financial Statements

The maximum investment in any one institution at any one time is set as in the table.

Category of financial institution	Maximum investment
Highest quality UK and overseas financial institutions	£5 million
Group limits (institutions under common ownership)	£8 million
Other local authorities	£3 million
100% owned subsidiaries of clearing banks	£3 million
Money market funds	£3 million
Other F1/A rated banks and building societies	£1.5 million

At 31 March 2023 and 2024, the Authority held no short-term investments that were not classed as cash equivalents. These short-term, highly liquid financial instruments are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The credit risks in investments have not changed since initial recognition. As the risk of default is considered to be negligible, the Authority has not estimated an amount of expected credit losses. At 31 March 2024, cash equivalents included £1.6m in call and deposit accounts with five institutions (31 March 2023 £6.1m with six institutions).

The Authority does not generally allow credit to its debtors, and at 31 March 2024, there were no material trade debts more than three months past their due date. The Authority did not set an impairment allowance as at 31 March 2024.

### Liquidity risk

The Authority manages its cash flow to ensure that cash is available when needed. If unexpected movements happen, there is ready access to short-term funds through the money markets. The Authority did not borrow any funds in this way during 2023/24 (£3m for a period of 31 days during 2022/23).

To finance that part of its capital programme not covered by grants or other resources, the Authority has borrowed exclusively from the Public Works Loan Board. Access to funds from this source is such that there is no significant risk that the Authority will be unable to finance its commitments. Liquidity risk lies rather in the maturity profile of existing debt, which could result in a significant proportion of total debt requiring replacement at a time of adverse market conditions. This risk is taken into account when deciding on terms for new borrowing.

## Notes to the Financial Statements

No new long-term loans were taken out in 2023/24 (none in 2022/23).

31 March 2023 £000s	Maturity profile of borrowings	31 March 2024 £000s
36	Less than one year (in Current Liabilities in Balance Sheet)	37
37	One to two years	39
581	Two to five years	541
1,707	Five to ten years	1,707
13,900	Over ten years (last date September 2071)	13,900
16,261	Total loans outstanding	16,224

The maximum maturing in any one year is £3m in 2044/45.

Creditors and other payables are all due within one year.

### Market risk

The Authority is exposed to risk in terms of interest rate movements. A rise in rates would reduce the fair value of fixed rate borrowings, but this does not impact upon the Comprehensive Income and Expenditure Statement. As all borrowings are at fixed rates, this gives certainty of cash flow. However, a change in rates does have an impact on revenue income in the form of investment interest. A judgement of prospective changes in rates is made when the annual budget is set, and performance is monitored through the year by regular reporting.

The Authority saw an increase in the interest rates available on investments and cash balances during 2023/24, with the Bank of England Base Rate rising from 4.25% in April 2023 to 5.25% by March 2024. Income from interest was £330k in 2023/24 (£175k in 2022/23). This represented a weighted average rate of 5.08% on sums invested (2.18% in 2022/23). If rates were to increase by 0.1%, this would increase income by £6k, other factors being constant.

## Notes to the Financial Statements

### 25 Impact of future accounting standards

The Code requires disclosure of information relating to the impact of an accounting change that will be required by standards that have been issued or amended but not yet adopted. The following new or amended standards have been introduced to the 2024/25 Code and may require a change in accounting policy with effect from 1 April 2024:

- ◆ IFRS 16 Leases
- ◆ Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- ◆ Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- ◆ Non-current Liabilities with Covenants (Amendments to IAS 1)
- ◆ International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12)
- ◆ Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

With the exception of IFRS16 Leases, it is anticipated that the above amendments will not have a significant impact on the information provided in the financial statements.

IFRS 16 removes operating leases as a category for authorities to use in accounting for lease-type arrangements. The standard requires all leases and lease-type arrangements to be accounted for on the Authority's balance sheet as "right of use" assets, showing both the asset and related liability for future lease payments. This will result in an impact to the Authority's Prudential Indicators, such as the Capital Financing Requirement and Authorised Limit and Operational Boundary for borrowing. In addition, the Minimum Revenue Provision must be calculated for such leases. Any adjustments will have a net nil impact on the revenue account.

## The Firefighters' Pension Fund Account

2022/23		Pension Fund Account	2023/24	
£000s	£000s		£000s	£000s
		Contributions receivable		
		From the Fire Authority		
-6,255		Contributions in relation to pensionable pay	-6,570	
-128		Ill Health lump sum charges	-172	
-410		Transfers in from other schemes	-313	
-2,911		Firefighters' contributions	-3,057	
	-9,704	Total income		-10,112
		Benefits payable		
		Pensions	16,881	
15,082		Commutation of pensions and lump sum retirement benefits	4,425	
3,291				
	18,373			21,306
	0	Transfers to other schemes		0
	18,373	Total expenditure		21,306
	8,669	Net amount payable for the year		11,194
	-8,123	Less Top-up Grant received on account for the year		-9,116
	546	Balance of Top-up Grant receivable		2,078

31 March 2023		Pension Fund Net Assets Statement	31 March 2024	
£000s	£000s		£000s	£000s
		Current Assets (Debtors)		
	546	Pension Top-up Grant receivable from the Government		2,078
	546	Net current assets and liabilities *		2,078

\* The net debtor at 31 March 2024 is included in the Balance Sheet figure for Short-term Debtors.

## Notes to the Pension Fund Accounts

### 1 Operation and Administration of the Firefighters' Pension Scheme

The Firefighters' Pension Scheme (Amendment) (England) Regulations 2015 established the current arrangements for the operation of the Scheme. The Scheme is unfunded, meaning that there are no investment assets built up to meet future liabilities. Employees and the Authority, as employer, both pay contributions into the Fund, based on percentages of pay which are set nationally and are subject to regular revaluation by the Government Actuary's Department.

The Firefighters' Pension Scheme includes the 1992, 2006, 2015 and Modified schemes. It pays pensions and defined benefits to former wholetime and retained employees. Membership of each scheme is dependent on the personal circumstances of each member. Sums paid into the Fund as contributions or transfers from other schemes, and sums paid out as benefits or transfers, are specified by the Regulations. Any difference between sums receivable and payable is met by a top-up grant from, or payment to, the Home Office.

The Schemes and the Funds are administered on behalf of the Authority by West Yorkshire Pension Fund.

### 2 Accounting Policies

As the Pension Fund has no investment assets and does not account for benefits payable in the future, there are no accounting policies which diverge from those described in the main Statement of Significant Accounting Policies.

### 3 Future Liabilities

The Pension Fund Account takes account only of transactions for the year of account. The Net Assets Statement shows assets and liabilities as at 31 March 2024. They do not take account of liabilities to pay pensions and other benefits after this period. Details of the Authority's future liabilities are set out in Note 22 to the Financial Statements.



## Annual Governance Statement 2023/24

### Scope and Responsibilities

Governance is about how organisations ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.

The functions and responsibilities of Fire and Rescue Authorities are set out in the Fire and Rescue Services Act 2004 which came into effect on 1 October 2004. Under this Act, every Fire and Rescue Authority must make provision, in its area, for:

- ◆ Promoting fire safety
- ◆ Extinguishing fires
- ◆ Protecting life and property in the event of fires
- ◆ Rescuing people in the event of road traffic accidents
- ◆ Protecting people from serious harm, to the extent that it considers it reasonable to do so, in the event of road traffic accidents.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, use of its resources, which includes arrangements for the management of risk and the maintenance of an effective internal control environment.

The Authority has a Corporate Governance Policy, and this was most recently reviewed and approved by the Authority in February 2024. The policy supports us in working to the principles of the CIPFA (Chartered Institute of Public Finance and Accountancy)/SOLACE (Society of Local Authority Chief Executives) 'Delivering Good Governance in Local Government'. In preparing this Annual Governance Statement, the CIPFA/SOLACE framework is used as the benchmark or standard by which to measure against.

The Authority also reviews and reports its compliance with the CIPFA Financial Management Code (FM Code) which is designed to support good practice in financial management and allow the Authority to demonstrate that it is financially sustainable. The FM Code came into force on 1 April 2021. Local authorities are required to prepare an Annual Governance Statement in order to report publicly on the extent to which they comply with their own code of governance, which in turn is consistent with the good governance principles in the Framework.

## Annual Governance Statement 2023/24

### The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a key element of the framework and is designed to manage risk to a reasonable level. It cannot eliminate risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority'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.

The Governance Framework has been in place within the Authority for the year ended 31 March 2024, and up to the date of approval of the Statement of Accounts.

### Key elements of our Governance arrangements

The key elements of our governance arrangements are based on the International Framework: Good Governance in the Public Sector, and the following seven principles:

#### **Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

Members have agreed a clear set of values underpinned by a behaviour framework. There is a Member 'Code of Conduct' that builds on the Seven Principles of Public Life (the Nolan Principles), and this forms part of the Members' Handbook. Decision-making is guided by these values, and this is overseen by the Chair and the Monitoring Officer.

Members receive ethical awareness training as part of their constituent authority training programmes, and this is supplemented by the Authority. Where necessary, Members are required to make a declaration of interest at each of their formal meetings as part of a standing agenda item. The Authority relies on the Standards Committees of constituent authorities to avoid inefficient working.

## Annual Governance Statement 2023/24

The Service has adopted the national Core Code of Ethics for fire and rescue services. The code is jointly endorsed by the Local Government Association, the National Fire Chiefs Council and the Association of Police and Crime Commissioners. The Core Code sets out five ethical principles: putting our community first; integrity; dignity and respect; leadership; equality, diversity and inclusion, which provide a basis for promoting good behaviour and challenging inappropriate behaviour. Upon adoption the new Code was widely communicated across the Service via our website and internal communication channels, and through various management engagement sessions. It is also linked in with our 1-2-1 and promotions processes and a handbook has been produced that forms part of our contract of employment.

Following the publication of the London Fire Brigade (LFB) Independent Culture Review Report in November 2022 the Service commissioned its own culture review, which was finalised in 2023/24. The purpose of our review was to understand how our staff feel about working for the Service and to identify areas of strength or areas for improvement. The review was completed in three stages: a gap analysis against the LFB report; a staff survey; and staff focus groups. Following significant media attention in early 2023 the Service also commissioned an external Independent Review into workplace culture. This was published, alongside a management response and a culture action plan, in late 2023. Good progress is being made against the action plan and there are sound governance and oversight arrangements in place.

Statutory compliance remains at the centre of all planning and delivery discussions. Comprehensive assurance processes support the demonstration of this compliance. Members have referenced this within their constitution, policies and the Members' Handbook.

The roles of the key statutory officers are clearly defined in the Members' Handbook.

Compliance with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government occurs through an annual review against the five key principles and sub-principles within the CIPFA Statement, and assurance is given through this Annual Governance Statement.

Anti-fraud and corruption procedures are in place. The whistleblowing procedure widely advertised and made available to members of the public, employees, partners and contractors via the website. The complaints procedure is well publicised and there is a structured process of Officer and Member scrutiny. Internal audit reviewed 'Malpractice Management Controls' in 2020 and gave an 'Adequate' assurance rating, with 3 minor recommendations, all of which have been discharged.

A register of interests and a register of gifts and hospitality is also maintained. The Corporate Support department ensures structured and well governed committee processes are in place and legal advice is provided by Dorset Council through a Service Level Agreement. The Monitoring Officer provides legal advice to Members at each of their meetings.

Equality, Diversity and Inclusion is embedded in all of the Authority's policy statements.

## Annual Governance Statement 2023/24

### Principle B: Ensuring openness and comprehensive stakeholder engagement

Values that incorporate an open culture have been agreed. A local transparency code exists and is monitored by officers to ensure compliance. The Authority provides fully transparent reports that are available via its website or in hard form upon request. The Authority also produces an Annual report which is agreed at its September meeting.

The Clerk & Monitoring Officer and respective chairs ensure decision-making is open about actions, plans, resource use, forecasts, outputs and outcomes. The presentation of Committee papers in Part II, where attendance is restricted, has been challenged by Members and resulted in their movement to Part I.

All reports follow an agreed and structured process with a standard template that clearly identifies the rationale, risks and resources, and any key decisions. Statutory officers and technical support are present at meetings to support Members in reaching their decisions. All formal meetings are supported by a Chair's Briefing to further enhance sound decision-making. A calendar of committee meeting dates operates and is monitored for submitting, publishing and distributing timely reports.

The priorities of the Authority have been aligned to the outcomes and success factors contained within key partnerships. Officers have a process of structured attendance at key partnerships and local democratic arrangements such as Area Boards and Localities. Officers shape and work within the partnership frameworks that exist on a case-by-case basis.

There is a good history of public consultation over significant issues affecting the community and external stakeholders. Any proposals for significant change to service delivery affecting the public will be supported by a consultation process. During the early part of 2024 we consulted key stakeholders, partners and the public on a draft of our new Community Safety Plan 2024-2028. Following this consultation the new Plan will be presented for approval by the Authority in June 2024.

In quarter 4 of 2021-22 our internal auditors looked at our strategic planning and stakeholder engagement control framework to check that it is operating efficiently and effectively. They were able to provide a 'Substantial' assurance rating following their review.

The Service has a structured process of external communication with the principal mechanisms being through social media, our website and face-to-face interactions at key partnerships and local democratic arrangements. The Service has drawn upon the joint needs assessment processes that exist. An evaluation framework has been developed to strengthen this relationship.

## Annual Governance Statement 2023/24

### Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

Each fire and rescue authority has a statutory duty to produce a Community Risk Management Plan. We fulfil this requirement through our Community Safety Plan, where we set out the key challenges and risks facing us along with how we intend to meet and reduce them. Our Service Delivery Plan translates this through the Service, linking clear actions/projects and tasks for individual teams to key lines of enquiry, which in turn link to the key priorities via the planning, risk and performance management arrangements. Corporate plans are underpinned by the Medium Term Finance Plan (MTFP).

The Community Safety Plan sets out the longer-term direction of the Authority and the outcomes for the community. Members and Officers receive regular and structured performance reports against all aspects of its priorities. These are tailored at a local level through Local Performance and Scrutiny Committees led by Members and accessible to members of the public. All performance reports are made available via the website.

The risks of not achieving the Authority's priorities are identified and managed through Senior Officers and Members at the Finance & Audit Committee, where regular structured reports are considered and supported by the risk management systems.

The capital programme directly aligns to the Community Safety Plan and is set out in our MTFP and Capital Strategy. In support of longer-term planning there are number of associated strategies in place (e.g. Asset Management Strategy, ICT Strategy).

Our Environmental Sustainability Strategy 2021-24 was published in 2021 and sets out what we plan to do over the next 3 - 5 years to further strengthen our approach to sustainability. Our strategic focus is about:

- ◆ Being efficient in our waste management
- ◆ Reducing our Co2 emissions
- ◆ Becoming more sustainable in our energy management
- ◆ Improving our estate

Our procurement procedures identify our commitment to, and adoption of, the Public Service (Social Value) Act 2012, which ensures that pre-procurement deliberations are undertaken if there are economic, social and environmental well-being issues in connection with public services contracts. In February 2023 the Authority adopted a Modern Slavery Statement.

## Annual Governance Statement 2023/24

### **Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes**

Members and Officers receive structured reports to support sound decision-making. Business cases outlining options for interventions are considered. All reports and considerations are aligned to the priorities of the Authority and have a risk assessment.

The Authority has a structured and robust process for strategic and operational planning. This is supported by a performance framework comprising key lines of enquiry, actions, projects and key performance indicators, and a structured process of performance review and monitoring supporting senior officer and Member decision-making.

The Service has a structured approach to internal engagement that has a clear delivery plan. This is monitored on a quarterly basis by senior officers. Internal Audit have reviewed the approach and delivery and have been very positive. Whilst media management, website and attendance at partnerships is considered good, work is ongoing to strengthen external communication and engagement.

Risk management is well developed within the Service and at the Authority. It is also a significant feature of other key partnerships. Where significant resource commitment may be needed then more careful assessment is undertaken.

Community risk is determined in consultation with Local Resilience Forums and published within the community risks registers. The Service ensures alignment, where required. An operational capability assessment is undertaken each year.

Delivery and planning arrangements are kept under constant review with regular monitoring. Key performance indicators (KPIs) operate at both corporate and departmental level and are integral to the performance management framework. An electronic performance system includes these KPIs and displays them on a daily basis to Officers and Members. The Authority receives a comprehensive 6-month and 12-month performance report, with quarterly reporting through the Local Performance & Scrutiny Committees and Finance & Audit Committee.

The Service has a structured process of performance reporting. A central department is responsible for ensuring accurate and timely data to support the process. Information management systems continue to be harmonised or aligned.

The Medium-Term Finance Plan and the associated budget setting process is aligned to the Community Safety Plan, and the strategic priorities and finance seminars with Members support this.

### **Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it**

The Service is engaged with a large number of local and regional partnerships to improve efficiency and effectiveness in delivering strategic priorities. These flow across all priority areas and are reviewed regularly, with key issues and opportunities discussed with Members.

## Annual Governance Statement 2023/24

The Service has a well developed approach to workforce development and reform and succession planning, with good arrangements for monitoring and managing day-to-day needs. Identifying, developing and displaying leadership is central to the approach to organisation development. Leadership Development processes were reviewed by internal audit in 2021 and they provided a 'Substantial' assurance rating.

The Authority's governance arrangements have previously been independently reviewed by the Local Government Association (LGA) and this provided positive assurance over the arrangements in place. The LGA report is available at:

<https://www.dwfire.org.uk/wp-content/uploads/2019/09/19-37-App-A-Report-of-the-LGA-Peer-Review.pdf>

Members and Officers review, and amend as appropriate, the Scheme of Delegation, Standing Orders and Financial Regulations.

This is an ongoing process with full reviews completed at least annually, with any significant changes approved by Members at the June Fire Authority meeting.

The chairs of committees attend external conferences, meetings and seminars to ensure that they have the right knowledge and understanding to drive effective decision-making.

Officers and Members are active at a national and local level to help ensure that Service and individual leaders are effective in their role. The Chief Fire Officer chairs the NFCC Finance Committee. There is a good history of welcoming and responding positively to external challenge.

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) undertook their first national inspections of the Fire and Rescue Service during 2018 and 2019. This Service was inspected in the Tranche 2 inspection round, with the findings published in July 2019. Overall, the Service was rated as "Good" in all three areas of Effectiveness, Efficiency and People. Of the 45 fire and rescue services inspected only 10 received a minimum of three "Good" ratings.

A second round of full inspections took place during 2021 and 2022, having been delayed as a result of the Coronavirus pandemic. We were in the third tranche of Services inspected and our 6-week inspection period began on 28 February 2022. The results of the third tranche inspections were released on 20 January 2023. We were pleased to see that we had maintained our overall "Good" ratings for Effectiveness and People, and delighted to be judged as "Outstanding" for Efficiency, one of only 3 Services nationally to receive this judgement. Within the People pillar we received an "Outstanding" judgement for "getting the right people with the right skills".

Our third inspection is currently ongoing, with the results expected to be published towards the end of 2024.

## Annual Governance Statement 2023/24

The Health and Safety Policy was reviewed in February 2024 and this sets out the key requirements and expectations for the Service. An assurance framework checks that the Service is continuing to deliver against the commitments made in our Health and Safety Policy Statement. The Authority achieved accreditation to the ISO 45001 international standard for occupational health and safety in 2020, and this has subsequently been maintained. In addition, the Service monitors a suite of corporate indicators against a common performance tolerance through the Health, Safety and Welfare Committee, Strategic Leadership Team and the Finance & Audit Committee.

The Service achieved the ISO 55001 Asset Management Standard during 2023/24. This helps ensure that we have a systematic and cost effective approach to our fleet, equipment, PPE, and estate. This standard supports our existing compliance with ISO 45001 where we are one of only three fire and rescue services in England to have achieved this Service-wide accreditation.

### **Principle F: Managing risks and performance through robust internal controls and strong public financial management**

To ensure that our Community Safety Plan (that incorporates our requirement to produce a Community Risk Management Plan) remains relevant and reflective of the wider landscape in which we operate, we undertake a biennial Strategic Assessment of Risk. This assessment helps us to ensure that our decision making and planning remains focused on maximising our impacts on improving public safety, health and wellbeing. We deliver this through examining a range of key factors that impact our organisation and communities. This work allows us to see what is on the horizon and ensure that our long-term plans and strategies take this into account. This assessment aims to highlight the strategic and operational risks we face and describes how we intend to deal with them. As well as analysing our own data, our assessment is put together using a great deal of information from our partners and wider needs assessments

Risk management arrangements are integral to all aspects of the work of Members and Officers and decision-making is supported by embedded risk assessments. We have a Risk Management Procedure, aligned to the Corporate Governance Policy, and this is reviewed on a regular basis, most recently in February 2024.

Performance management arrangements are in place to allow strategic intent to flow down to individuals. The performance framework includes key lines of enquiry, corporate targets and key performance indicators along with key activities to continue or strengthen performance. This is detailed in the Service Delivery Plan and supported by a corporate calendar to provide clear planning, monitoring and review arrangements.



## Annual Governance Statement 2023/24

Internal Audit reviewed our corporate performance management framework in 2021 and provided a "Substantial" assurance rating with no recommendations for improvement. In quarter 4 of 2021-22 they have also looked at our arrangements for managing critical supplies and supply chain and provided an "Adequate" assurance rating, with four minor recommendations for improvement which have all been discharged.

The Authority has well-structured constitutional and democratic arrangements. These were confirmed by the LGA peer review that was carried out and regular reviews take place as part of the Internal Audit strategy. Scrutiny and oversight operates well, with a good and open relationship between Officers and Members.

The democratic function is supported by a calendar of dates for submitting, publishing and distributing timely reports. This is overseen by the Head of Corporate Support, statutory officers and the Strategic Leadership Team.

A comprehensive assurance framework is in place to support the Statement of Assurance required under the Fire and Rescue Service National Framework and this Annual Governance Statement, required under the Accounts and Audit Regulations. Supplementary assurance statements in key areas of the Service support these frameworks. These arrangements have now been further strengthened, and aligned to revised and updated policy statements. In line with good governance practice, the Authority reviews its policy statements on a biennial basis, most recently in February 2024. These statements are aligned to the methodology used by HMICFRS in its inspection process to help reduce the burden of inspection.

The Authority has an established audit committee function, through the Finance & Audit Committee, with clear terms of reference. The Committee complies with best practice and in line with the CIPFA guide "Audit Committees: Practical Guidance for Local Authorities and Police" (CIPFA, 2018).

The Authority has effective arrangements in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data. A clear policy and supporting procedures are in place with specific responsibilities assigned to specialist roles and an Information Governance Group to oversee these. An annual assurance statement further complements quarterly performance reporting.

The Authority has effective arrangements in place, and operates effectively, when sharing data with other bodies to support the delivery of its strategic priorities. Officers also participate in local and regional groups and have jointly supported the development of data sharing agreements.

## Annual Governance Statement 2023/24

A designated team ensures that data is accurate and timely to support performance management arrangements. Data validation occurs throughout the generation and reporting process. Our information systems migration programme is harmonising management systems to ensure that quality data is provided to Officers and Members.

The Authority has good arrangements in place for ensuring effective financial management is undertaken, with an overarching Financial Management Policy. There is a history of good financial management, supported by positive External Audit opinions and value for money assessments. Our self-assessment against the CIPFA Financial Management Code is that the Authority is able to demonstrate a high level of compliance in most areas, but we recognise that there are always further improvements that can be made. The self-assessment was reviewed by the Finance and Audit Committee in March 2022, with a further review planned for 2024/25.

### **Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

Members and Officers strive to ensure that reports are written in an understandable style for the intended audience. Officers have undertaken 'Plain English' training as part of the internal engagement strategy. The Community Safety Plan and website were developed with support from specialists in this area.

The Authority produces its Annual Report to support the Statement of Assurance, Annual Governance Statement and Statement of Accounts.

All annual outturns and reports are scrutinised internally, and then through Members, who formally approve them. Where improvement actions are identified they are built into the planning, performance and risk management arrangements. All reports are made available on our website at [www.dwfire.org.uk](http://www.dwfire.org.uk). Other examples include transparency reports, pay policy statements and gender pay reporting.

Both External Audit and Internal Audit have direct access to Members and Officers. All internal and external audit reports are available on our website and presented to the Finance & Audit Committee and any improvement actions as a result are incorporated into the performance management system and overseen by the Standards and Assurance team and senior officers. Quarterly appraisal of performance against improvement actions is undertaken by Members.

The Service has an effective information governance system in place and actively manages and protects the data that it holds. The Information Governance Group is responsible for promoting information governance and security across the Service, ensuring that information risks are identified and appropriately managed. The Information Assurance & ICT Steering Board is responsible for setting the direction for ICT and Information Governance throughout the Service. Information Asset Owners are clear about their responsibilities to manage their information assets in line with national standards, internal procedures, and data protection legislation. We are effective at fulfilling our legal responsibilities under the Data Protection legislation and the Freedom of Information Act.

## Annual Governance Statement 2023/24

Cyber security risk is monitored on a monthly basis and processes are in place to keep abreast of evolving risks nationally and locally and assess what actions need to be taken to manage these. From February 2022 the Service has been accredited to the Cyber Essentials standard providing additional assurance to our partners, key stakeholders and the public that we take cyber security extremely seriously and have appropriate arrangements in place to guard against a wide range of potential cyber threats and attacks. Re-accreditation to the Cyber Essentials standard is again taking place to support compliance with the Home Office Assessment Framework. An annual ICT Health Check is carried out to ensure that our technical arrangements are in place to protect our information assets.

### Review of Effectiveness

Dorset & Wiltshire Fire and Rescue Authority 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 senior managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Internal Auditor's annual report, and also by comments made by the external auditor and other review agencies and inspectorates.

In addition to the annual review, all ongoing activities, including those designed to strengthen governance, are integrated into the planning, performance and risk management arrangements. The delivery of these activities is reviewed monthly by managers and at least quarterly by the Service Delivery Team and the Strategic Leadership Team. Activities to address weaknesses and ensure continuous improvement of the system are in place.

We consider that our governance framework and systems of internal control have been operating effectively during 2023/24. SWAP (South West Audit Partnership), our internal auditors, have undertaken eight reviews during 2023/24. SWAP's Quarter 4 report to the Finance and Audit Committee in March 2024 shows that five of the reviews provided 'Substantial' assurance over the controls in place and the remaining three provided 'Adequate' assurance. We are anticipating a positive position when SWAP provide their annual opinion. During 2023/24 it was agreed that the Authority would become formal board members of SWAP from April 2024.

Having changed external auditors for the 2023/24 financial year, our relationship with Bishop Fleming is still in its infancy but positive discussions have taken place to date. Our outgoing auditors, Deloitte LLP, did not raise any significant concerns via their regular progress reports and Annual Audit Letter to the Finance and Audit Committee.

### Significant Governance Issues and Risks

The Authority has good governance arrangements in place and these are reviewed on a regular basis, including external reviews such as the LGA peer review that was completed in 2019. We do not currently have any significant governance issues of major concern.

Risks within the strategic risk register, along with any new emerging strategic risks, are reviewed on a monthly basis and managed by the Strategic Leadership Team. The Strategic Risk Register is reported to the Finance & Audit Committee at each of its meetings. The

## Annual Governance Statement 2023/24

Committee monitors risks and make recommendations to the Fire Authority when necessary.

On an annual basis, the strategic risks are reported to the Fire Authority as part of the Annual Governance Statement for the Authority.

The strategic risk register for the Authority currently contains the following risks:

- ◆ Risk 006 - Inability to secure financial sustainability that ensures and maintains effective service provision.
- ◆ Risk 009 - Inability to have a robust and financially sustainable on-call duty system to meet the needs of the Service.
- ◆ Risk 301 - Inability to protect the Service against cyber risks.
- ◆ Risk 529 - Sustainability of operational training provision.

The strategic risk register for the Authority is available on the Service website at [www.dwfire.org.uk](http://www.dwfire.org.uk) as reported at the Finance and Audit Committee.

To meet the challenges of continued financial sustainability, the Service has put in place a Resourcing and Savings Programme. This programme sets out how the Service intends to make savings and investments to:

- ◆ Reduce our annual revenue budget by £2.5m to achieve ongoing financial solvency.
- ◆ Redesign our operational response by resourcing to risk and demand.
- ◆ Mitigate key strategic risks relating to on-call and our financial sustainability.

This programme is supported by a comprehensive Fire Cover Review, a stakeholder engagement plan and regular reviews by the Strategic Leadership Team and Members.

Fire Authority Chair

Ben Ansell  
Chief Fire Officer  
& Chief Executive

## **Glossary of Terms**

### **Accounting Policies**

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

### **Accounting Standards**

Statements of accepted accounting practice, applicable across the public and private sectors. They form a hierarchy such that where a higher level standard does not cover particular circumstances, then reference is made to standards on a lower level. The levels are:

- 1 International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS), and interpretations by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), as adopted by the European Union.
- 2 International Public Sector Accounting Standards (IPSAS).
- 3 UK Generally Accepted Accounting Practice (GAAP), Financial Reporting Standards (FRS), Statements of Standard Accounting Practice (SSAP) and Urgent Issues Task Force (UITF) Abstracts.

### **Accruals**

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

### **Actuary & Actuarial Valuation**

An independent professional who advises on the position of the pension fund, providing a valuation of its assets and liabilities at intervals.

### **Amortisation**

The writing down of an asset over a period of time in order to charge the revenue account for that asset's usage.

### **Amortised cost**

The basis of recording financial instruments, derived by discounting cash flows over the term. For loans at fixed interest rates, or variable rates linked to base rate, without significant transaction costs, the amortised cost should equate to the principal of the loan. This is the case for all loans borrowed from the Public Works Loan Board.

### **Assets**

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

### **Balance Sheet**

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

## Glossary of Terms

### Baseline Funding Level

That part of the income of the Authority which finances revenue expenditure and comprises the share of business rates and a Top-up Grant from the Government.

### Budget

An estimate of the revenue spending for the year, made for the purposes of setting the Council Tax and subsequently controlling costs during the year. If net expenditure is less than the budget, this is known as underspending. As resources have been raised to match the expected spending, the surplus arising from the underspending is added to Reserves. Conversely, a deficit arising from overspending the budget will reduce the General Reserve.

**Business Rates** - See National Non-Domestic Rates (NNDR).

### Capital Adjustment Account

This account is credited with all sources of finance for capital expenditure, other than loans. One of these sources is a provision from revenue, equivalent to the minimum revenue provision. It is charged with the historical cost of acquiring, creating or enhancing property, plant and equipment, over the life of those assets, through depreciation and impairment losses. The account thus recognises the timing difference arising from the different rates at which assets are accounted for as being consumed and at which resources are set aside to finance their acquisition or enhancement.

### Capital Expenditure

Expenditure on the purchase of new property, plant, vehicles and major items of equipment or on the improvement of existing assets.

### Capital Financing Requirement (CFR)

This comprises the value of past and current capital expenditure, less sources of financing other than borrowing.

### Capital Programme

The budget for capital expenditure on property, plant, vehicles and major items of equipment, including computer systems and software.

### Capital Receipts

Income received from the disposal of land, buildings and other capital assets, where the sale proceeds exceed a statutory minimum, currently £10,000 per asset. Income from sales which realise less than this minimum is credited to the Comprehensive Income and Expenditure Statement.

### Cash equivalents

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

## Glossary of Terms

### Cash Flow Statement

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

### CIPFA

The Chartered Institute of Public Finance and Accountancy.

### The "Code"

The Code of Practice on Local Authority Accounting in the United Kingdom 2023/24. This prescribes the form and content of the Statement of Accounts, and is published by a joint committee of CIPFA and LASAAC (The Local Authority (Scotland) Accounts Advisory Committee). It is based on approved accounting standards and reflects specific statutory accounting requirements. Compliance with the Code is necessary in order that the Authority's Accounts give a "true and fair" view of its financial position and performance. The Statement also has to comply with any "Code Update" which may be issued after the main Code, while Note 25 refers to the impact of accounting standards which have not yet been incorporated into the Code.

**Collection Fund** - See Council Tax and National Non-Domestic Rates.

### Comprehensive Income and Expenditure Statement

A statement showing the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount funded by grants, Business Rates and the Council Tax.

### Contingent assets and liabilities

Possible assets and liabilities that arise from past events but whose existence will only be confirmed by future events not wholly within the Authority's control. These are not recognised in the Accounts as prudence cautions that future gains may never be realised and losses may not occur. However, reserves may be earmarked to protect current and future resources against possible losses.

### Council Tax

A local tax on domestic properties introduced in 1993 to replace the Community Charge (Poll Tax). Income from Council Tax finances that part of the Authority's net spending which is not met by Government Grants or Non-Domestic Rates. The tax is collected by the four Unitary Authorities covered by our Service area: Bournemouth, Christchurch and Poole Council, Dorset Council, Swindon Borough Council and Wiltshire Council. These are known as the billing authorities. The billing authorities pay the tax into a **Collection Fund**, which records a surplus or deficit according to how much of the tax due is actually collected. The Authority issues a **precept** to each billing authority requiring them to pay to the Authority its share of the tax adjusted for the surplus or deficit on the Collection Fund.

### Creditors

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

## Glossary of Terms

### Current Assets

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

### Debtors

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

**De minimis** - see Materiality.

### Depreciation

The loss in value of an asset due to age, wear and tear, deterioration and obsolescence. An annual charge is made to the revenue account to reflect this, but an adjustment ensures that there is no effect on the Council Tax. The depreciable amount is the cost or value of an asset less its residual value. Depreciation may be regarded as the allocation of the depreciable amount over the useful life of the asset.

### Earmarked Reserves

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

### Fair Value

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value may apply to physical assets, such as property, or transactions without physical existence, such as financial instruments. Land and buildings are valued at current value, which is the amount that would be paid for the asset in its current use.

**Finance Lease** - See Lease.

### Financial Instruments

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

### General Fund (General Reserve)

The account that summarises the revenue costs of providing services that are met by the Authority's demand for Council Tax, Government Grants and other income. In the Statement, this account is included in the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement. The balance is carried forward as part of the Usable Reserves in the Balance Sheet. Though usually disclosed separately, the Earmarked Reserves are earmarked parts of the General Reserve.

### Gross Expenditure

Total expenditure before deducting income.



## Glossary of Terms

### Gross Book Value

The value of an asset before deducting depreciation and impairment losses.

### Heritage Assets

Property, plant and equipment, and intangible assets, which are held primarily for their contribution to knowledge or culture, rather than for operational use. The Authority keeps its asset holdings under review, but has concluded that there are no Heritage Assets within the Balance Sheet.

### Historical Cost

Since the Authority came into being on 1 April 2016, the historical cost of property, plant and equipment is the carrying amount in the Balance Sheet at that date or at the date of acquisition, if later, adjusted for subsequent depreciation and impairment.

### Impairment

The permanent diminution in the value of an individual item of property, plant or equipment, caused by a consumption of economic benefits, such as irreparable damage.

### Intangible Assets

An identifiable non-monetary asset without physical substance, controlled by the Authority, producing future economic or service benefits. The most common class of intangible assets is computer software, but where this forms an inseparable part of a computer system, the system as a whole will be identified as a tangible asset in property, plant and equipment.

**International Financial Reporting Standards (IFRS)** - See Accounting Standards

### Inventories

Stocks of consumable items such as fuel, uniforms or equipment, which may be purchased in one year and used in another, with the value of the unused items being carried forward in the Balance Sheet as current assets.

### Lease

An agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for a specified period of time. A **Finance Lease** transfers substantially all of the risks and rewards incidental to ownership to the lessee, whether or not title is transferred at the end of the lease. Any lease not meeting the definition of a Finance Lease is an **Operating Lease**. Each type of lease is accounted for differently.

### Liabilities

Amounts owed by the Authority to lenders or suppliers.

## Glossary of Terms

### Materiality and de minimis

The threshold or cut-off point whereby an item is separately identified in the Statement. An absolute figure cannot normally be stated, as materiality varies according to the class or nature of items being considered. Application of the principle is a matter of judgement. For example, omissions or misstatements are material if they could, individually or collectively, influence the decisions or assessments of those reading the Statement. A discretionary "de minimis" limit of £10,000 has been set for items of equipment - i.e. such items become assets if they cost over £10,000 and will last more than a year, even if they have been purchased initially out of the revenue account. This matches the statutory de minimis limit for capital receipts.

### Minimum Revenue Provision

The minimum amount the Authority must charge to its revenue account to provide for the repayment of debt. Further provisions may be set aside on a voluntary basis, for example to satisfy the accounting requirements of finance leases.

### Minor Capital Works

Works carried out to improve the Authority's land and buildings.

### Movement in Reserves Statement

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

### Net Book Value (Carrying Amount)

The remaining value of an asset after deducting depreciation and impairment losses. The net book value may be nil if an asset has no residual value and has been retained in use after the end of its anticipated life, over which it has been fully depreciated.

### National Non-Domestic Rates (NNDR)

A flat rate in the pound set by Government, often known as 'Business Rates', levied on businesses and paid into a National Pool. The Councils which collect the business rates have been allowed to keep a proportion of the sums collected, and must pay to the Authority 1% of the total collected, allowing for a share of the surplus or deficit on that part of the Collection Fund which relates to business rates.

### Net Expenditure

Gross expenditure less income.

**Operating Lease** - See Lease.

### Outturn

Actual income and expenditure for the financial year.

**Overspending** - See Budget.

## Glossary of Terms

### Precept

The charge made by one authority to another to finance its net expenditure. See Council Tax above.

### Private Finance Initiative

A Government-led scheme whereby a private contractor provides facilities for a public body in return for an annual payment over a long term. The body receives assistance from the Government in the form of an annual grant. In most schemes, the assets transfer to the public body at the end of the contract.

### Property, Plant and Equipment

Tangible fixed assets - i.e. assets with physical substance that are held for use in the production or supply of goods and services or for administrative purposes, and are expected to be used during more than one accounting period. Accounting for these assets is based on their current value and is separated from the statutory arrangements for financing their acquisition and improvement. For accounting purposes, the definition includes vehicles.

### Provisions

Amounts set aside for any liability or loss that is likely to be incurred in a future year, but where the exact amount and date is uncertain. A provision can be set up only if a reliable estimate can be made of the amount of the obligation to pay. If there is no estimate that is reasonably reliable, there is a contingent liability and a reserve may be earmarked to cover future costs.

### Prudential Code & Prudential Indicators

The Prudential Code for Capital Finance in Local Authorities, published by CIPFA. Fire authorities are required to comply with its provisions when setting their capital programmes and treasury management policies. The Prudential Code sets out measures which demonstrate that the authority is complying with the Code in terms of affordability, prudence, sustainability and practicality in its capital activities and treasury management.

### PWLB

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

### Reserves

The amount held in balances and funds that are free from specific liabilities or commitments. Reserves may be usable or unusable. **Usable reserves** may be used to finance future spending from the revenue account, including contributions from revenue to finance capital expenditure. **Unusable reserves** are for accounting purposes only and do not represent available resources.

## Glossary of Terms

### Residual Value

The estimated amount that the Authority would receive from the sale of an asset if the asset were already of the age and in the condition expected at the end of its useful life.

### Revaluation

Formal review by a professional valuer of the fair value of assets recorded in the Balance Sheet at current value. The Code requires a revaluation at intervals of no more than five years. The revised value is included in the Balance Sheet. The Authority has adopted a rolling programme of revaluations of its properties, so that the cost is spread evenly over the five-year period.

### Revaluation Reserve

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

### Revenue Account

The account which records all the revenue expenditure and income of the Authority. The difference between the net expenditure on this account and the budget for the year is charged or credited to the Usable Reserves. For the purposes of the Statement of Accounts, the transactions on the revenue account are recorded in the Expenditure and Funding Analysis, the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement according to the stipulations of the Code.

### Revenue Expenditure

The regular day-to-day costs of running the organisation.

### Revenue Support Grant (RSG)

A grant paid by Central Government to a local authority towards the cost of its services.

### RICS

The Royal Institution of Chartered Surveyors.

### Statement of Assurance

This is an annual statement required by the Fire and Rescue National Framework and "must provide assurance [to government, members of the public and other stakeholders] on financial, governance and operational matters".

### Treasury Deposits

Cash surpluses invested on the London money market in order to receive income from interest.

## **Glossary of Terms**

### **Treasury Management**

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

### **True and fair view**

The standard against which the accuracy and compliance of the Statement is measured.

**Underspending** - See Budget.

### **Useful Life**

The period for which an asset is expected to be available for use by the Authority.

*Note - This Glossary is supplementary to the Statement of Accounts and is not subject to Audit.*



**DORSET & WILTSHIRE**  
**FIRE AND RESCUE**  
**AUTHORITY**



Dorset & Wiltshire Fire and Rescue Service  
Five Rivers Health & Wellbeing Centre  
Hulse Road  
Salisbury  
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