

BEDFORDSHIRE FIRE AND RESCUE AUTHORITY



PRE-AUDITED STATEMENT OF ACCOUNTS 2023/24

STATEMENT OF ACCOUNTS

2023/24

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AUTHORITY MEMBERSHIP 2023/24

Chair

Councillor J Burnett (Luton Borough Council)

Vice-Chair

Councillor M Headley (Bedford Borough Council)

Councillors

Bedford borough Council	Central Bedfordshire Council	Luton Borough Council
G Coombes	R Goodchild	A Ali
M Headley	K Gurney	J Burnett
A Sultan	S Owen	M Hussain
	M Versallion	S Hussain
	R Wenham	

The Authority is made up of twelve members who are appointed in proportion to the number of local government electors in each constituent authority area.

The committee structure consisted of the full Fire Authority, Executive Committee and Audit and Standards Committee.

Members of the Executive Committee had a special responsibility for one of the following portfolios:

Cllr Goodchild	Emergency Response
Cllr Sultan	Prevention and Protection
Cllr S Hussain	People and Culture
Cllr Burnett (Chair)	Physical and Digital Assets
Cllr Headley	Finance, Productivity and Efficiency

Members of the Audit and Standards Committee were:

Cllr Ali (Chair)
Cllr Coombes
Cllr Gurney
Cllr M Hussain
Cllr Owen
Cllr Versallion
Cllr Wenham

NARRATIVE STATEMENT

Background Information

Population

Bedfordshire Fire and Rescue Service (BFRS) covers an area of approximately 1,234.45 square kilometres (476.94 square miles) and has a population of approximately 675,000 including large towns such as Luton, Bedford, Leighton Buzzard, Dunstable and Kempston.

Travel and Transport

The region is under flight paths to a number of commercial and private airports/airfields and includes Luton Airport which has its own fire and rescue service but is supported by the FRS; no permanent presence, but familiarisation and full emergency planning visits are undertaken. Other significant airfields include Cranfield and Shuttleworth.

BFRS has a number of rivers in the area and has the use of one rescue boat located at Bedford.

A number of major motorways (A1, M1 etc.), motorway intersections and arterial roads pass through the region. This includes a number of remote roads through countryside.

In addition to the residential risks presented, the geographical area covered includes farming, woodland and forests, major motorway networks, rail network, airport, heritage sites and rivers.



Our Mission and Strategic Commitments

Our mission and strategic commitments were developed as a direct result of community risk management planning and stakeholder engagement. It is clear from not just our own analysis and experience of working with partners but our extensive consultation with businesses, partners and the public have made it very clear, if we are to be successful in reducing risk and keeping our communities safe, we must work closely and effectively with a range of stakeholders.

Our mission is therefore simply: Working together to keep Bedfordshire safe

In delivering our range of services over the life of this plan, we make six strategic commitments to you that will focus and shape everything we do with the first three focused on the delivery of our core services and the latter three focused on enabling the delivery of those services to you.

We will focus our resources on:

1. PREVENTING fires and other emergencies from happening.
2. PROTECTING people and property when fires happen.
3. RESPONDING to fires and other emergencies promptly and effectively.

We will achieve this by:

4. ENGAGING and building closer relationships with our communities, businesses, and partners.
5. INVESTING in our people to be the best they can be, to serve you better; and,
6. MAKING every penny count, exploiting technology, and using our resources in an environmentally sustainable way

We focus on achieving these aims and use them to develop the key priorities we set out to achieve through our annual action plan. The 2023/27 Community Risk Management Plan (CRMP) is viewable via the link below:

<https://www.bedsfire.gov.uk/crmp/community-risk-management-plan-2023-27>

The Service's Values

The Service values are:

- *We are accountable* – We are transparent, trustworthy, and responsible for our actions
- *We've got your back* – Striving to keep us all safe, while being supportive and inclusive
- *Every contact counts* – Making a positive difference each and every time, with respect and professionalism
- *We dare to be different* – We are bold, we welcome challenge, and we are open to innovative ideas.

Organisational Statistics and Structure

BFRS employs around 600 staff consisting of:

- Wholetime (full time) firefighters.
- On-call firefighters.
- Control staff.
- Corporate (support) staff.

There are 14 strategically positioned fire stations and an Emergency Communication centre. These include five wholetime stations, crewed 24 hours a day, one day crewed and night on-call station and eight on-call stations.

Other Local FRS

BFRS is bordered to the north and east by Cambridgeshire, to the north and west by Northamptonshire FRS, to the south by Hertfordshire and to the south and west by Buckinghamshire FRS.

Management and the Authority

Structure of the Service comprises a Chief Fire Officer and the following Principal Officers (during 2023/24, these have since changed):

- Deputy Chief Fire Officer
 - Response and Preparedness
 - Prevention and Protection
 - Project Management Office
- Assistant Chief Fire Officer
 - Training, Technical and Fleet
 - Human Resources
 - Payroll and EDI
- Assistant Chief Officer
 - Treasurer to the FRA
 - Finance, Property and Facilities
 - Procurement
 - Strategic Planning and Performance
 - Governance, Media & Comms, Assurance

- Deputy Assistant Chief Fire Officer
 - Transformation and Projects
 - ICT and Performance

Headquarters is located at Kempston, Bedford, which houses the corporate team, directors, central operations, transport & engineering team, training facility, command & control room and a hot fire training facility.

There is a wide range of fire stations within the Authority with some having cooking facilities, gyms and sleeping accommodation for firefighters.

BFRS activities

BFRS undertakes day-to-day emergency response and community safety work and operates from 14 fire stations of varying ages (mainly purpose built and located in city/town/village centres close to residential, commercial and industrial areas with some dating back to the 1960's).

The following table summarises the incidents and activities attended during 2023/24.

Incident type	Attended incidents in Bedfordshire in 2023/24
Total incidents	7,573
Fires	1,522
Flooding and water rescues	214
Road traffic collisions	482
Medical responder	679
False alarms	3,048
Other incidents	1,628

With the breakdown of staff bring:

	Number of staff
Total staff	582
Wholetime firefighters	287
On-call firefighters	87
Control staff	24
Support staff	180
Principal officers	4

As well as firefighting and rescue, the Service responds to road traffic collisions, water rescue, flooding, working at height, animal rescues, chemical and decontamination incidents to name a few.

Performance

The Authority annually sets performance measures and receives monitoring reports on these indicators during the year.

There is also an annual overarching performance report presented to the Fire and Rescue Authority. This report is aligned to the Service's strategic objectives and strategies and can be viewed via the link below. The 2023/24 report was presented to the FRA in July 2024. This can be viewed via the link below:

<https://bedsfireresauth.moderngov.co.uk/documents/s6315/Item%2010%20Q4%20performance%20report%20cover%20paper.pdf>

TREASURER'S REPORT

1. Introduction

The Bedfordshire Fire and Rescue Authority (FRA) is a precepting authority – this means that its net cost, after receipt of Government Grant, is met by a proportion of local business rates and council taxpayers in Bedford, Central Bedfordshire and Luton in proportion to the valuation band of their property.

The FRA is acutely aware, particularly in the current economic climate, of the need to keep any increase in council tax to the minimum, always bearing in mind the need to adequately fund the fire and rescue service. Resources must, therefore, be sufficient to enable this emergency service to be fully operational throughout the year.

2. 2023/24 – A Financial Commentary

Revenue Budget

For 2023/24 the FRA approved a revenue budget requirement of £34.898m. This was felt to be the minimum required to maintain the level of service referred to above. Revenue account details are summarised in paragraph 4 below.

Capital Budget

What the FRA spends on capital expenditure and how that expenditure is financed is governed by a Prudential Code, which has been adopted by the Authority. The FRA each year considers and determines what can be afforded taking into account Service needs and the effect of the cost of financing the expenditure at local council taxpayer level. The FRA approves prudential indicators to control this activity and receives regular monitoring reports throughout the year. For 2023/24 the FRA determined that capital expenditure be approved at £2.258m, of which £1.143m was for property improvements £1.115m was to replace equipment and vehicles. The capital programme was partially funded from capital receipts held, with the balance from direct revenue contributions. Capital expenditure details appear on Note 11 to the accounts.

Pensions Liability

The pension's liability has seen a slight increase £262.0m at the end of 2022/23 to £266.8m at the end of 2023/24. Changes in actuarial deficits or surpluses can arise as a result of events that have not coincided with the actuarial assumptions made for the last valuation or because the actuarial assumptions have changed. Further details of this increase in deficit are analysed in Note 29.

Reserves

The General Reserve balance as at 31 March 2024 was £2.4m. This is following work undertaken over the last few years to establish specific earmarked reserves, which as at 31 March 2024 totalled £4.057m.

The year-end revenue budget underspend of £531k has been allocated 50 per cent to the Pay and Pensions Reserve, and 50 per cent to the Transformation Reserve. This is in line with the Medium Term Financial Strategy, which takes into account the back loaded, and on-going government funding reductions to fire and rescue services.

The Capital Receipts Reserve as at 31 March 2024 was £242k.

3. Statement of Accounts

The FRA's Statement of Accounts for the year ending 31 March 2024 is set out in the following pages. The Statement includes:

- a. **The Statement of Responsibilities for the Statement of Accounts** which sets out the responsibilities of the FRA and the Treasurer to the FRA.
- b. **The Annual Governance Statement.**
- c. **The Movement in Reserves Statement** which summarises the FRA's spending against the council tax it raised, taking into account the use of reserves during the year.
- d. **The Comprehensive Income and Expenditure Statement** which summarises the income and expenditure of the FRA.
- e. **The Balance Sheet** which displays the financial position of the FRA as at 31 March 2024.
- f. **The Cash Flow Statement** which summarises the changes in the FRA's funds.
- g. **The Pension Fund Account** for the year together with the Net Assets Statement at the year end.

The Accounts are supported by a Statement of Accounting Policies and various Notes to the Core Financial Statements. In addition, a glossary of terms is included to provide further explanation.

4. 2023/24 Year End Position

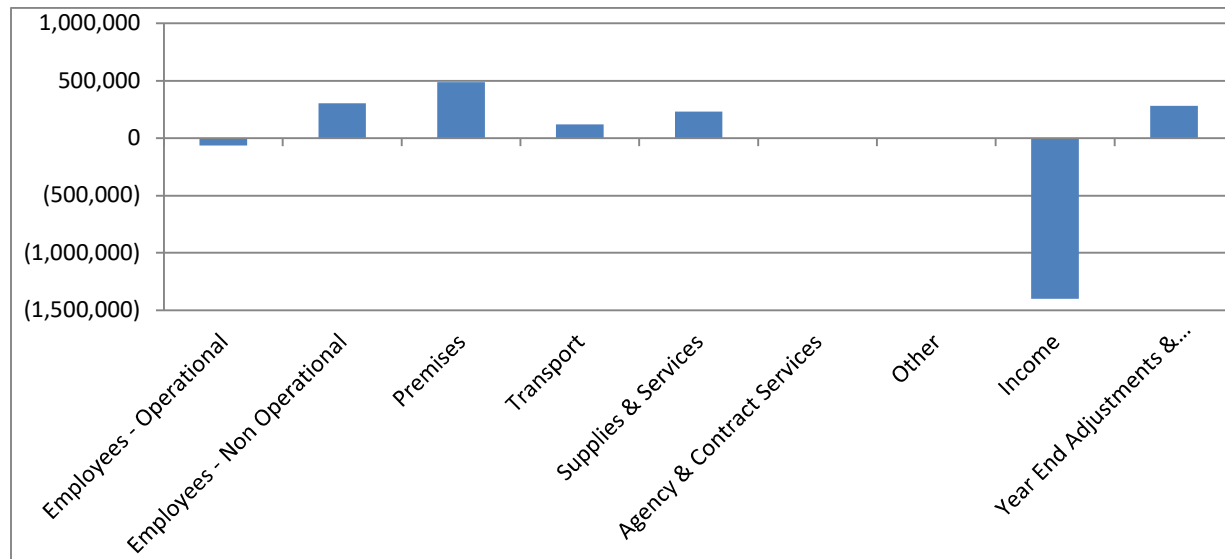
Revenue income and expenditure

The Authority ended the year with an underspend of £531k, as set out in the table below. This compared with an underspend of £126k in 2022/23.

Summary of Expenditure by Category 2023/24	Budget £	Actual £	Variance £
Employees - Operational	22,346,500	22,280,959	(65,541)
Employees - Non Operational	8,437,400	8,739,866	302,466
Premises	1,194,200	1,681,692	487,492
Transport	680,700	799,969	119,269
Supplies & Services	4,392,700	4,624,393	231,693
Agency & Contract Services	21,700	16,195	(5,505)
Other	808,500	803,520	(4,980)
Income	(2,854,100)	(4,253,408)	(1,399,308)
Year End Adjustments & Capital Charges	(129,700)	352,619	482,319
Year end Contribution to reserves	34,897,900	35,045,805	147,905
Government Grants and Precepts (including Collection Fund)	(34,897,900)	(35,577,083)	(679,183)
Year End Contributions to Reserves	0	(531,278)	(531,278)

Variations

A summary of the budget variance is shown below, along with explanations of the larger variances.



Employees

The outturn figure for non-operational employees is an overspend £302k which is largely due to an unbudgeted extra pay award, and additional pay costs relating to Fire Safety and the Local Resilience Forum (offset by additional income).

Premises

The overspend in premises of £487k is a result of the increase in costs of utilities being over budget for electricity (£135k) and gas (£77k) and a further amount as a result of unbudgeted repairs, maintenance and decoration across all sites within the service (£249k).

Transport

The overspend within the transport area above of £119k is mainly as a result of the increase in cost of testing and spare parts being over budget.

Supplies and Services

The overspend within supplies and services of £232k is mainly as a result of increased cost of communications / information system support.

Income

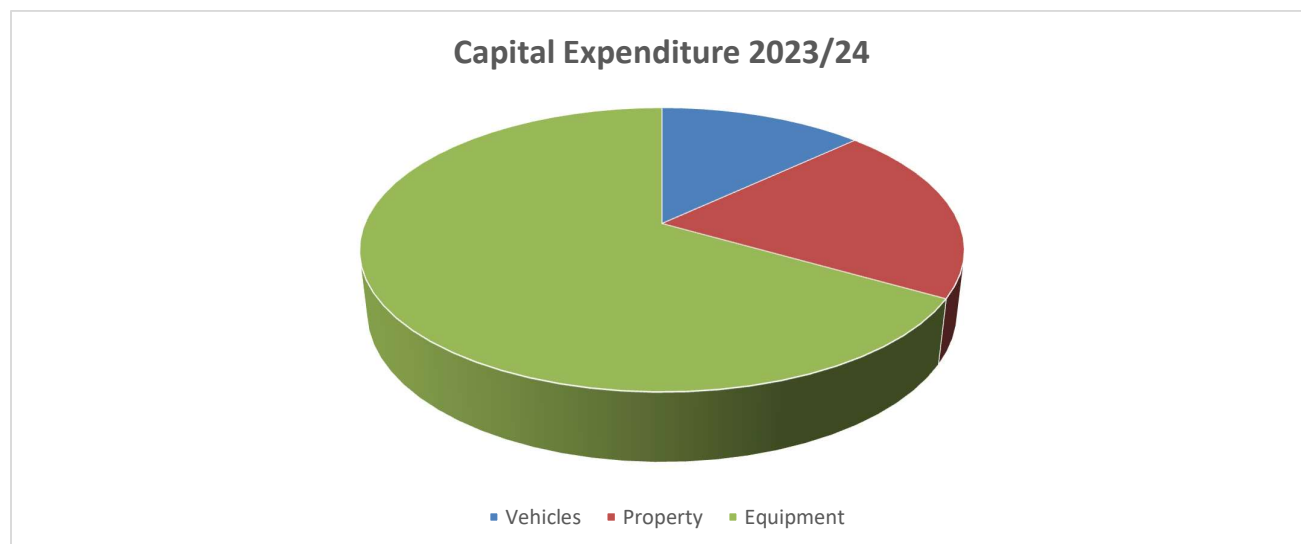
The underspend of (£1.399m) in income is mainly as a result of investment income being higher than budgeted (£770k) as a result of the large increase in investment returns following interest rate rises, plus other income for grants and contributions (£262k above budget); and extra fees and charges (£389k above budget).

Government Grants and Precepts (incl Collection Fund)

The underspend of £679k within this area is as a result of extra income received relating to collection fund amounts relating to Business Rates and Council Tax above the budgeted amount.

2023/24 Capital Programme

In 2023/24 the FRA spent £1.955m on capital projects, of which £255k was spent on vehicles, £396k property spend and £1,304k on equipment. The FRA funded some of its capital programme from capital reserves (£322k), with the remainder being financed directly through revenue.



The table below shows the movement in capital resources available to fund capital expenditure in future years.

	Brought Forward £'000	Contributed to in year £'000	Used in year £'000	Carried forward £'000
Usable Capital Receipts	548	16	(322)	242
Grants and Other Contributions	159	0	0	159
Vehicle Appliance Reserve	48	0	0	48
Capital Reserve	3,639	2,158	(1,955)	3,842
	4,394	2,174	(2,277)	4,291

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Fire 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, the 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/LASAAC 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 judgments and estimates that were reasonable and prudent;
- Complied with the local authority Code;
- Kept proper accounting records which were up-to-date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of the Treasurer

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

Gavin Chambers CPFA
Treasurer to Bedfordshire Fire and Rescue Authority

Signed on behalf of the Fire Authority

*I confirm that these accounts were approved at the post-audit stage, by the Bedfordshire Fire and Rescue Authority Audit & Standards Committee Chair on **** to be confirmed ****.*

Councillor Amjid Ali
Chair of the Audit & Standards Committee

ANNUAL GOVERNANCE STATEMENT FOR THE YEAR 2023/24 **(Including the Operational Assurance Statement)**

1. Scope of Responsibility

Bedfordshire Fire and Rescue Authority is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure the continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs and for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

The Authority has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*.

This Statement explains how the Authority has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement.

The Authority's financial arrangements conform to the governance requirements of the CIPFA – Statement on the Role of the Chief Financial Officer in Local Government. The Treasurer/Assistant Chief Officer reports in his role directly to the Chief Fire Officer and sits on both the Strategic Command Team as well as the Corporate Management Team. The Treasurer is in a position to bring influence on all material business decisions and is involved in the daily business of the Authority as well as the strategic planning.

2. The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which the Authority is directed and controlled and its activities through which it accounts to and engages with 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 significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going 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.

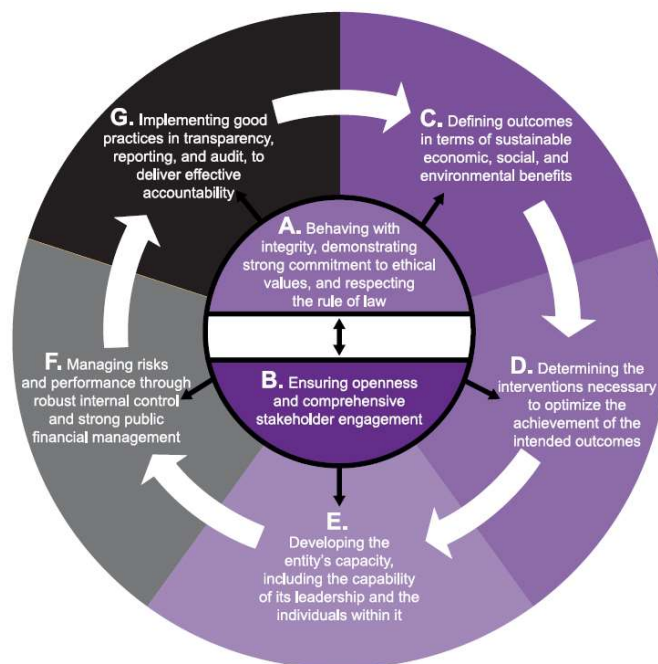
The governance framework for the Authority has been in place for the whole of the financial year 2023/24.

3. The Governance Framework

Bedfordshire Fire and Rescue Authority's governance framework derives from seven principles identified in The International Framework: Good Governance in the Public Sector (CIPFA/IFAC 2014). The updated framework that was reviewed by CIPFA in 2015 and published in April 2016 includes these. The seven principles are:

- a. behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law
- b. ensuring openness and comprehensive stakeholder engagement
- c. defining outcomes in terms of sustainable economic, social and environmental benefits
- d. determining the interventions necessary to optimise the achievement of the intended outcomes
- e. developing the entity's capacity, including the capability of its leadership and the individuals within it
- f. managing risks and performance through robust internal control and strong public financial management
- g. implementing good practices in transparency, reporting and audit to deliver effective accountability.

The diagram below is taken from the International Framework: Good Governance in the Public Sector (CIPFA/IFAC 2014) and is reproduced in the 2016 Framework. It illustrates the various principles of good governance in the public sector and how they relate to each other.



There is a substantial element of common ground between the seven principles introduced in the 2016 framework and the six core principles used in the original 2007 framework.

The key elements of each of these core principles at Bedfordshire Fire and Rescue Authority are as follows:

a. behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law

The behaviour of members and officers is regulated through separate Codes of Conduct which have been formally approved and adopted. These Codes are supported by numerous protocols that apply the principles of the codes to specific areas of Authority activity.

In addition the Authority has a committee that covers standards, the Audit and Standards Committee, whose roles and functions relating to standards include:

- Discharging the Authority's duty under the Localism Act 2011 to ensure that its Members (and any co-opted Members) maintain high standards of conduct.
- Advising the Authority on the operation of its Code of Conduct and any changes to the Code (including its register of interests) that may be necessary or desirable.
- Monitoring the operation of the Authority's arrangements for dealing with standards allegations against Members under the Localism Act 2011 and making any changes that may be necessary or desirable.
- Receiving regular reports on any standards allegations against members.
- Authorising the Monitoring Officer to take action on the advice of the Committee Chair where it is necessary to appoint a Panel of Members to advise whether to investigate a complaint; or an Adjudication Committee to adjudicate upon a complaint following a finding of breach of the Code by a Member; or any other action in relation to the preparation for, or the hearing of, a matter by the Adjudication Committee.

The FRA has collaborated with local public sector organisations for the recruitment of a Panel of Independent Persons. This is noted in para 4b below.

The Authority recognises the importance of the principles of corporate governance and the need to apply them across all areas of the Authority's corporate activities. The Governance Framework is reviewed against the guidelines issued by CIPFA/SOLACE and the findings are reported to Committee annually.

As well as a Code of Conduct outlining behaviour for officers, the Chief Fire Officer, Treasurer (as Section 112/151 Officer) and Monitoring Officer have specified roles within the Constitution to ensure reports prepared for member decision comply with the budget and policy framework and are lawful.

Each member receives copies of meeting agendas in advance. As one of the agenda items for each meeting, the members are required to declare any interests at the outset of the meeting.

In addition, members are encouraged to undertake any training relevant to their area of decision making.

The internal auditors give an annual opinion on the internal control framework. The internal auditors operate to standards set out in the 'Code of Practice for Internal Audit in Local Government in the UK'.

External audit complies with the statutory requirements governing their audit, in particular:

- The Local Government Act 1999;
- The National Audit Office's Code of Audit Practice (the Code).

The Code defines the auditors' responsibilities in relation to the financial statements and the arrangements for securing economy, efficiency and effectiveness of the audited body's use of resources.

The Authority has policies to safeguard both itself and its staff when making decisions. Both an Anti-Fraud, Bribery and Corruption Strategy and a Whistle Blowing Policy have been developed and are communicated to staff as part of the employee induction process and on an annual basis. The Whistle Blowing Policy and the Anti-Fraud, Bribery and Corruption Strategy (including the National Fraud Initiative) were reviewed and approved by the Audit and Standards Committee in January 2023.

The financial management of the Authority is conducted in accordance with the financial rules set out within the Constitution and in the Financial Regulations.

The Authority's overall financial arrangements are governed by its Medium-Term Financial Strategy, which sets out the financial framework for the delivery of the Authority's strategies and plans. In determining the revenue and capital financial framework, a number of factors are taken into account including the national context, the distribution of local government funding from central government along with other local and external funding sources.

This is supported by robust budget setting and monitoring arrangements and detailed financial regulations, which form part of the Constitution. All designated budget managers are required to monitor their budgets in consultation with the Head of Finance and the Finance Team. Budget managers are responsible for their expenditure (and income) and are therefore ultimately accountable to Members for their budgets. The forecast outturn position is reported in year to the CMT and FRA.

The Authority manages its investments within the guidelines of its Treasury Management Strategy, which is approved by members on an annual basis. This is in accordance with the Treasury Management Strategy and Practices adopted by the Authority, that are in line with the CIPFA guidance.

There is a requirement for each Pension Scheme Manager (Bedfordshire Fire & Rescue Authority in our case) to establish Local Pension Boards that will assist the Scheme Manager in ensuring that the scheme complies with legislation relating to its governance and administration, its own rules and any requirements of The Pensions Regulator. The Authority established a Pensions Board and its meeting on 31 March 2015. The Pension Board meets at least three times a year.

b. Ensuring openness and comprehensive stakeholder engagement

Bedfordshire Fire and Rescue Authority recognises communication and engagement both internally and externally is essential in the successful delivery of high-quality, cost-effective services.

The Authority is constantly striving to improve its communication performance and ensure it is open, transparent and accessible to the community and colleagues. In 2023/24 the Authority has:

- Adhered to the Transparency Code and GDPR requirements, with relevant information published on the Authority's website (with some areas delayed due to capacity)
- Launched a new website that adheres to Government Digital Service guidelines and complies with Web Content Accessibility Guidelines
- Evolved the Service's brand and continued to maximise opportunities for promotion to ensure the public recognise the services BFRS provide
- Supported a wide range of national safety weeks and other events to promote fire, road, water and other home and outdoor safety messages to local communities and supporting the national fire safety agenda in line with the NFCC
- Complied with duties under the Civil Contingencies Act (2004) to warn and inform the public and provided strategic and tactical communication support for high profile and major incidents to ensure stakeholders were informed and managed
- Established a virtual community panel to support engagement with local communities to hear views and shape the future of BFRS
- Led a public consultation in line with LGA best practice to support the change of response standards, enabling the Service to be clearer about its performance and use crews more flexibly
- Produced the 2023-24 electronic precept leaflet setting out the annual budget and expenditure
- Successfully supported recruitment campaigns for on-call and wholetime firefighters, resulting in increased applications and onboarding
- Reviewed its internal communication approach and introduced new tactics, including providing more strategic advice to support organisational change and project management
- Collaboratively with colleagues developed the SharePoint intranet to ensure internal news is shared frequently in a timely manner
- Invested in appointing a strategic Head of Communication to support the organisation and senior leaders with key priorities including reviewing the skills and processes of the communication function, managing reputational issues, effectively communicating the HMICFRS inspection report, and building stakeholder relationships

The Authority continues to listen to feedback from the local community and to learn from communication and engagement best practice.

The Authority's programme for securing continuous improvement in its services is set out in the CRMP. Actions for improvement are drawn from a variety of sources including external performance assessment, the Authority's internal reviews and audits, external inspections, issues arising from performance management, consultation exercises, and Service improvements identified by the Authority's complaints and comments procedure.

The Fire and Rescue Authority and Audit and Standards Committees are open to the public except where personal or confidential matters are discussed. All agendas and minutes are placed on-line, along with the Authority's plans, policies and strategies. These items are also available by directly contacting the Authority, should anyone be unable to access these electronically.

- c. defining outcomes in terms of sustainable economic, social and environmental benefits**
- and**
- d. determining the interventions necessary to optimise the achievement of the intended outcomes**

A clear statement of the Authority's mission and direction is set out in the Authority's strategic aims which form an overarching guide to the development of Service strategies which are considered and reviewed as part of the annual strategic assessment. Based upon the long term strategic direction and strategic assessment the Authority consults upon, develops and publishes a Community Risk Management Plan which contains the Authority's priorities and key service delivery actions for a rolling four year period to coincide with the four year Medium Term Financial Strategy, and gives a detailed description of the key improvement projects for the current year.

The Corporate Management Team over 2023/24 reviewed the progress of the major change projects and individual projects are managed by way of project boards. This process was strengthened during 2021/22 by the introduction of a dedicated Programme and Project Officer and in 2022/23 a Corporate Projects and Programme Board was established. Performance outcomes and overall performance and achievements of the Authority are contained within a section of the Community Risk Management Plan.

A Medium-Term Financial Strategy, covering a rolling four-year period and aligned with the Community Risk Management Plan, is developed to resource the Authority's plans. As part of the budget cycle, Service Managers produce financial proposals for key Service priorities and associated projects which are presented to Members for approval, in conjunction with the Authority's on-going financial commitments.

Performance indicators are set and targets are agreed in line with the Authority's planning cycle and target setting methodology. Once the Community Risk Management Plan and annual budget have been finalised and approved by the Authority, employee personal appraisals and development reviews, agreeing individual targets and actions, take place.

Performance against targets is monitored on a quarterly basis by areas/functions, the Corporate Management Teams and members at the FRA meetings. The performance management arrangements of the Service have again been enhanced over 2023/24 through improved data quality and performance information systems. An overarching performance summary is now produced publishing results for different functional groups in one report to the full Authority.

- e. developing the entity's capacity, including the capability of its leadership and the individuals within it**

Bedfordshire Fire and Rescue Authority has adopted a Constitution which sets out how the Authority operates, how decisions are made and the procedures which are followed to ensure these are efficient, transparent and accountable to local people.

Following the appointment of a new Monitoring Officer from September 2022, the Constitution has been reviewed, refreshed and approved by the FRA.

The main decision-making body is the Fire and Rescue Authority (FRA) whose meetings are open to the public. There is an Audit and Standards Committee and Executive Committee.

The Chair of the Audit and Standards Committee reports recommendations arising from meetings to each meeting of the Authority.

Ongoing policy and decision making are facilitated by a clear framework of delegation set out in the Authority's Constitution, with clear details of delegated authorities to officers.

All reports are reviewed for legal, HR, financial, equality and risk considerations prior to being presented to Members of the Authority for formal decision-making.

The Corporate Management Team (CMT), which is chaired by the Chief Fire Officer, met at least monthly during 2023/24, with functional heads attending, and provides the ongoing management of the implementation of the Service strategy. It also considers other internal control issues, including risk management, performance management, compliance, efficiency, value for money and financial management. Strategic direction is provided by the Strategic Command Team comprising during 2023/24 of the Service's Principal Officers. The Service has reviewed the terms of reference for each of these management teams and has also aligned performance and project management reporting between these teams and the Fire and Rescue Authority meetings.

A full suite of job descriptions and person specifications defining the roles of officers and the statutory positions of Treasurer and Monitoring Officer are in place.

During 2023/24 the Authority had a Treasurer and Monitoring Officer. Between them, they ensure that the Authority complies with relevant laws and regulations, internal policies and procedures and that expenditure is lawful. They act as independent advisors to the Authority.

The Treasurer will ensure that appropriate financial advice is given on all financial matters, that proper financial records and accounts are maintained and that there is an effective system of internal financial control. The Monitoring Officer ensures that agreed procedures are followed and that all applicable statutes and regulations are complied with.

Both the Monitoring Officer and the Treasurer see all draft Authority reports before they are published. They also attend the Authority briefing meetings as required by the Chief/FRA Chair, that are prior to the formal meetings and attend the formal public meetings too.

There is a robust budget and policy framework and detailed financial regulations, which are monitored by the Treasurer and the Monitoring Officer. The financial regulations were updated and approved by the Audit and Standards Committee on 4 March 2021 and they are currently under review. The Constitution is updated continually to reflect any changes in structure and as noted above, has received a thorough review and refresh by the new Monitoring Officer during 2023/24.

ICT Shared Service

A formal shared ICT service agreement was signed under seal by the Secretary and Monitoring Officers for both Bedfordshire and Cambridgeshire Fire and Rescue Services in October 2013. Schedule 4 of that document defines the terms of reference for the Shared Services Governance Board. The board's role is to:

- Ensure that the ICT Shared Service is effective, efficient and resilient
- Agree Budget for the following Financial Year
- Identify opportunities for improvement
- Ensure an annual review of the agreement

The Governance Board currently meets regularly and is quorate with the attendance of Principal Officers of each party.

The Authority has devoted resources to ensuring the high standards of its Members and staff to ensure that the Authority's employees have the right knowledge, skills and motivation to work effectively.

For all operational staff, the Authority continues to embed the requirements of the national Integrated Personal Development System (IPDS) which supports a competency-based personnel management approach using role maps underpinned by National Occupational Standards. The system is designed to improve efficiency and develop staff effectively, and ensures that all staff are recruited, developed and progressed fairly and transparently, with overall performance and competencies regularly reviewed.

Job descriptions and person specifications have been drawn up for all posts to ensure that the best candidates are appointed into each position. All officers (operational and non-operational) employed by the Authority receive an annual personal development review (appraisal) at which performance is measured against set objectives. Training needs are also identified as part of this process and addressed via the Service Training Manager or the individual's line manager as appropriate.

A significant commitment has also been made towards retaining staff, by offering various flexible working schemes and where possible encouraging succession planning and promotion from within. This ensures that valuable skills and experience are retained and passed on, rather than being lost.

The Authority's Chair and Chief Fire Officer over 2023/24 had a good working relationship and held regular meetings to discuss any emerging issues. There were regular formal meetings between members and senior officers through the Audit and Standards Committee and the FRA. At each meeting there is also a review of the work programme for the year ahead. A formal member and employee protocol has been developed and adopted by the Authority.

There is a significant amount of training available to members throughout their term of office. As well as an initial induction programme, training is also provided through bespoke training days and information reports on various subjects such as the Statement of Accounts, budget setting process, treasury management and risk management.

f. managing risks and performance through robust internal control and strong public financial management

The Audit and Standards Committee is outlined at Section a) *Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law*. The Audit and Standards Committee has been established to evaluate Audit Activity, Regulatory Framework, Accounts and Standards. In February 2011, the Authority increased the powers of the Audit and Standards Committee to oversee the production of, and approve, the Authority's Annual Governance Statement and the Statement of Accounts.

During 2022, there was a thorough review of the governance arrangements of the FRA by the Local Government Association. The outcome of the review can be found here, where the action plan post review was presented to the FRA in October 2022:

<https://bedsfireresauth.moderngov.co.uk/ieListDocuments.aspx?CId=134&MId=498&Ver=4>

The management of risk and business continuity continues to develop across the Authority. There are a range of business continuity events scheduled each year, to test the plans in place are effective. The Service has also engaged with RSM our internal auditors, for the second time, to review our corporate risk register and work with our CMT on it to ensure it is fit for purpose, reflecting clearly our key corporate risks with appropriate mitigating actions in place.

The Service's business continuity arrangements are tested as part of the assurance framework to ensure delivery of service during times of business disruption, in particular during a trade dispute or reduced staffing due to pandemic. Following the trade dispute between the Fire Brigades Union (FBU) and the government in May 2013 over pension arrangements the Service's business continuity arrangements have been formally tested on a number of occasions where national strike action has taken place. With strikes potentially happening over 2023/24, planning was again put in place for operational business continuity arrangements. During all periods of strike action the Service has successfully implemented business continuity plans ensuring that fire cover has been provided in line with current arrangements.

In addition to the development of risk management and business continuity processes the Service's Corporate Risk Register has undergone further refinements. These improvements continued during early 2020 with the Corporate Risk Register having a full re write. This was following a review of risks and a training session with RSM. These refinements allow for the assessment and prioritisation of risks providing for full and detailed evaluation of control measures thereby minimising any potential impacts of identified risks within the monitoring framework. As noted above, a review took place again with RSM during 2023/24 and this was combined with the NFCC national risk register template.

The identification and management of corporate risk remains a priority for the Service with it being a standard agenda item for strategic meetings, cascaded across the Service through managerial chains and reported to the Fire and Rescue Authority through the Audit and Standards committee. All identified risks within the Service have an owner assigned from the Corporate Management Team who is responsible for the development of an appropriate action plan. The action plan is used as the basis to mitigate risk and is regularly reported to members of the Corporate Management Team for progress and amendments including changes to levels of risk and associated actions

Information security - the Service has an identified Senior Information Risk Officer (The Treasurer) and group that commenced meeting in early 2020, the Information Management and Assurance Board. The ICT Team have also secured Cyber Essentials plus accreditation and hold their own security meetings too.

g. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

The Service aims to meet the requirements of the Transparency Code. This published information can be found via the following website link:

<https://www.bedsfire.gov.uk/About/Governance/Transparency.aspx>

Transparent decision making is evident through many sources, including the Fire and Rescue Authority. All decisions of the Fire and Rescue Authority are captured in the publicly available reports and minutes. The reports are written in an understandable style, ensuring that they are easy to access and interrogate, without too much detail.

The Authority uses the Modern.gov system to enable easy access to committee papers and decisions.

Key reports, demonstrating the above include this Annual Governance Statement, the statement of accounts, the annual external and internal audit reports and numerous annual committee reports which can be viewed via the link below.

<https://bedsfireresauth.moderngov.co.uk/ieDocHome.aspx?bcr=1>

Internal audit recommendations are reported on to ensure these are completed in a timely manner. Where medium or high recommendations, these are followed up by internal audit to ensure that they have been implemented appropriately as reported.

Both internal and external audit have access to the Treasurer, Chair of the Audit and Standards Committee, FRA Chair, Monitoring Officer and the Chief Fire Officer.

The Authority welcomes peer challenge, review and inspections. His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS), was welcomed to the Service in the summer of 2018, as part of tranche one of inspections. The tranche 1 (judged Good at Effectiveness) and 2 inspection reports can be found via the following link:

<https://www.justiceinspectrates.gov.uk/hmicfrs/>

In the 2021 tranche 2 inspection report, the Service and Authority were delighted to be judged as "Good" at "effectively keeping people safe and secure" within our communities and "Good" at how well it looks after its people.

A Covid inspection was undertaken during 2020 (see link below) and in early 2021 the Service welcomed its second main inspection.

<https://www.justiceinspectrates.gov.uk/hmicfrs/publications/covid-19-inspection-bedfordshire-fire-and-rescue-service/>

The most recent inspection was undertaken during early 2023, with report on the findings viewable via the link below. Further information on the HMICFRS inspection is also included later in this AGS, in the Operational Assurance Statement section.

[Effectiveness, efficiency and people 2023/25 – Bedfordshire Fire and Rescue Service - His Majesty's Inspectorate of Constabulary and Fire & Rescue Services \(justiceinspectrates.gov.uk\)](https://www.justiceinspectrates.gov.uk/hmicfrs/publications/effectiveness-efficiency-and-people-2023-25-bedfordshire-fire-and-rescue-service-his-majestys-inspectorate-of-constabulary-and-fire-rescue-services)

Where formal working partnerships have developed, such as the Shared ICT Services with Cambridgeshire FRS, there are clear governance arrangements in place. These include Board meetings and minutes.

The Corporate Programme Board (CPB) was established in November 2020 and is another layer of Governance to deliver Corporate Objectives (CRMP) with support from the central Programme Management Office. The CPB reports to CMT..

Review of Effectiveness of System of Internal Control

Bedfordshire Fire and Rescue Authority has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the Corporate Management Team, who have responsibility for the development and maintenance of the internal control environment, and also by the reports and recommendations of the external auditors and other review agencies and inspectorates.

The key features of the Authority's internal control framework which directly contribute to the review of effectiveness are:

- a. The Authority (and Executive Committee)
- b. The Audit and Standards Committee
- c. Audit Committee
- d. Internal Audit
- e. External Audit
- f. Assurance Statements

a. *The Authority*

The key formal documents governing the internal control framework for the Authority are within its handbook. All delegation of decision-making is made in accordance with the requirements of the policies within the handbook and the Scheme of Delegation.

The formal rules governing the way in which the Authority and officers conduct their business are also set out in the handbook and include:

- Standing Orders
- Procurement Policy and Procedures
- The Financial Regulations
- Code of Conduct
- Information Security

Authority reports are reviewed by the Monitoring Officer to ensure that they are lawful and by the Treasurer (Section 112/151 Officer) for financial and risk implications prior to being presented to Members.

The Monitoring Officer has a duty to monitor and review the Constitution to ensure that its aims and principles are current. The Constitution is reviewed regularly and updates are issued as necessary. Recent changes to the Constitution have included updates to the Financial Regulations and the updates to the Procurement Policy and Contract Procedures to the revised Procurement Policy and Procedures.

As mentioned at Section a) *Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law*, the Authority, in 2011/12, agreed to review its effectiveness on an annual basis. A Review of the Authority's Effectiveness was put on hold for 2021/22 and during 2022 the review of governance and effectiveness was undertaken externally by the LGA. An action plan was presented to the FRA in October 2022 and has been monitored since. A record of members' attendance is available on request.

b. Standards

There have been no complaints against members during 2023/24.

The FRA discharges its duty under the Localism Act 2011 (the Act) through its Audit and Standards Committee. The standards provisions of the Act came into force on 1 July 2012 and place a duty on authorities to ensure that its members (and any co-opted members) maintain high standards of conduct. The Act also requires authorities to adopt a Code of Conduct (in place of the former National Code) and have in place arrangements to investigate any written complaints of breach of the Code of Conduct by a member.

The FRA has adopted a Code of Conduct and updated its registration of interests arrangements to reflect the change to disclosable pecuniary and other interests required by the Act.

The Act also required the FRA to put in place arrangements for the appointment of at least one independent person whose views must be sought and taken into account before the FRA can take any decision on an allegation it has decided to investigate. The views of the independent person may also be sought in relation to an allegation at other stages in the process and s/he may also be consulted by a member who is the subject of an allegation.

Since the relevant provisions of the Localism Act 2011 came into force on 1 July 2012 the Authority has worked jointly with neighbouring local authorities to appoint independent persons. In 2016 joint appointments were made with Bedford Borough Council. The terms of office of the independent persons expired at the end of July 2020 but were extended until July 2021 because of the pandemic. It has since been approved via the Audit Committee and the FRA that these arrangements continue.

c. Audit Committee

The Audit Committee was established in 2010/11 and now meets quarterly as the Audit and Standards Committee. Its Committee ensures that the following areas of the Fire and Rescue Authority are functioning efficiently and effectiveness, challenging areas of underperformance as required and approving any associated policy or activity as necessary:

- Audit activity
- Regulatory Framework
- Accounts
- Standards

d. Internal Audit

The role of internal audit is to review the internal control framework that governs the operations of the Authority and, in so doing, provide an independent opinion to both management and members of the Authority on the robustness of the Authority's internal control environment.

RSM continue as the Authority's internal auditors following a successful procurement tender process in 2016 and more recently in 2021. The work of the team complies fully with the requirements of CIPFA's Code of Practice for Internal Audit in Local Government in the UK.

An Annual Audit Plan is developed by the auditors, in conjunction with the Treasurer and is based on a risk assessment of all the services/systems of the Authority. Members and managers are directly involved in the development of the plan. The plan is subject to review by CMT, prior to being approved by the Audit and Standards Committee. The plan identifies the audits to be completed each year, including core fundamental systems and other operational systems.

The reporting process for internal audit requires a report of each audit to be submitted to the relevant Corporate Management Team member and other relevant managers. The Treasurer also receives a report of all audits completed.

Each audit report includes agreed recommendations for improvement. All recommendations are followed up by Internal Audit where above low, to ensure they have been implemented. An opinion of the overall internal control environment is also provided. Where assurance is deemed to be unsatisfactory, immediate action is required.

The work contained within the 2023/24 Audit Plan is shown in the table below. Where applicable, management action plans have been agreed to address issues raised.

The table below shows the evaluation received for each area of work. There are four levels of assessment – No Assurance, Partial, Reasonable and Substantial. There was one high recommendation made in an “Advisory” audit. This was on ensuring that where audit recommendations had been deemed as actioned/closed, that there was adequate evidence to demonstrate this for the follow up audit. This has been deemed as actioned and not raised in the more recent follow up audit.

The level of recommendations made is also identified below:

Assignments	Assurance Level	Actions agreed		
		L	M	H
Contaminants and Staff Health and Safety	Partial Assurance	1	2	1
Strategic Approach to Partnerships and Collaborations	Partial Assurance	1	8	0
Governance of the Project Management Office	Substantial Assurance	2	0	0
Stock Control in Stores and Technical Bay (Draft)	Reasonable Assurance	4	3	0
Key Financial Controls (Draft)	Substantial Assurance	0	0	0
Follow Up (Draft)	Adequate Progress	2	0	0

The Annual Internal Audit report for 2023/24 by RSM, advises that “The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective”.

e. External Audit

This Authority remains committed to continuing to improve its performance towards achieving excellence in all areas. Value for Money (VFM) is still part of an annual review carried out by the external auditors. The Authority’s new external auditors for 2023/24, KPMG, will report on the adequacy of the Authority’s arrangements.

Public Sector Audit Appointments (PSAA) regulate the local public audit market, where signed up to its framework, and monitor the performance of the firms providing audit services.

Value for Money

Our external auditors will consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness for the use of our resources. This is known as the value for money conclusion.

For 2023/24 this is based on the overall evaluation criterion:

“In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people”

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise of arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

In considering proper arrangements, KPMG will draw on the requirements of the CIPFA/SOLACE framework for local government, to ensure that our assessment is made against a framework that the Authority is already required to have in place and to report on through documents such as this Annual Governance Statement.

For the 2023/24 financial year, the review has yet to take place and is currently being scheduled.

f. 2023/24 Operational Assurance Statement

HMICFRS Inspections

In February and March 2023 His Majesty's Inspectorate of Police and Fire and Rescue Services (HMICFRS) conducted its third full inspection of Bedfordshire Fire and Rescue Service covering the areas of effectiveness and efficiency and people. The report detailing their findings was published on 18 August 2023.

In the report, HMICFRS states that 'The service builds its financial plans on sound scenarios. They help make sure the service is sustainable and underpinned by financial controls that reduce the risk of misusing public money. Financial planning, financial systems, and audit arrangements are all satisfactory.'

In regard to future financial challenges HMICFRS states that 'The underpinning assumptions are relatively robust, realistic and prudent. They take account of the wider external environment and some scenario planning for future spending reductions. These include assumptions on pay, inflation, and future funding.'

HMICFRS recognised that the service has a comprehensive ICT strategy that considers how changes in technology and future innovation may affect risk. It also seeks to exploit opportunities to improve efficiency and effectiveness presented by changes in technology. For example, the service has a digital, data, and technology steering group. This group makes sure the ICT strategy aligns the needs for efficiency and productivity with those in the digital, data, and technology strategy 2023–27.

During the inspection HMICFRS identified 22 areas for improvement and one cause for concern.

In response, the Service produced a dedicated action plan for the cause for concern. This was in relation to firefighter fitness testing. The cause for concern was swiftly addressed and the Service was re-inspected on this issue from the 27 November – 1 December 2023. HMICFRS wrote to the Chief Fire Officer on 19 January 2024 detailing their findings of the re-inspection and concluded that during the revisit they were ‘pleased to see the significant efforts Bedfordshire Fire and Rescue Service has made in response to the cause of concern. It has improved the way in which it assures itself that operational members of staff meet the minimum fitness requirements to perform their role. We recognise the considerable work that the service has carried out to improve. As a result, we now consider this cause of concern to be discharged.’

A comprehensive action plan was also developed to address the Areas for Improvement. This action plan is regularly updated by members of the Corporate Management Team and has been subject to regular scrutiny by the Corporate Management Team and the Fire and Rescue Authority. The Service can demonstrate clear progress against all of the Areas for Improvement.

Identify and assess risks in our local area

The Service regularly assesses the risks within Bedfordshire and allocates resources accordingly to prevention, protection, and response activities.

Modelling of risks and communities has resulted in plans, specific to each station and their risk needs, which are regularly monitored and updated to measure progress against them.

The risks identified are used to generate the [Community Risk Management Plan](#) (CRMP). This sets out the services aims over the coming year and its commitment to continuous improvement of the services it provides to the communities of Bedfordshire

Prevention

At the outset of 2024, our service unveiled a comprehensive plan that demonstrates how we utilise our risk stratification methodology. This data-led approach enables us to identify and target individuals most vulnerable to risk factors. Powered by our Home Fire Safety Visit (HFSV) data and socio-economic insights, this methodology ensures that our resource allocation aligns proportionately with risk.

Recently, the Service launched an HFSV quality assurance programme. This programme is designed to analyse the entire lifecycle of a HFSV spanning from referral prioritisation to visit delivery. Within the customer engagement element of our QA programme, we have incorporated evaluation designed to measure impact through behaviour change. Enhancements to our suite of bespoke behavioural change surveys have enabled us to better understand the impact and effectiveness of campaigns and events. Through our now-established Prevention report schedule we continue inform the pan Bedfordshire approach by sharing our data and outcomes with partners.

The Service continues to maximise its reach and impact by collaborating with partners to deliver educational risk reduction initiatives in Road Safety, Water Safety, and Youth Intervention. Notably, in March 2024, we proudly introduced “Vision,” an immersive virtual reality experience. Jointly funded by BFRS and the PCC, “Vision” serves as a powerful tool for engaging and educating young road users.

Enhancements to our safeguarding training program, including bespoke training for duty group commanders and control operatives in addition our Safeguarding Team working with the NSPCC

to complete an advanced safeguarding training module, has increased our ability to identify and act on instances of abuse or neglect. This commitment is reflected in a 48 per cent overall increase in referrals generated by BFRS staff compared to the previous year.

The Service continues to utilise Fire Standards Board to ensure we align with the Prevention, Safeguarding and Fire Investigation Fire Standards. Alignment to the Fire Standards Board assures that we will take appropriate action to mitigate the risk to the communities of Bedfordshire whilst maintaining the expected professional Standards for fire and rescue services in England.

Protection (Building Safety)

Our Community Risk Management Plan (CRMP) 2023-27 states our nine protection priorities and details our approach to ensure we are successful in achieving them. The following sets out how we have due regard for our commitments to these priorities.

BFRS continues to ensure it carries out its statutory duty to enforce the Regulatory Reform (Fire Safety) Order 2005 (FSO). This includes enforcing and educating businesses on the changes made to the FSO by new legislation such as the Fire Safety Act 2021, Fire Safety (England) Regulations 2023, and The Building Safety Act 2022.

The Service continues to train and qualify its Fire Safety Regulators in line with the NFCC Competence Framework. This includes training staff both inside and outside of the Protection department to build organisational resilience and ensure staff are qualified to fill future anticipated vacancies.

An intelligent database has been developed named the Fire Risk Data Warehouse. This database is a fluid risk scoring system that accounts for factors such as building height, occupancy type, building footprint, previous fires, and previous audit outcome to name a few. This allows us to identify our highest-risk premises and target our resources accordingly. This new database scoring also aligns to the new NFCC guidance on risk and prioritising fire safety interventions, released in 2024 and forms the foundation of our Risk Based Interventions Programme.

Through our proactive audit programme, investigating building complaints, after fire inspections and working collaboratively with other agencies including the three local authorities; where appropriate BFRS enforces and prosecutes responsible persons that contravene the FSO. To ensure we take a fair and proportionate approach we have added an enforcement manager to the Protection Team.

To ensure we are as effective and efficient as possible we use non-specialist operational crews to visit lower-risk premises to undertake basic fire safety checks.

The Service strives for continual improvement, to that end and to ensure we are carrying out our Protection activity to the highest standard, we continue to carry out our programme of quality assurance monitored by our team of competent fire safety managers. We are implementing a digital means of recording this QA to enable us to easily identify trends in behaviours to inform our future training.

BFRS has committed to providing a competent Fire Safety Inspector to the newly formed Building Safety Regulator, led by the Health and Safety Executive. This role will work in a multi-disciplinary team to assist in the regulation of building safety risks for Higher Risk Buildings (HRBs) throughout their design, construction and refurbishment phases.

The Service receives fire safety design proposals as part of the statutory building regulations consultation process. These are often complex and require the correct knowledge, skill and experience to be able to respond to the consultation. We have a memorandum of understanding with Essex Fire and Rescue Service to ensure that we always have access to and resilience in people of this skill level. This agreement provides access to complex computer modelling and quality assurance to ensure the safety of the building.

The Fire Standards Board Oversees and maintains professional standards of fire & rescue services in England. BFRS is working towards fully aligning with the Protection Standard. Doing so assures that we will make the built environment safe for the people of Bedfordshire.

Response

Response to incidents in Bedfordshire is delivered on a risk-based approach, as set out in the CRMP.

During the last financial year, BFRS has reviewed the response standards it sets for itself. The purpose of this was to align the way we measure and record responses with the Home Office guidance. By doing this we can then begin to compare our performance with other services of similar size, risk profile, and budget. This will allow us to identify areas for improvement and best practices from other services, in emergency response.

The Service continues to explore the way we deliver emergency response now and in the light of future needs of the county. Response capabilities are subject to an ongoing review, which, in the last year, has seen us streamline our water rescue capabilities and reduce duplication. This process is being applied to other areas of response over the coming years, with an expectation to reduce costs and simplify response arrangements across the service.

In the light of appliance availability, a review of emergency cover has identified areas of the county where response times are difficult to meet, and a series of projects are examining ways to improve those. In line with other services, the daytime availability of some of our on-call appliances impacts upon the level of service delivery we aspire to give. To address this the Response plan set out and delivered an additional “roaming” appliance to provide data on where and when we need to reinforce our response.

Running concurrently with that is a series of initiatives that look to bolster our on-call availability, examining recruitment, selection, training, supporting, developing, and retaining our on-call workforce. This continuous work with our teams to understand the issues and to offer effective solutions where we can is closing the gap between the CRMP target of 22 frontline pumps and where we are now.

The Service seeks to continuously improve the service it gives and looks to embed learning from incidents at the local and national levels. This has been demonstrated by the review of the events surrounding the fire at Luton Airport Car Park Two and our commitment to learning and sharing the lessons from that incident, sector-wide.

The Service maintains its own control function and it is looking to enhance the capabilities of control during the coming year. Making the most of the resources we have, collaborating with other services, and enhancing multi-agency response.

Collaboration

During this financial year, the Service has entered into a partnership with East of England Ambulance Service Trust (EEAST) to deliver a joint initiative. Community wellbeing officers (CWO's) are BFRS-employed staff who respond to falls within the community, freeing up capacity within the ambulance service. This meets our objective of identifying and supporting the most vulnerable members of our community as there is a clear linkage between falls and vulnerability to fire.

In addition to the CWO's the Service also supports EEAST with emergency medical response from several of our stations, with crews attending the most serious of ambulance calls as an initial response.

The Service responds to requests from EEAST to deliver effecting entry for unconscious patients and has a unique partnership to support EEAST in the lifting and transportation of bariatric patients. All of these underline our commitment to supporting the emerging needs of our communities.

The Service has strong ties with our neighbouring and regional fire and rescue services. We are in a strategic partnership with other services in the Eastern region to deliver joint operational guidance and training materials, with BFRS being a full player in that partnership.

The Service has in place reciprocal agreements with our surrounding services that we can call upon them for resources if we should require them, such as at the major incident at Luton Airport car park two. We regularly commit BFRS resources to cross-border incidents in return.

The Service has now fully embedded the local resilience forum (LRF) into day-to-day business and this brings us close partnership working with all category one and two responders within the county. It builds links and closer working relationships that allow us to better prepare, train for, respond to, and recover from incidents.

The Service hosts a mass decontamination asset on behalf of National Resilience. It also declares a water rescue unit available as a national asset for deployment to wide-scale flooding anywhere in the UK. The Service maintains a team capable of supporting rescue operations in the event of a marauding terrorist attack. This regularly takes part in local and regional exercises with partner agencies.

Investing in Our People

Our effective workforce planning processes ensure the Service continues to have an efficient workforce with the right skills in the right place at the right time. The workforce planning outcomes drive our recruitment, talent identification, development, and promotion opportunities.

We recognise that health and wellbeing is not an optional extra. Supporting our staff to be physically and mentally healthy not only forms part of our legal responsibilities, and makes good organisational sense, but it is also the right thing to do for our people who are working to protect our communities.

We offer a range of services to support all employees to maintain healthy lifestyles. These include access to a comprehensive Occupational Health Service, Employee Assistance Programme, The Fire Fighters Charity, specialist mental health, additional mental health provision delivered across the 3 local authority areas of the County, a targeted health scheme that can fast-track diagnostics

for physical conditions as well as access to physiotherapy for muscular-skeletal conditions. We reviewed our mental health provisions and increased these by re-introducing a Mental Health First Aider programme accessible to all Service employees.

We have a range of support and steering groups that have worked collaboratively to improve our support to colleagues with certain protected characteristics and support our wellbeing approach.

We also have a Trauma Risk Incident Management Team who have received 'peer support' training to assist their colleagues who are at risk of suffering from trauma given the variety of traumatic incidents our operational colleagues are exposed to.

We are also providing regular information and advice to our employees that can assist them with the cost of living crisis as well as access to an employee benefit on-line portal to assist them.

Equality diversity and inclusion

Under the Equality Act 2010, public authorities have a legal obligation to comply with the general equality duty. This incorporates nine protected characteristics age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation. To meet our statutory obligations, when exercising our functions, we must aim to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- Advance equality of opportunity between people who share a protected characteristic and those who do not;
- Foster good relations between people who share a protected characteristic and those who do not. In addition to the general duty, all public sector bodies are required to meet specific duties which are incorporated into the Public Sector Equality Duty (PSED) which requires us to:
 - Publish diversity information annually to demonstrate our compliance with the general duty;
 - Prepare and publish specific and measurable equality objectives.
- We are committed to promoting equality, diversity and inclusion (EDI) in both the service we deliver to the community and the employment of our staff.

We want our workforce to be more representative of the diverse communities we serve within the County. We are passionate in our belief that a diverse workforce will enable us to deliver a better service and make Bedfordshire even safer. We have a series of wide-ranging positive action initiatives, aiming to attract candidates from diverse groups to join and stay with our Service. We believe this will better equip us to meet the specific needs of the communities we serve. Collecting and analysing equality data is an important way of developing our understanding about our employees and communities. We produce an annual equality report that shows how we comply with the general equality duty as well as publishing our gender pay gap, both of which are available on our website.

Under the Equality Act 2010 all public sector organisations must consider the impact of each of their policy decisions on the nine 'protected characteristic' groups. To help us do this, we undertake People Impact Assessments (PIAs). The purpose of a PIA is to ensure our services are effective, efficient and fair in the work they carry out. PIAs help us to make sure that, as far as possible, any negative consequences are understood and mitigated and opportunities for promoting fairness and respect are maximised. We have continued to develop our approach to PIAs and provide mandatory training to ensure that the impact of proposed changes, policies, new

equipment and initiatives are all assessed for their impact across the 9 protected characteristics. We have also reviewed and refreshed our cultural awareness training that is delivered across the Service.

As part of our People Strategy, we will continue to focus on promoting equality, diversity and inclusion and seek further ways to understand our communities' requirements, as we strive to foster a positive, inclusive and diverse culture.

Values and Culture

The independent culture review at London Fire Brigade report and the subsequent spotlight report by HMICFRS into the values and culture across the sector noted widespread discrimination, harassment and bullying and received extensive coverage in the media. We want to assure the communities of Bedfordshire that an action plan was developed to address any gaps against the recommendations that were not already committed to within Our People Strategy 2023-2027.

We regularly review our grievance, disciplinary and bullying and harassment policies to ensure that they reflect organisational learning and the very latest best practice. Our cultural action plan contains a range of activities to improve our culture and the way we treat one another this is being achieved in several ways including further training, using structured feedback as well as investment in a confidential external reporting line for employees to raise any workplace concerns they have.

Bedfordshire has a set of values that were developed in collaboration with the workforce, these values align with the NFCC Core Code of Ethics and our Service professional behaviours. Employee behaviour is assessed against the Service Values, Core Code of Ethics and our professional behaviours on an annual basis as part of the appraisal process.

Fitness

The service recognises the importance of physical fitness in our operational staff in order for them to safely and effectively protect the public of Bedfordshire. The Services Occupational Health Department supports all staff to remain fit and well to deliver operational services.

Fitness equipment is made available at all stations and staff are encouraged to use it. There is a fitness testing regime in place for all operational staff with all staff required to pass an assessment on an annual basis.

(end of Operational Assurance Statement)

Assurance Statements

An integral element of the production of this Annual Governance Statement is completion, by all of CMT, of an annual Assurance Statement. The statement is based on the seven core governance principles that this AGS follows. The individual assurance statement gives each CMT member the opportunity to independently comment on their own area and that of the Service as a whole. All returns were received from CMT.

g. Internal Performance Management Framework

The Authority has a Performance Management Framework through which quality of service can be measured by local performance indicators. Performance targets are set and agreed for the coming year and are monitored on a bi-monthly basis by the Corporate Management Team in order that corrective action can be taken where areas of service are deemed to be underperforming. Performance is also reported to the FRA. Individual performance is monitored through the appraisal system as previously mentioned.

4. Governance Issues

Governance training was requested by the FRA and in November 2021, members received this training provided by an external organisation.

Following further discussions on governance and as reflected in the action point below for 2023/24, a full review of the FRA governance arrangements was undertaken by the Local Government Association (LGA) in late 2022.

FRA Meetings during 2023/24

During 2023/24, there are no governance issues to raise in this AGS. The dates of the meetings are available on the Authority's website via the link below:

<https://bedsfireresauth.moderngov.co.uk/ieDocHome.aspx?bcr=1>

The meetings consisted of the Fire & Rescue Authority, the Audit & Standards Committee and the FRA Executive.

Review of Issues and Actions identified within 2022/23 Annual Governance Statement

The following table briefly summarises the issues identified through the 2022/23 review of effectiveness process and the improvement actions that have been taken to address them during 2023/24:

Issue/Area for improvement	Improvement Action Planned	Actions Completed
Medium Term Budget/CRMP.	An updated medium-term budget position will be presented to the FRA during 2023/24 and in February 2024 the budget for 2024/25 will be presented for approval.	Completed in February 2024
New Members will be joining the FRA at the AGM in June 2023.	To carry out a comprehensive induction programme for new Members.	Completed

Issues and Improvement Actions identified by 2023/24 Annual Governance Statement

The following table summarises the issues and improvement actions identified through the 2023/24 review of effectiveness process, to address over 2024/25. As in previous years, a summary review of their implementation will be included within the next Annual Governance Statement.

Issue/Area for improvement	Source	Improvement Action Planned
Medium Term Budget/CRMP.	Assurance Statements.	An updated medium-term budget position will be presented to the FRA during 2024/25 and in February 2025 the budget for 2025/26 will be presented for approval.
Identification of areas of productivity, efficiency and savings/income needs progressing through the year leading up to the budget setting period.	FRA and CMT	To set up a Transformation Board, resourcing, monitoring and a member task and finish group.
Completion of action points from the governance review	FRA and CMT	Complete any remaining actions, such as the review of any outstanding Member Handbook documents.

Approval of the Annual Governance Statement

We are satisfied that these planned actions will improve our governance arrangements and we will monitor their implementation and operation throughout the year and report their progress as part of our next annual review.

Cllr Jacqueline Burnett
Chair - Bedfordshire
Bedfordshire FRA

ANDREW HOPKINSON
Chief Fire Officer
Bedfordshire FRS

STATEMENT OF ACCOUNTING POLICIES

1. General Principles

The Statement of Accounts summarises the Authority's transactions for the 2023/24 financial year and its position at the year end of 31 March 2024. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

2. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as property, plant and equipment.

Recognition

All expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. Amounts in excess of £10,000 are categorised as capital expenditure.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

The Authority does not capitalise borrowing costs incurred while assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- assets under construction — historical cost

- all other assets — current value, determined as the amount that would be paid for the asset in its existing use (existing use value — EUV).
- Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value

Where there is no market based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Assets included in the balance sheet at current value are reviewed every three years or sooner if there has been a significant movement in values, to ensure that their carrying amount is not materially different from their current value at the year end. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. (Exceptionally, gains might be credited to the surplus or deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a service).

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

The values of each category of assets are reviewed at the end of each financial year for evidence of reductions in value. Where impairment is identified as part of this review or as a result of a valuation exercise, this is accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of accumulated gains).
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.
- where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals

When an asset is disposed of, the value of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off the carrying value of the asset at the time of disposal). Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts in excess of £10,000 are categorised as capital receipts and are credited to the Capital Receipts Reserve. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written off value of disposals is not a charge against council tax, as the cost of noncurrent assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Depreciation

Depreciation is provided for on all property, plant and equipment assets with a finite useful life. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases

Buildings

Depreciation is calculated using the straight-line method over the useful life of the property as estimated by the valuer.

Whenever a full revaluation takes place the accumulated depreciation charged up to that year is reset to zero (the asset values are debited and the Revaluation Reserve is credited with this amount).

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charges on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Buildings are not depreciated in any year when a full revaluation occurs, nor in their year of acquisition nor in their year of disposal.

Vehicles, Plant, Furniture and Equipment

Depreciation is calculated using the straight-line method over the anticipated life of the asset which has been assessed as up to 20 years, or in the case of assets acquired under a finance lease, the length of the lease. Assets are not depreciated in their year of acquisition nor in their year of disposal.

3. Heritage Assets

Heritage Assets, defined as those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations, are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Authority's accounting policies on property, plant and equipment.

The Authority's heritage asset is a Steam Boiler on Shand Mason Fire Engine, and the valuation has been obtained from a suitably qualified external valuer, which will be reviewed as required.

4. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) are capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement from its date of acquisition. An asset is tested for impairment whenever there is an indication that the asset might be impaired — any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

5. Charges to Revenue for Non-current Assets

Service revenue accounts and support services are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible assets attributable to the service.

The Authority is not required to raise council tax to cover depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution of Minimum Revenue Provision (MRP) to the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two. The calculation of MRP is based on the Equal Instalment Method.

6. Financial Instruments – Borrowing

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised. This means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

7. Financial Instruments – Investments

Loans and receivables are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset, multiplied by the effective rate of interest for the instrument. This means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

8. Debtors and Creditors

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

Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.

- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Supplies are recorded as expenditure when they are consumed — where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

9. Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. Inventories held for distribution at no charge are measured at the lower of cost and current replacement cost.

10. Employee Benefits

Post-Employment Benefits – Pensions

The FRA participates in two Pension Schemes:

- a. Firefighters -
The Firefighters' Pension Scheme is an unfunded, defined benefit scheme which is available to firefighters.
- b. Control and non-uniformed personnel -
The Local Government Superannuation Scheme is a funded, defined benefit scheme which is available to control and non-uniformed staff. The Scheme's assets are valued annually as at 31 March.

The costs of retirement benefits are charged when they are earned by the employees rather than when they are actually paid as benefits. This charge is estimated by an actuarial valuation. Past service costs, where officers are awarded injury benefits, are charged to Assistant Chief Officer subdivision of the Net Cost of Service in the CIES Expenditure Analysis.

Interest cost of liabilities and any actuarial gains or losses on assets are also charged to the Comprehensive Income and Expenditure Statement. International Accounting Standard 19 (IAS 19) accounting entries are then reversed out from the General Fund Balance in the Movement in Reserves Statement in order that they do not represent a charge to the council tax payer. The pension information provided by the actuary is included within Note 29.

Termination Benefits

Where a firefighter is retired on ill health grounds the Authority makes a contribution to the pension fund towards the cost of the additional pension awarded. Where a firefighter is retired on injury grounds any injury award and injury pension costs will be charged to the Net Cost of Service. Termination benefits relating to compulsory and voluntary redundancies are charged, on an accruals basis, to the appropriate service area.

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

11. Leases

Finance Leases:

The Authority accounts for leases 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.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey the right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred. Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment —applied to write down the lease liability, and
-
- A finance charge (debited to Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Authority at the end of the lease period).

Operating Leases - Authority as Lessee

Leases that do not meet the definition of finance leases are accounted for as operating leases. Rentals payable are charged to the relevant service revenue account on a straight line basis over the term of the lease, generally meaning that rentals are charged when they become payable.

Operating Leases — Authority as Lessor

Where the Authority grants an operating lease over a property, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

12. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year — where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Contingent Liabilities

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

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

Contingent Assets

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.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

13. Reserves

Reserves are specific amounts set aside for either future policy purposes (Earmarked Reserves) or to cover contingencies (General Reserve). Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. Expenditure is then debited to the Comprehensive Income and Expenditure Statement when it is incurred. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirements and employee benefits and do not represent usable resources for the Authority — these reserves are explained in the relevant notes.

14. Support Services Allocation

The segmental reporting structure in the CIES is now structured in the way we report to our management internally.

15. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- the Authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contributions have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

The Government pay a 'Top Up' grant to cover the net costs of the Pension Fund Account. This grant is not shown as income in the Comprehensive Income and Expenditure Statement but is paid direct to the Pension Fund Account.

16. VAT

Income and expenditure excludes any amounts related to VAT, as VAT collected is payable to HM Revenues and Customs and all VAT paid is recoverable from it.

17. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Authority has determined to meet the cost of this expenditure from capital resources, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

18. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in less than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change of value.

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

19. Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period - the Statement of Accounts is adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period — the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.
- Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

20. Prior period adjustments, changes in accounting policies and estimates and errors

2023/24 presentational changes to the statement of accounts

There are no prior year adjustments, changes in accounting policies or estimates and errors within the 2023/24 financial year.

Critical Judgements in Applying Accounting Policies

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

There is a high degree of uncertainty about future levels of funding for local government. 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 stations and reduce levels of service provision.

Standards that have been issued but not yet adopted, which may require disclosure in 2023/24 accounts, include:

- IFRS 16 (Leases)

It is not anticipated that any of the revised standards will have a material impact on the amounts disclosed.

Assumptions made about future and other major sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are on the pension liabilities for both the Firefighters Pension Scheme and the Local Government Pension Scheme. The estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase,

changes in retirement ages, mortality rates and expected return on pension fund assets (LGPS Scheme only). The actuaries have been appointed to provide the Authority with expert advice about both assumptions made in the pension calculations and about sensitivities to these assumptions.

Depreciation — the remaining useful lives of all assets are estimated. The Authority relies on the expertise of an external valuer to determine the lives of all building assets. The lives of vehicles, plant and equipment and intangible assets are based on historical experience and professional estimates. If the estimates were to differ from the actuals this would affect the level of depreciation and amortisation charged to the Comprehensive Income and Expenditure Statement, as well as the carrying amounts of non-current assets in the Balance Sheet. The carrying amounts of non-current assets as at 31 March 2024 was £44.409m. Total depreciation for the year was £1.179m and impairment for the year was £0k.

Revaluations and Impairments — the value of non-current assets are reviewed annually by a qualified valuer based on the latest guidance from the Royal Institute of Chartered Surveyors and the recently observed market information. If the estimates were to differ from the actual results this would result in a higher or lower carrying amount for non-current assets in the Balance Sheet.

Assumptions made about the future and other major sources of estimation uncertainty

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.

The sensitivities regarding principal assumptions used to measure the scheme liabilities are set out below:

Sensitivity Analysis	Firefighter Pension Scheme £'000	Local Govt Pension Scheme £'000
Increase to the discount rate of 0.5% Decrease on Present Value of total scheme liabilities	-21,000	-2,913
Increase in salary increase rate of 0.5% Increase on Present Value of total scheme liabilities	3,000	273
Increase in the Pensions Increase Rate (CPI) of 0.5% Increase on Present Value of total scheme liabilities	19,000	3,113
Increase in life expectancy of one (1) year Increase on Present Value of total scheme liabilities	7,000	1,094

Going Concern Statement

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on the going concern basis.

In carrying out its assessment that this basis is appropriate, made for the going concern period to 31 March 2027, management of the Service have undertaken forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting. Scenario planning has also been undertaken and a prudent position included as the standard budget, most recently approved at the Fire & Rescue Authority meeting on 13 February 2024 for the 2024/25 budget and council tax setting. Some of the scenarios are captured in the Medium-Term Financial Strategy. The various budget documents can be viewed via the 2024/25 Budget agenda item via the agenda link below:

<https://bedsfireresauth.moderngov.co.uk/ieListDocuments.aspx?CId=134&MId=537&Ver=4>

The Authority, as detailed in note 24 to the accounts, is in a good reserves position and this is forecast to be the case over the medium term. The below summarises the position as in the summer of 2024, following the setting of the 2024/25 budget.

Existing Reserves as at 31/03/24 with 2024/25 budget updates:

- General fund £2.400m - continues to be held to meet unforeseen costs
- Earmarked £4.057m (Including transformation and other budget manager reserves)
- Capital £3.842m – adjusts between years depending on slippage
- Budget managers' earmarked reserve £0.323m – rolls between years
- Collaboration £2.378m – to be utilised as required
- Pensions/pay reserve £0.392m – to be utilised as part of 2024/25 budget
- Vehicle appliance reserve £0.048m – to be utilised as part of 2024/25 budget
- Capital receipts reserve £0.242m – to be utilised as part of 2024/25 budget

Our cash flow forecasting and assessment of the adequacy of our liquidity position demonstrates positive cash balances throughout the going concern period, and there is currently no planned external borrowing. This may change when a position is reached on the strategic estates position, potentially as part of 2025/26 budget setting.

The Authority set a balanced 2024/25 budget in February 2024, following a further one-year Government Funding settlement despite a three-year CSR. The Authority opted to build in realistic pay awards at 3.5 per cent for both operational and non-operational staff in the 2024/25 budget, so the financial planning incorporated these key pressures. At the time of writing, the firefighters pay award for 2024 has been agreed at 4 per cent with additional pressures of an increase in maternity pay and on-call firefighter retainers. These will add circa £250k annual pressures. Pay awards, pensions and the council tax referendum limit are three key uncertainties facing our Authority and the wider public sector. The Authority as noted above had set aside a realistic pay budget and also earmarked reserve for pay and pensions at £1.4m (including £0.3m set aside from the 2023/24 underspend). The council tax flexibility of up to £5, the first time for the Service, was a welcome addition to the budget process for 2023/24. Inflationary pressures continue and were built into the 2022/23 to 2024/25 budgets and will be managed over the 2024/25 financial year.

Positively, grant income from Government continues, with grants received during 2024/25 for New Burdens, Prevention & Protection, external audit and Tariff/Top adjustments. Some of these are expected in 2025/26 too. There was overall a Collection Fund deficit forecast for 2023/24 that was built into the 2024/25 budget.

The link to the 2024/25 budget and associated supporting papers is included above. The General Reserve balance as at 31 March 2024 and also 2025 is £2.4m and the earmarked reserves continue in a strong funded position. The reserves strategy contains the full detail via the link below:

<https://bedsfireresauth.moderngov.co.uk/documents/s6041/Item%2009e%20Appendix%205%20-%20Reserve%20Strategy.pdf>

There is uncertainty if the £5 council tax flexibility will be reintroduced in 2025/26, the continuation of the Funding Guarantee Grant and also the Services Grant. The Home Office have confirmed that the previous employers pension grant will continue as part of the overall settlement rather than a specific grant as in years 2023/24 and prior. A new pensions employer grant was introduced for the 2024/25 budget following the more recent actuarial review. Based on these uncertainties, different planning scenarios will be worked on again for 2025/26, as it was for the 2024/25 budget. This will include additional savings and efficiencies, linked in with the work from the Transformation workstreams. If the £5 council tax referendum limit is again permissible for 2025/26 for the Fire Sector, this will significantly change our financial forecasts (the impact between a 3% and £5 referendum limit is circa £400k per annum).

On this basis, the Authority has reasonable expectation that it will have adequate resources to continue in operational existence throughout the going concern period maintaining the provision of its services. For this reason, alongside the statutory guidance, we continue to adopt the going concern basis in preparing these financial statements.

MOVEMENT IN RESERVES STATEMENT

This shows the movement in the reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) or 'unusable' reserves. The Surplus or (Deficit) on the Provision of Services line shows the economic cost of providing the Authority's services, with further details provided in the Comprehensive Income and Expenditure Statement. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves.

Usable Reserves

	General Fund Balance	Earmarked Reserves	Capital Grants & Other Contributions Unapplied	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves (see below)	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2022	2,400	12,724	159	548	15,831	(350,029)	(334,198)
Movement in Reserves 2022/23							
Surplus or (deficit) on provision of service (accounting basis)	(11,930)	0	0	0	(11,930)	0	(11,930)
Other Comprehensive Income and Expenditure	0	0	0	0	0	135,411	135,411
Total Comprehensive Income and Expenditure	(11,930)	0	0	0	(11,930)	135,411	123,481
Adjustment between accounting basis and funding basis under regulations	11,644	0	0	0	11,664	(11,644)	0
Net Increase/Decrease before Transfers to Earmarked Reserves	(286)	0	0	0	(286)	123,767	123,481
Transfers to/from Earmarked Reserves	286	(286)	0	0	0	0	0
Increase/Decrease in Year	0	(286)	0	0	(286)	123,767	123,481
Balance at 31 March 2023	2,400	12,438	159	548	15,545	(226,262)	(210,717)
Movement in Reserves 2023/24							
Surplus or (deficit) on provision of service (accounting basis)	(5,440)	0	0	0	(5,440)	0	(5,440)
Other Comprehensive Income and Expenditure	0	0	0	0	0	(424)	(424)
Total Comprehensive Income and Expenditure	(5,440)	0	0	0	(5,440)	(424)	(5,864)
Adjustment between accounting basis and funding basis under regulations	4,041	0	0	-306	3,735	(3,735)	0
Net Increase/Decrease before Transfers to Earmarked Reserves	(1,399)	0	0	-306	(1,705)	(4,159)	(5,864)
Transfers to/from Earmarked Reserves	1,399	(1,399)	0	0	0	0	0
Increase/Decrease in Year	0	(1,399)	0	-306	(1,705)	(4,160)	(5,864)
Balance at 31 March 2024	2,400	11,039	159	242	13,840	(230,421)	(216,581)

Unusable Reserves

	Revaluation Reserve	Capital Adjustment Account	LGPS Pension Reserve	Firefighters Pension Reserve	Collection Fund Adjustment Account	Accumulated Absences Account	Total Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2022	17,763	17,025	(19,228)	(364,970)	(54)	(565)	(350,029)
Movement in Reserves 2022/23							
Surplus or (deficit) on provision of service (accounting basis)	0	0	0	0	0	0	0
Other Comprehensive Expenditure and Income	2,193	0	19,219	113,999	0	0	135,411
Total Comprehensive Expenditure and Income	2,193	0	19,219	113,999	0	0	135,411
Adjustment between accounting basis and funding basis under regulations	(422)	31	(1,517)	(9,479)	(207)	(50)	(11,644)
Net Increase/Decrease before Transfers to Earmarked Reserves	1,771	31	17,702	104,520	(207)	(50)	123,767
Transfers to/from Earmarked Reserves	0	0	0	0	0	0	0
Increase/Decrease in Year	1,771	31	17,702	104,520	(207)	(50)	123,767
Balance at 31 March 2023	19,534	17,056	(1,526)	(260,450)	(261)	(615)	(226,262)
Movement in Reserves 2023/24							
Surplus or (deficit) on provision of service (accounting basis)	0	0	0	0	0	0	0
Other Comprehensive Expenditure and Income	(709)	0	4,335	(4,050)	0	0	(424)
Total Comprehensive Expenditure and Income	(709)	0	4,335	(4,050)	0	0	(424)
Adjustment between accounting basis and funding basis under regulations	312	841	308	(5400)	144	61	(3,735)
Net Increase/Decrease before Transfers to Earmarked Reserves	(397)	841	4,643	(9,450)	144	61	(4,159)
Transfers to/from Earmarked Reserves	0	0	0	0	0	0	0
Increase/Decrease in Year	(397)	841	4,643	(9,450)	144	61	(4,159)
Balance at 31 March 2024	19,137	17,897	3,117	(269,900)	(117)	(554)	(230,421)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

For the year ended 31 March 2024

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

2022/23				2023/24		
Gross Expend £'000	Income £'000	Net Expend £'000	By Service	Gross Expend £'000	Income £'000	Net Expend £'000
1,077	(11)	1,066	Strategic Management	1,411	(114)	1,297
2,669	(1,034)	1,635	Assistant Chief Officer * / **	(4,039)	(674)	(4,713)
19,520	(152)	19,368	Head of Response	19,838	(93)	19,745
1,533	0	1,533	Head of Strategic Support and Assurance	1,633	(21)	1,612
4,506	(318)	4,188	Head of Training and Asset Management *	4,264	(340)	3,924
4,021	(240)	3,781	Head of Information Communications	3,960	(203)	3,757
2,578	(242)	2,336	Head of Protection and Prevention	2,761	(404)	2,357
1,436	(22)	1,414	Head of Human Resources	1,440	(36)	1,404
37,340	(2,019)	35,321	Net Cost of Services	31,268	(1,885)	29,383
			Other Operating Expenditure			
11	0	11	(Gains) / Losses on Disposal of Fixed Assets	18	(16)	2
			Financing and Investment			
422	0	422	Interest Payable and Similar Charges	422		422
0	(425)	(425)	Interest and Investment Income		(965)	(965)
10,150	0	10,150	Net Interest on net defined benefit / liability (asset)	11,996		11,996
			Non-Specific Grant Income:			
0	(2,831)	(2,831)	General Government Grants		(2,722)	(2,722)
0	(2,300)	(2,300)	Retained Business Rate		(2,888)	(2,888)
0	(4,731)	(4,731)	Business Rates Top Up and Grants		(4,818)	(4,818)
			Taxation Precepts:			
0	(6,500)	(6,500)	Bedford Borough Council		(6,922)	(6,922)
0	(11,441)	(11,441)	Central Bedfordshire Council		(12,103)	(12,103)
0	(5,746)	(5,746)	Luton Borough Council		(5,945)	(5,945)
47,923	(35,993)	11,930	(Surplus) / Deficit on Provision of Service	43,704	(38,264)	5,440
		(2,193)	(Surplus) or Deficit of Non-Current Assets			710
		(133,218)	Re-measurement of the net defined benefit / liability			(285)
		(123,481)	Total Comprehensive Income and Expenditure			5,865

Notes:

* The 2022/23 comparator figures for Assistant Chief Officer and Head of Training and Asset Management have been restated to allow for a like-for-like comparison following a minor change in responsibilities during 2023/24.

** The negative gross expenditure figure is due to the actuarial assessment of current cost being less than the actual cost during 2023/24

BALANCE SHEET

As at 31 March 2024

The Balance Sheet shows the assets and liabilities recognised by the Authority at its financial year-end. The net assets of the Authority (assets less liabilities) are matched by reserves held.

31 March 2023 £'000		31 March 2024 £'000	See Note
	Non-Current Assets		
37,394	Land and Buildings	37,071	11
6,863	Vehicles, Plant and Equipment	7,183	11
	Non-Operational Assets		
51	Assets Under Construction	113	11
44,308	Total Property, Plant and Equipment	44,367	
30	Heritage Assets	30	11
24	Intangible Assets	12	12
31	Long term Debtors	22	14
44,393	Total Long Term Assets	44,431	
	Current Assets		
352	Inventories	324	13
3,189	Short Term Debtors	3,322	14
1,686	Prepayments	1,738	15
14,165	Short Term Investments	13,875	20
5,356	Cash and Cash Equivalents	2,994	21
24,748	Total Current Assets	22,253	
69,141	Total Assets	66,684	
	Current Liabilities		
0	Short Term Borrowing	0	
(5,703)	Short Term Creditors	(4,541)	16
(1,269)	Other Creditors	(1,217)	17
(167)	Lease Creditors	(159)	10
(7,139)	Total Current Liabilities	(5,917)	
	Non-Current Liabilities		
(9,987)	Long Term Borrowing	(9,987)	19
(565)	Lease Creditors	(405)	10
(191)	Provisions	(172)	23
(261,976)	Defined Benefit Pension Scheme	(266,783)	29
(272,719)	Total Non-Current Liabilities	(277,347)	
(279,858)	Total Liabilities	(283,264)	
(210,717)	Net Assets/Liabilities	(216,580)	
	Unusable Reserves		
19,533	Revaluation Reserve	19,136	25
17,057	Capital Adjustment Account	17,897	25
(261)	Collection Fund Adjustment Account	(117)	18
(615)	Accumulated Absences Account	(554)	25
(261,976)	Pension Reserve	(266,783)	25
(226,262)	Total Unusable Reserves	(230,421)	
	Usable Reserves		
548	Capital Receipts Reserve	242	24
159	Grants and Other Contributions Unapplied	159	24
12,438	Earmarked Reserves	11,040	24
2,400	General Reserves	2,400	24
15,545	Total Usable Reserves	13,841	
(210,717)	Total Tax Payers Equity	(216,580)	

The unaudited accounts were approved and issued by G Chambers (CPFA) on 16 August 2024.

CASH FLOW STATEMENT

This summarises the inflows and outflows of cash during the year analysed between those arising as a result of the Authority's operations, those arising from investing activity and those attributable to financing decisions.

2022/23 £'000		2023/24 £'000
	Operating Activities	
	Cash Outflows:	
27,066	Cash paid to and on behalf of Employees	31,931
5,894	Cash Paid to Suppliers of Goods and Service	6,291
422	Interest Paid	211
33,382	Cash Outflows Generated from Operating Activities	38,433
	Cash Inflows:	
(23,864)	Council Tax Receipts	(25,102)
(7,061)	National Non-Domestic Rates	(7,396)
(2,405)	Revenue Support Grant	(2,649)
(1,327)	Other Grants	(948)
(1,043)	Sales of Goods and Rendering of Services	(891)
0	Other Operating Cash Receipts	0
(270)	Interest Received	(772)
(35,970)	Cash Inflows Generated from Operating Activities	(37,758)
(2,588)	Net Cash Outflow/ (Inflow) on Operating Activities:	675
	Investing Activities	
	Cash Outflows:	
1,092	Purchase of Property, Plant and Equipment	2,036
27,000	Purchase of Long term and Short Term Investments	24,500
	Cash Flows:	
(0)	Sale of Property, Plant and Equipment	(16)
(29,746)	Sale of Long Term and Short Term Investments	(25,000)
(1,654)	Net Cash Outflow/ (Inflow) from Investing Activities	1,520
	Financing Activities	
	Cash Outflows:	
119	Cash Payments for the Reduction of the Outstanding Liabilities relating to Finance Leases	167
	Cash Inflows:	
0	Cash outflow from financing	0
119	Net Cash Outflow/ (Inflow) from Financing:	167
(4,123)	Net (Increase)/Decrease in Cash and Cash Equivalents	2,362
(1,233)	Cash and Cash Equivalents at the beginning of the reporting year	(5,356)
(5,356)	Cash and Cash equivalents at the end of the reporting year	(2,994)
(4,123)	Net Change in Cash and Cash equivalents in the Year	2,362

NOTES TO THE CORE FINANCIAL STATEMENTS

1. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (e.g. government grants, rents, council tax and business rates) in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the authority's directorates/services/departments.

Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2022/23			By Service	2023/24		
Net Expenditure chargeable to the General Fund £'000	Adjustments between Funding and Accounting Basis £'000	Net Expenditure in the CIES £'000		Net Expenditure chargeable to the General Fund £'000	Adjustments between Funding and Accounting Basis £'000	Net Expenditure in the CIES £'000
1,010	56	1,066	Head of Strategic Management	1,275	22	1,297
1,394	242	1,636	Assistant Chief Officer	(4,724)	11	(4,713)
18,106	1,262	19,368	Head of Response	19,280	465	19,745
1,405	128	1,533	Head of Strategic Support and Assurance	1,632	(20)	1,612
3,812	375	4,187	Head of Training and Asset Management	3,718	206	3,924
3,376	405	3,781	Head of Information Communications	3,588	169	3,757
2,107	229	2,336	Head of Prevention and Protection	2,388	(31)	2,357
1,247	167	1,414	Head of Human Resources	1,432	(28)	1,404
32,457	2,864	35,321	Net Cost of Services	28,589	794	29,383
(32,171)	8,780	(23,391)	Other Income & Expenditure	(27,190)	3,247	(23,943)
286	11,644	11,930	(Surplus)/Deficit on provision of Services	1,399	4,041	5,440
(2,400)			Opening General Fund Balance	(2,400)		
286			Add surplus on General Fund	1,398		
(286)			Less Transfer to Earmarked Reserves	(1,398)		
(2,400)			Closing General Fund Balance at 31 March	(2,400)		

Notes:

* The 2022/23 comparator figures for Assistant Chief Officer and Head of Training and Asset Management have been restated to allow for a like-for-like comparison following a minor change in responsibilities during 2023/24.

1.a. Segmental Income

For information regarding income please see CIES.

1.b. Adjustments between Funding and Accounting Basis

2023/24

Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes £'000	Net Change for Pension Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Head of Strategic Management	29	(7)		22
Assistant Chief Officer	192	(181)		11
Head of Response	508	(43)		465
Head of Strategic Support and Assurance	0	(21)		(21)
Head of Training and Asset Management	236	(30)		206
Head of Information Communications	206	(37)		169
Head of Prevention and Protection	8	(39)		(31)
Head of Human Resources	0	(28)		(28)
Net Cost of Services	1,179	(386)	0	793
Other Income & Expenditure from the EFA Analysis	(2,026)	5,478	(204)	3,248
Differences between the General Fund Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services	(847)	5,092	(204)	4,041

2022/23

Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes £'000	Net Change for Pension Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Head of Strategic Management	29	27	0	56
Assistant Chief Officer	354	(112)	0	242
Head of Response	1,025	237	0	1,262
Head of Strategic Support and Assurance	0	128	0	128
Head of Training and Asset Management	212	163	0	375
Head of Information Communications	195	210	0	405
Head of Prevention and Protection	29	200	0	229
Head of Human Resources	8	159	0	167
Net Cost of Services	1,852	1,012	0	2,864
Other Income & Expenditure from the EFA Analysis	(1,461)	9,984	257	8,780
Differences between the General Fund Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services	391	10,996	257	11,644

Notes:

* The 2022/23 comparator figures for Assistant Chief Officer and Head of Training and Asset Management have been restated to allow for a like-for-like comparison following a minor change in responsibilities during 2023/24.

i. Adjustments for Capital Purposes

Adjustments for capital purposes — this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- Other operating expenditure - adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure - the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure — Capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted for those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific grant Income and Expenditure line is credited with Capital grants receivable in the year without conditions or for those where conditions were satisfied in the year.

ii. Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs.

iii. Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For Financing and investment income and expenditure - the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and income recognised under generally accepted accounting practises in the code. This is a timing difference as any difference will be brought forward in the future Surplus or deficit on the Collection Fund.
- The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for Compensated Absences earned but not taken in year.

1.c. Expenditure and Income Analysed By Nature

The Authority's expenditure and income is analysed as follows:

Expenditure / Income Service Analysis	2022/23 £'000	2023/24 £'000
Fees, Charges and Other Service Income	(995)	(1,031)
Interest and Investment Income	(425)	(965)
Income from Council Tax	(23,687)	(24,970)
Government Grants and Contributions	(10,886)	(11,282)
Disposal on non-current assets	(0)	(16)
Total Income	(35,993)	(38,264)
Employee Expenses	29,100	23,270
Employee Absence Accrual	50	(61)
Other Operating Expenses	6,337	6,880
Depreciation, Amortisation and Impairment	1,852	1,179
Interest Payments	422	422
Pensions Interest Cost and Return on Pension Fund Assets	10,150	11,996
Disposal on non-current assets	12	18
Total Operating Expenses	47,923	43,704
Surplus (-) or deficit on the provision of Services	11,930	5,440

2. Adjustments between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

2023/24

Usable Reserves

	General Fund Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Capital Grants and Other Contributions £'000	Total Useable Reserves £'000
Adjustments primarily Involving the Capital Adjustment Account:					
Charges for depreciation and impairment of non-current assets	(1,179)				(1,179)
Difference between historic cost and current cost depreciation					0
Amount by which finance costs calculated in accordance with the Code are different from the amount of finance costs calculated in accordance with statutory requirements	167				167
Statutory provision for the financing of Capital investment	228				228
Write out on disposal of fixed assets	(18)				(18)
Capital expenditure charged to the General Fund Balance	1,633				1,633
Adjustments Primarily Involving the Pensions Reserve:					
Amount by which pension costs calculated in accordance with the Code (i.e.; in accordance with IAS 19) are different from the contributions due under Local Government pension Scheme regulations	308				308
Amount by which pension costs calculated in accordance with the Code (i.e.; in accordance with IAS 19) are different the contributions due under Firefighter pension scheme regulations	(5,400)				(5,400)
Adjustments Primarily Involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain/loss on disposals to the CIES	16		(16)		0
Capital receipts applied			322		322
Adjustments Primarily Involving the Capital Grants Unapplied Account:					
Capital Grants Received in prior years applied					0
Adjustments Primarily Involving the Accumulated Absences Account:					
Amounts by which officer remuneration included in the CIES is different from the amount taken to the General Fund in accordance with regulations	61				61
Adjustments Primarily Involving the Collection Fund Adjustment Account:					
Amount by which council tax and non-domestic rating account income included in the Comp. I & E Account is different from the amount taken to the General Fund in accordance with regulations	143				143
	(4,041)	0	(306)	0	(3,735)

2023/24

Unusable Reserves

	Total Usable Reserves £'000	Revaluation Reserve £'000	Capital Adjustment Account £'000	LGPS Pension Reserve £'000	Firefighters Pension Reserve £'000	Collection Fund Adjustment Account £'000	Accumulated Absences Account £'000	Unusable Reserve Total £'000	Total £'000
Adjustments Primarily Involving the Capital Adjustment Account:									
Charges for depreciation and impairment of non-current assets	(1,179)		1,179					1,179	0
Difference between historic cost and current cost depreciation	0	(313)	313					0	0
Amount by which finance costs calculated in accordance with the Code are different from the amount of finance costs calculated in accordance with statutory requirements	167		(167)					(167)	0
Statutory provision for the financing of Capital investment	228		(228)					(228)	0
Write out on disposal of fixed assets	(18)		18					18	0
Capital expenditure charged to the General Fund Balance	1,633		(1,633)					(1,633)	0
Adjustments Primarily Involving the Pensions Reserve:									
Amount by which pension costs calculated in accordance with the Code (i.e.; in accordance with IAS 19) are different from the contributions due under Local Government pension Scheme regulations	308			(308)				(308)	0
Amount by which pension costs calculated in accordance with the Code (i.e.; in accordance with IAS 19) are different the contributions due under Firefighter pension scheme regulations	(5,400)				5,400			5,400	0
Adjustments Primarily Involving the Capital Receipts Reserve:									
Transfer of cash sale proceeds credited as part of the gain/loss on disposals to the CIES	0							0	0
Capital receipts applied	322		(322)					(322)	0
Adjustments Primarily Involving the Capital Grants Unapplied Account:									
Capital Grants Received in prior years applied	0							0	0
Adjustments Primarily Involving the Accumulated Absences Account:									
Amounts by which officer remuneration included in the CIES is different from the amount taken to the General Fund in accordance with regulations	61						(61)	(61)	0
Adjustments Primarily Involving the Collection Fund Adjustment Account:									
Amount by which council tax and non-domestic rating account income included in the Comp. I & E Account is different from the amount taken to the General Fund in accordance with regulations	143					(143)		(143)	0
	(3,735)	(313)	(840)	(308)	5,400	(143)	(61)	3,735	0

2022/23

Usable Reserves

	General Fund Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Capital Grants and Other Contributions £'000	Total Useable Reserves £'000
Adjustments primarily involving the Capital Adjustment Account:					
Charges for depreciation and impairment of non-current assets	(1,852)				(1,852)
Difference between historic cost and current cost depreciation	0				0
Amount by which finance costs calculated in accordance with the Code are different from the amount of finance costs calculated in accordance with statutory requirements	119				119
Statutory provision for the financing of Capital investment	233				233
Write out on disposal of fixed assets	(12)				(12)
Capital expenditure charged to the General Fund Balance	1,121				1,121
Adjustments Primarily Involving the Pensions Reserve:					
Amount by which pension costs calculated in accordance with the Code (i.e.; in accordance with IAS 19) are different from the contributions due under Local Government pension Scheme regulations	(1,517)				(1,517)
Amount by which pension costs calculated in accordance with the Code (i.e.; in accordance with IAS 19) are different the contributions due under Firefighter pension scheme regulations	(9,479)				(9,479)
Adjustments Primarily Involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain/loss on disposals to the CIES	0		0		0
Capital receipts applied	0		0		0
Adjustments Primarily Involving the Capital Grants Unapplied Account:					
Capital Grants Received in prior years applied	0				0
Adjustments Primarily Involving the Accumulated Absences Account:					
Amounts by which officer remuneration included in the CIES is different from the amount taken to the General Fund in accordance with regulations	(50)				(50)
Adjustments Primarily Involving the Collection Fund Adjustment Account:					
Amount by which council tax and non-domestic rating account income included in the Comp. I & E Account is different from the amount taken to the General Fund in accordance with regulations	(207)				(207)
	(11,644)	0	0	0	(11,644)

2022/23

Unusable Reserves

	Total Usable Reserves £'000	Revaluation Reserve £'000	Capital Adjustment Account £'000	LGPS Pension Reserve £'000	Firefighters Pension Reserve £'000	Collection Fund Adjustment Account £'000	Accumulated Absences Account £'000	Unusable Reserve Total £'000	Total £'000
Adjustments Primarily Involving the Capital Adjustment Account:									
Charges for depreciation and impairment of non-current assets	(1,852)		1,852					1,852	0
Difference between historic cost and current cost depreciation	0	422	(422)					0	0
Amount by which finance costs calculated in accordance with the Code are different from the amount of finance costs calculated in accordance with statutory requirements	119		(119)					(119)	0
Statutory provision for the financing of Capital investment	233		(233)					(233)	0
Write out on disposal of fixed assets	(12)		12					12	0
Capital expenditure charged to the General Fund Balance	1,121		(1,121)					(1,121)	0
Adjustments Primarily Involving the Pensions Reserve:									
Amount by which pension costs calculated in accordance with the Code (i.e.; in accordance with IAS 19) are different from the contributions due under Local Government pension Scheme regulations	(1,517)			1,517				1,517	0
Amount by which pension costs calculated in accordance with the Code (i.e.; in accordance with IAS 19) are different the contributions due under Firefighter pension scheme regulations	(9,479)				9,479			9,479	0
Adjustments Primarily Involving the Capital Receipts Reserve:									
Transfer of cash sale proceeds credited as part of the gain/loss on disposals to the CIES	0							0	0
Capital receipts applied	0							0	0
Adjustments Primarily Involving the Capital Grants Unapplied Account:									
Capital Grants Received in prior years applied	0							0	0
Adjustments Primarily Involving the Accumulated Absences Account:									
Amounts by which officer remuneration included in the CIES is different from the amount taken to the General Fund in accordance with regulations	(50)						50	50	0
Adjustments Primarily Involving the Collection Fund Adjustment Account:									
Amount by which council tax and non-domestic rating account income included in the Comp. I & E Account is different from the amount taken to the General Fund in accordance with regulations	(207)					207		207	0
	(11,644)	422	(31)	1,517	9,479	207	50	11,644	0

3. Members' Allowances

A Members' Allowance Scheme for the Combined Fire Authority (CFA) was implemented on 31 December 2003 in accordance with the Local Government (Members Allowances) (England) Regulations 2003. The Authority paid the following amounts to Members of the CFA during the year:

	2022/23 £'000	2023/24 £'000
Allowances	66	60
Expenses	0	0
Total	66	60

4. Officers' Remuneration

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

2022/23 No. of Employees	Remuneration Band	2023/24 No. of Employees
9	50,000 to 54,999	5
7	55,000 to 59,999	6
8	60,000 to 64,999	14
9	65,000 to 69,999	2
3	70,000 to 74,999	6
2	75,000 to 79,999	1
2	80,000 to 84,999	1
1	85,000 to 89,999	3
1	90,000 to 94,999	0
0	95,000 to 99,999	3
0	100,000 to 104,999	1
1	105,000 to 109,999	0
1	110,000 to 114,999	0
1	115,000 to 119,999	0
0	120,000 to 124,999	1
1	125,000 to 129,999	0
0	130,000 to 134,999	1
0	150,000 to 154,999	1
1	155,000 to 159,999	0
0	180,000 to 184,999	1
47	Total	46

For this purpose 'remuneration' means all amounts paid to or receivable by an employee and includes sums due by way of taxable expenses, allowances and the estimated money value of any benefit received by an employee other than in cash.

The following tables set out the remuneration disclosures for Senior Officers:

2023/24

	Notes	Salary (excluding fees & allowances) £	Expenses & Allowances £	Benefits in Kind £	Total Remuneration (excluding Pension contributions) £	Employer's Pension Contributions £	Total Remuneration (including pension contributions) £
Chief Fire Officer		184,137	0	0	184,137	53,031	237,168
Deputy Chief Fire Officer		151,277	0	0	151,277	43,568	194,845
Assistant Chief Officer		134,056	5,104	0	139,160	26,585	165,745
Assistant Chief Fire Officer	1	157,658	0	0	157,658	41,006	198,664
Deputy Asst Chief Fire Officer Director of Transformation		46,636	0	0	46,636	11,674	58,310
		673,764	5,104	0	678,838	175,864	854,732

Notes

2023/24 pay includes back-dated pay awards

1 – Some overlap in occupation of role following change in post holder.

2022/23

	Notes	Salary (excluding fees & allowances) £	Expenses & Allowances £	Benefits in Kind £	Total Remuneration (excluding Pension contributions) £	Employer's Pension Contributions £	Total Remuneration (including pension contributions) £
Chief Fire Officer	1	156,390	0	0	156,390	45,040	201,430
Deputy Chief Fire Officer	2	126,885	0	0	126,885	36,543	163,428
Secretary/ Monitoring Officer	3	6,272	156	0	6,428	1,285	7,712
Assistant Chief Officer		108,705	5,168	0	113,873	22,284	136,157
Assistant Chief Fire Officer	4	117,294	421	0	117,715	33,781	151,496
		515,546	5,745	0	521,291	138,933	660,224

Notes

1, 2 & 4 – Salaries as at 01/01/2021 (prior to the 2022 pay award)

3 – To 30/09/22 * Since 01/10/22 the Secretary / Monitoring Officer is no longer directly employed by the service and forms part of an SLA with Buckinghamshire Fire and Rescue Service at the cost of approximately £30k per annum, these costs are contained within the service expenditure for Head of Strategic Support and Assurance within the CIES.

Termination Benefits/Exit Packages

In 2023/24 there were five termination benefit/exit package totalling £9.6k.
In 2022/23 there were 12 redundancies totalling £29.4k.

5. Related Party Transactions

Introduction

The UK Government exerts significant influence through legislation and funding. This funding can be identified in the Non-Specific Grants Income section of the Comprehensive Income and Expenditure Statement Account (the Top Up Grant and General Government Grants). The Fire Authority is also funded by taxation precepts from local authorities which are identified in the Taxation Precepts section of the Comprehensive Income and Expenditure Statement.

Declarations

All members, senior officers and budget managers, the Monitoring Officer and Treasurer of the Authority have been consulted with regard to related party transactions. From the declarations received, there were no material transactions to report.

During 2023/24, works and services to the value of £51.7k were commissioned from the National Fire Chiefs Council. These are all entities of which an officer had an interest. This officer has declared their interest in accordance with IAS24.

The Fire and Rescue Indemnity Company

Until 31 October 2015 insurances for the Authority were arranged as part of a consortium of nine Fire and Rescue Authorities. These Fire and Rescue Authorities, including Bedfordshire, are now members of the Fire and Rescue Indemnity Company Limited. The company commenced trading in November 2015. The Authority's risk protection arrangements are provided through the pooled funds of the company. During 2023/24 the Authority made a contribution of £418k to the company for the year to 31 October 2024 with £173k of this treated as an expense in 2023/24.

6. Disclosure of Audit Costs

2022/23 £'000		2023/24 £'000
53	Fees payable with regard to External Audit services carried out by the appointed auditor.	10
0	Fees payable in respect of other services provided by the appointed auditor.	0
53	Total	10

Ernst & Young have been the External Auditors for a number of years up to and including the audit of the 2022/23 financial year, some of which takes place in 2023/24.

KMPG are the new External Auditors to audit the financial year 2023/24, of which most work takes place in 2024/25.

7. Capital Expenditure and Financing

	2022/23 £'000	2023/24 £'000
Opening Capital Financing Requirement	7,779	7,771
Capital Investment:		
Property, Plant and Equipment	1,466	1,955
Intangible Assets	0	0
Revenue Expenditure Funded from Capital Under Statute	0	0
Sources of Finance:		
Capital receipts	0	(322)
Government Grants and Other Contributions	0	0
Sums Set Aside from Revenue:		
Direct Revenue Contributions	(1,121)	(1,633)
MRP and Finance Lease repayment	(353)	(395)
Closing Capital Financing Requirement	7,771	7,376
Explanation of Movements in Year:		
Assets acquired under finance leases	345	0
Increase/(Decrease) in underlying need to borrowing (unsupported by Government financial assistance)	(353)	(395)
Increase/(decrease) in Capital Financing Requirement	(8)	(395)

8. Information on Assets Held

Non-Current Assets	31 March 2023			31 March 2024		
	Leased	Owned	Total	Leased	Owned	Total
Operational Buildings:						
Headquarters (including Training Centre, Control and Workshops)	0	1	1	0	1	1
Fire safety Area Offices	0	2	2	0	2	2
Fire Stations: Wholetime	0	5	5	0	5	5
Day Crewing	0	1	1	0	1	1
Retained	0	8	8	0	8	8
Houses	0	7	7	0	7	7
Garages	0	6	6	0	6	6
Operational Appliances:						
Pumping Appliances	0	22	22	0	22	22
Aerial Appliances	0	2	2	0	2	2
Fire Boats	0	1	1	0	0	0
Other Special Appliances	0	22	22	0	18	18
Modules	0	4	4	0	4	4
Appliances under construction	0	0	0	0	0	0
Special appliances under construction	0	0	0	0	0	0
Appliances awaiting disposal	0	0	0	0	0	0
Non-Operational Appliances:						
Reserve/Training Appliances	0	6	6	0	6	6
Ancillary Vehicles	0	66	66	0	73	73
Trailers etc.	0	7	7	0	6	6
Specials/Vans awaiting disposal	0	0	0	0	0	0

9. Operating Leases

Under the IFRS rules governing leases, specifically IFRIC 4 (International Financial Reporting Interpretations Committee), 'Determining Whether an Arrangement Contains a Lease', this Authority has sought to identify contractual and other arrangements which involve the provision of services using specific underlying assets and which therefore can be considered as containing a lease for those assets.

Authority as a Lessee:

Vehicles and equipment — the Authority had three operating leases at 31 March 2024. The amount paid under these arrangements in 2023/24 was £8k (£11k in 2022/23).

The expenditure charged into Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2022/23 £'000	2023/24 £'000
Minimum Lease Payments	30	8

Authority as a Lessor:

Under the IFRS rules governing leases, specifically IFRIC 4 (International Financial Reporting Interpretations Committee), 'Determining Whether an Arrangement Contains a Lease', this Authority has sought to identify contractual and other arrangements which involve the provision of services using specific underlying assets and which therefore can be considered as containing a lease for those assets.

In 2023/24, it was determined that there were 10 embedded leases for renting out parts of various fire stations to the East of England Ambulance Service, Bedfordshire Police and The Road Victims Trust, which should be classified as leases under IFRIC 4.

The Authority leases out property under operating leases for the provision of community services, such as the support for emergency services and its associated entities.

The income received into the Comprehensive Income and Expenditure Statement during the year in relation to these leases were:

	2022/23 £'000	2023/24 £'000
Income Receivable	59	50

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2023/24, £NIL contingent rents were receivable by the Authority (2022/23 £NIL).

10. Finance Leases

Under the IFRS rules governing leases, specifically IFRIC 4 (International Financial Reporting Interpretations Committee), 'Determining Whether an Arrangement Contains a Lease', this Authority has sought to identify contractual and other arrangements which involve the provision of services using specific underlying assets and which therefore can be considered as containing a lease for those assets.

The Authority entered into one contract in 2011/12 for the Firelink Radios under the Airwave contract, this lease ceased at 31 March 2017, however the radios continue to be in use. A further lease for the managed services for personal protective equipment (PPE) was entered into in 2019/20 and in 2022/23 the service entered into a finance lease for Local Area Network (LAN) ICT equipment.

Under IFRIC 4 these leases contract are determined as being embedded leases.

The following values of assets were held under finance leases by the Authority, accounted for as part of non-current assets: (Gross value £64k Firelink Radios, £747k PPE and £345k for LAN)

	Vehicles, Plant and Equipment		
	Gross Value	Accumulated Depreciation	Net Value
	£'000	£'000	£'000
As at 1 April 2023	1,156	(344)	812
Write Outs in the Year (adjustments)	(0)	(0)	(0)
Additions	0	0	0
Disposals	(0)	0	0
Depreciation	(0)	(162)	(162)
As at 31 March 2024	1,156	(506)	650

The outstanding obligations to make payments under these finance leases (excluding finance costs) at 31 March 2024 are:

	PPE £'000	LAN £'000	Total £'000
Not later than one Year	98	61	159
Later than one Year	221	184	405
	319	245	564

11. Property, Plant and Equipment and Heritage Assets

Movements 2023/24

	Land and Buildings	Vehicles, Plant and Equipment	Assets Under Construction	Total Property, Plant and Equipment	Heritage Assets
	£'000	£'000	£'000	£'000	£'000
Cost of Valuation					
At 1 April 2023	39,483	16,952	51	56,486	30
Additions	369	1,506	80	1,955	0
Donations	0	0	0	0	0
Revaluation increases /(decreases) recognised in the Revaluation Reserve	(2,089)	0	0	(2,089)	0
Revaluation increases /(decreases) recognised in the CIES	(710)	0	0	(710)	0
Disposals/Write Outs	0	(76)	0	(76)	0
Reclassifications	18	0	(18)	0	0
At 31 March 2024	37,071	18,382	113	55,566	30
Depreciation and Impairments					
At 1 April 2023	(2,089)	(10,089)	0	(12,178)	0
Depreciation Charge for 2023/24	0	(1,167)	0	(1,167)	0
Depreciation written out to the Revaluation Reserve	2,089	0	0	2,089	0
Disposals/Write Outs	0	57	0	57	0
Reclassifications	0	0	0	0	0
At 31 March 2024	0	(11,199)	0	(11,199)	0
Balance as at 31 March 2024	37,071	7,183	113	44,367	30
Balance as at 31 March 2023	37,394	6,863	51	44,308	30
Nature of Asset Holding					
Owned	37,071	6,533	113	43,717	30
Finance Lease	0	650	0	650	0

Movements 2022/23

	Land and Buildings	Vehicles, Plant and Equipment	Assets Under Construction	Total Property, Plant and Equipment	Heritage Assets
	£'000	£'000	£'000	£'000	£'000
Cost of Valuation					
At 1 April 2022	37,155	15,668	49	52,872	30
Additions	125	831	510	1,466	0
Donations	0	0	0	0	0
Revaluation increases /(decreases) recognised in the Revaluation Reserve	2,193	0	0	2,193	0
Revaluation increases /(decreases) recognised in the CIES	0	0	0	0	0
Disposals/Write Outs	0	(45)	0	(45)	0
Reclassifications	10	498	(508)	0	0
At 31 March 2023	39,483	16,952	51	56,486	30
Depreciation and Impairments					
At 1 April 2022	(1,350)	(9,022)	0	(10,372)	0
Depreciation Charge for 2022/23	(739)	(1,101)	0	(1,840)	0
Depreciation written out to the Revaluation Reserve	0	0	0	0	0
Disposals/Write Outs	0	34	0	34	0
Reclassifications	0	0	0	0	0
At 31 March 2023	(2,089)	(10,089)	0	(12,178)	0
Balance as at 31 March 2023	37,394	6,863	51	44,308	30
Balance as at 31 March 2022	35,805	6,646	49	42,500	30
Nature of Asset Holding					
Owned	37,394	6,051	51	43,496	30
Finance Lease	0	812	0	812	0

Valuation information — Non-Current Assets

A full valuation as at 31 March 2024 was carried out on all on land and buildings by NPS Group and have been signed by Grant Brewer MRICS, an external valuations expert. This valuation included consideration of all property works carried out in the year, space utilisation across all sites and collaboration occupancy at relevant sites for buildings and land, including vehicle parking spaces.

Land value approach:

A fire station is a purpose-built, non-income generating use and not all locations would be suitable. Many of the sites are small, so are not directly comparable with large industrial sites. A residential site would be unlikely to obtain planning permission today and location on an out of town industrial or retail park would not be suitable.

In accordance with the Confirmation of Instruction, the valuers have assumed that each station will remain in its current location, to provide the necessary geographical coverage required to comply with required response times. However, a prudent purchaser (local authority spending public money) would look to purchase the cheapest suitable site were it to be replaced.

Each site is different and its particular location, nature, benefits and disadvantages have been reflected in the land value ascribed, after careful consideration and using professional judgement. In the absence of recent, directly relevant transactional evidence, consideration was given to market reports, sites available on the market, local agent commentary and market trends.

The basis for valuation is set out in the Statement of Accounting Policies.

The Heritage Asset is a 1908 Shand Mason Steam Fire Pump (Steamer) which was valued as at 31 March 2022 by Jeremy Curzon MNAVA of Cheffins, an external valuer. The Steamer is taken to various outdoor events where it is exhibited by a team of volunteers. The Thorney Steamer webpage has a history of the Steamer which includes details of its renovation.

Capital Commitments

There are outstanding capital commitments as at 31 March 2024 of £0k.

12. Intangible Assets — Movement on Balances

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets only include purchased licences.

All software is given a finite useful life and the carrying value is amortised on a straight-line basis. The useful life assigned to the major software suites used by the Authority is five years, which is based on assessments of the period that the software is expected to be of use to the Authority.

The following table shows the movements on Intangible Assets during the year.

2022/23 £'000	Intangible Assets	2023/24 £'000
368	Gross carrying amounts b/f	368
(332)	Accumulated amortisation b/f	(344)
36	Net carrying amount at start of year	24
0	Additions	0
(12)	Amortisation for the period	(12)
24	Net carrying amount at the end of the year	12
	Comprising:	
368	Gross Carrying amounts c/f	368
(344)	Accumulated amortisation c/f	(356)
24	Net carrying amount at the end of the year	12

13. Inventories

2022/23 £'000	Inventories	2023/24 £'000
95	Technical	87
91	Smoke Alarms	98
48	Uniforms & protective Clothing	32
56	Workshops	60
42	Fuel	28
20	Other	19
352	Total	324

14. Debtors

2022/23 £'000	Debtors	2023/24 £'000
287	H M Revenues and Customs (re-VAT)	260
632	Pension Fund Account	1,079
3	Employees	0
1,935	Collection Fund	1,709
331	Accounts Rendered	284
29	Investment Income	11
3	General	1
3,220	Total	3,344

The figures above contain Long Term and Short Term Debtors with the figures for Long Term Debtors being £22k in 2023/24 (£31k in 2022/23).

15. Payments in Advance

2022/23 £'000	Payments in Advance	2023/24 £'000
588	IT	520
23	Car Leasing Scheme	21
230	Insurance	268
772	Firefighting pension Payments	844
73	General	85
1,686	Total	1,738

16. Short Term Creditors

2022/23 £'000	Short Term Creditors	2023/24 £'000
32	Capital	15
867	Employees	658
723	Pension Fund Account	0
38	Public Utilities	52
219	Other Local Authorities	412
210	IT/Communications	224
897	Third Party Payments	691
702	General	824
2,015	Collection Fund – Taxpayers	1,665
5,703	Total	4,541

17. Other Creditors

2022/23 £'000	Other Creditors	2023/24 £'000
1,103	Government Grants	1,071
166	Other Grants	146
1,269	Total	1,217

18. Collection Fund

The Collection Funds, wholly shown within the billing Authorities (Bedford, Central Bedfordshire and Luton) accounts are treated as agency accounts. This means that this Authority, as a precepting authority, is to be allocated a proportion of the council tax arrears, prepayments etc., to raise as creditors and debtors in its accounts. The proportion is based on this Authority's precept demand to the total of all precept demands as calculated by each Billing Authority for the Collection Fund under their control.

2022/23 Total £'000		Bedford Borough £'000	Central Beds £'000	Luton Borough £'000	2023/24 Total £'000
4,861	Council tax Arrears	926	990	3,590	5,506
(880)	Impairment for doubtful debts	(476)	(263)	(184)	(923)
(560)	Overpayments and prepayments	(186)	(142)	(97)	(425)
(312)	Collection Fund (surplus)/deficit	(112)	176	(244)	(180)
(3,109)	Cash (Balancing Item)	(152)	(761)	(3,065)	(3,978)
0		0	0	0	0

A similar agency arrangement has now been introduced for National Non-Domestic Rates (NNDR) with the Authority's proportion calculated at the statutory rate of 1 per cent.

2022/23 Total £'000		Bedford Borough £'000	Central Beds £'000	Luton Borough £'000	2023/24 Total £'000
292	NNDR Arrears	62	42	258	362
(42)	Impairment for doubtful debts	(39)	(7)	(23)	(69)
(117)	Overpayments and prepayments	(35)	(48)	(75)	(158)
(181)	Appeals Provisions	(49)	(73)	(40)	(162)
573	Collection Fund (surplus)/deficit	(28)	407	(81)	298
(525)	Cash (Balancing Item)	89	(321)	(39)	(271)
0		0	0	0	0

In addition, this Authority is to account for its share of the surplus/deficit of the Collection Funds by transferring amounts to the Collection Fund Adjustment Account. This method for calculating the surplus/deficit is reversed through the Movement in Reserves Statement so that the impact against the council tax requirement for the year will still be based on the actual cash paid by the Billing Authorities.

Collection Fund Adjustment Account	Bedford Borough £'000	Central Beds £'000	Luton Borough £'000	Total £'000
Council Tax	(112)	176	(245)	(181)
NNDR	(28)	407	(81)	298
Total	(140)	583	(326)	117

19. Long Term Borrowing

All long-term borrowing is currently held with the Public Works Loan Board (PWLb), totalling £9.987m. These comprise two loans:

- £6,300,000 issued on 8/11/2006, with a maturity of 30/9/2056
- £3,687,000 issued on 18/8/2008, with a maturity of 31/3/2058

A summary of maturity set out below:

31 March 2023 £'000	Date of Maturity	31 March 2024 £'000
6,300	30 – 35 years	9,987
3,687	35 – 40 years	0
9,987	Total	9,987

Under the rules laid down by the 2023/24 Code, the Fair Value of any loans taken out must be disclosed in addition to the above carrying value to enable a comparison to be made. The Fair Value has been calculated by Link Asset Management using the rate available for new borrowing (New loan rate).

At 31 March 2024 the Fair Values of the above loans were £8.461m as detailed below:

Original principal £	Interest Rate %	Current Principal £	Discount Rate %	Discount £	Market Value £	Accrued Interest £	Fair Value £
6,300,000	4.1000	6,300,000	5.200	1,081,380	5,218,620	706	5,219,325
3,687,000	4.4300	3,687,000	5.190	445,327	3,241,673	446	3,242,119
9,987,000		9,987,000		1,526,707	8,460,292	1,152	8,461,444

20. Short Term Investments

31 March 2023 £'000		31 March 2024 £'000
14,165	Short Term Investments	13,875
14,165	Total	13,875

Short-term investments are temporary surplus funds, invested short term with those financial institutions included within the Authority's approved lending list. Under the rules laid down by the 2023/24 Code, fair value disclosures are not required for short-term trade payables and receivables since the carrying amount is a reasonable approximation of fair value.

The table below shows the investments held at 31 March 2024.

Loan To:	Issue Date	Maturity Date	Nominal Amount £	Issue Rate %	Accrued Interest £	Fair Value £
First Abu Dhabi Bank	11/05/23	10/05/24	3,000,000	5.22	139,867	3,139,867
First Abu Dhabi Bank	26/05/23	24/05/24	2,000,000	5.81	99,009	2,099,009
Standard Chartered Bank	09/11/23	09/05/24	2,000,000	4.97	39,215	2,039,215
Lloyds Corporate Markets	24/11/23	24/05/24	3,000,000	5.51	58,421	3,058,421
Qatar National Bank	19/01/24	19/07/24	2,500,000	5.66	28,300	2,528,300
Lloyds Corporate Markets	19/01/24	19/07/24	1,000,000	5.32	10,640	1,010,640
			13,500,000		375,452	13,875,452

21. Cash and Cash Equivalents

2022/23 £'000	Cash and Cash Equivalents	2023/24 £'000
5	Cash	4
5,351	Bank Current Accounts	2,990
5,356	Total	2,994

22. Nature and Extent of Risks Arising from Financial Instruments

Credit Risk

Credit risk is the possibility that other parties might fail to pay amounts due to the Authority. The risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, as laid down by Fitch and Moody's Ratings Services. The Annual Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each category. The credit criteria in respect of financial assets held by the Authority are as detailed below:

Minimum Credit Ratings Required: AA-

Maximum amount of £7m per organisation

Lending lists are reviewed and updated as necessary if the rating of any institution on the list has altered. The financial press and other media sources are also utilised for information on the credit strength of banks and other institutions and the list amended if appropriate.

Liquidity Risk

Liquidity risk is the possibility that the Authority might not have funds available to meet the commitments to make payments.

The Authority seeks to minimise liquidity risk by securing adequate available sources of short-term financing and by effective cash flow forecasting and monitoring.

Any long-term borrowing is through PWLB thereby minimising the potential liquidity risks. The maturity analysis of the Authority's borrowings is shown in the table under Note 19.

Market Risk

The Market Risk is the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements.

The Authority seeks to minimise market risk by maintaining reliable sources of information regarding market conditions to allow for informed assessment of treasury transactions. The Authority employs the services of Sector to advise it on Treasury Management issues.

The Authority does not make investments that are subject to market fluctuations (e.g. gilts, certificates of deposit etc.).

Cash flow forecasts are regularly monitored to ensure the Authority's financing targets are met.

Loans and short-term investment balances shown in the Balance Sheet are at fixed rates and therefore not effected by market fluctuations as at 31 March 2024.

Price and Foreign Currency Risk

The authority has no financial assets or liabilities in equity shares, joint ventures or denominated in foreign currency and therefore has no exposure to these risks.

23. Provisions

Details of the Authority's provisions are summarised in the table below. The creation of these is permitted by Section 41 of the Local Government and Housing Act 1989.

2022/23 £'000		2023/24 £'000
181	NDR Appeals	162
10	Insurance	10
191	Total at 31 March	172

24. Details of Movements on Usable Reserves

	2023/24				
	Earmarked Reserves	Capital Receipts Reserve	Capital Grants/ Other Contributions Unapplied	General Reserve	Total
	£'000	£'000	£'000	£'000	£'000
Surplus/ (Deficit) for the year	0	0	0	0	0
Appropriations to/from Revenue	(1,398)	0	0	0	(1,398)
New Receipts/ Grant received	0	16	0	0	16
Financing of Capital Expenditure	0	(322)	0	0	(322)
Total	(1,398)	(306)	0	0	(1,704)
Balance b/f at 1 April 2023	12,438	548	159	2,400	15,545
Balance c/f at 31 March 2024	11,040	242	159	2,400	13,841

Earmarked Reserves

Earmarked Reserves are those revenue reserves which have been created and earmarked for specific purposes. The analysis of earmarked reserves is shown below:

Earmarked Reserves	Balance at 31 March 2023 £'000	Movement in year £'000	Balance at 31 March 2024 £'000
Corporate Earmarked Reserves	4,925	(868)	4,057
Capital Reserves	3,639	203	3,842
Budget Managers' Earmarked Reserves	322	1	323
Collaboration Reserve	2,378	0	2,378
Pay and Pension Reserve	1,126	(734)	392
Vehicle Appliance Reserve	48	0	48
Total	12,438	(1,398)	11,040

Capital Receipts Reserve

This includes capital receipts from the sale of assets owned by the Service that have yet to be used to finance future capital expenditure.

Capital Grants and Other Contributions Unapplied

This includes capital grants or capital contributions where the income has been received but the expenditure to be financed from that grant or contribution has not been incurred at the balance sheet date.

General Fund Reserve

General Reserves are those revenue reserves which have been created and are not specifically earmarked for expenditure. The table below details General Fund reserve during 2023/24:

General Fund reserve	£'000
Balance brought forward from 1 April 2023	2,400
In Year surplus	(1,398)
Funding to other reserves during 2023/24	1,398
Total at 31 March 2024	2,400

25. Details of Movements on Unusable Reserves

Balance at 31 March 2023 £'000		Balance at 31 March 2024 £'000
19,533	Revaluation Reserve	19,136
17,057	Capital Adjustment Account	17,897
(261)	Collection Fund Adjustment Account	(117)
(615)	Accumulated Absences	(554)
(1,526)	LGPS Pension Reserve	3,117
(260,450)	Firefighters' Pension Reserve	(269,900)
(226,262)	Total	(230,421)

Revaluation Reserve

The Revaluation Reserve records the accumulated gains on the fixed assets held by the Authority arising from increases in value, as a result of inflation or other factors.

	2022/23 £'000	2023/24 £'000
Balance at 1 April	17,763	19,533
Upward revaluation of assets	2,309	146
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(116)	(856)
Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	2,193	(710)
Difference between fair value depreciation and historical cost depreciation	(423)	313
Balance at 31 March	19,533	19,136

Collection Fund Adjustment Account

See under Note 18 for explanation of Collection Fund Adjustment Account.

Accumulated Absences Account

The Accumulated Absences Account has been set up to cover the cost of any annual and flexi leave untaken as at 31 March. Leave not taken in the year is normally carried forward and allowed to be taken in the following year: therefore unless an officer leaves it is unlikely that any payments will be made for untaken leave.

	2022/23 £'000	2023/24 £'000
Balance at 1 April	(565)	(615)
Settlement or cancellation of accrual made in prior year	565	615
Amounts accrued at the end of the current year	(615)	(554)
Amount by which officer remuneration charged to the CIES on an accruals basis is different from statutory requirements.	(50)	61
Balance at 31 March	(615)	(554)

Capital Adjustment Account

The Capital Adjustment Account accumulates the write down of the historic cost of fixed assets as they are consumed by depreciation or impairment or written off on disposal. It accumulates the resources set aside to finance capital expenditure. The balance on the account thus represents timing differences between the amount of the historical cost of fixed assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

	2022/23	2023/24
	£'000	£'000
Balance at 1 April	17,025	17,057
Reversal of items relating to capital expenditure debited or credited to the CIES:		
Charges for depreciation and impairment of non-current assets	(1,852)	(1,179)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(12)	(18)
	(1,864)	(1,197)
Adjusting amounts written out of the Revaluation Reserve	422	(313)
Net written out amount of the cost of non-current assets consumed in the year	15,583	15,547
Capital financing applied in the year:		
Capital grants and contributions credited to the CIES that have been applied to capital expenditure	0	0
Application of capital receipts	0	322
Application of grants to capital financing from the Capital Grants reserve	0	0
Unapplied Account:		
Statutory provision for the financing of capital investment charged against the General Fund	353	395
Capital expenditure charged against the General Fund or Reserves	1,121	1,633
Balance at 31 March	17,057	17,897

Pension Reserves

The Pensions Reserves are maintained in order that the IAS 19 accounting adjustments are reversed out of the Comprehensive Income and Expenditure Statement and do not impact on the amount to be met from local taxation, see Note 29 for further details.

	LGPS Pension Reserve		Firefighters' Pension Reserve	
	2022/23	2023/24	2022/23	2023/24
	£'000	£'000	£'000	£'000
Balance at 1 April	(19,228)	(1,526)	(364,970)	(260,450)
Remeasurement of the net defined benefit liability/ (assets)	19,219	4,335	113,999	(4,050)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(3,070)	(1,279)	(16,380)	(13,540)
Employer's pension contributions and direct payments to pensioners payable in the year	1,553	1,587	6,901	8,140
Balance at 31 March	(1,526)	3,117	(260,450)	(269,900)

26. Contingent Liabilities

In accordance with the Code of Practice, the following Contingent Liabilities have been identified:

1. Following a European Court of Justice Case (Ville de Nivelles v Matzak) time 'on call' has been determined as 'working time'. This may have implications for the On-call service. The matter is currently being considered at a national level. Guidance received so far indicates that the situation is not clear cut. There is potential for a 'test case'. Ultimately further costs may arise.
2. The Service is one of a number of FRAs with employment tribunal claims lodged as part of a group action by On-Call employees regarding the Part Time Workers Regulations and their respective terms and conditions of employment and pension eligibility/ entitlement. The Terms and Conditions element of the claims has been settled however the pension elements remain unresolved. The Regulations were received in late 2023. Implementation is ongoing. It is still unclear at this stage what the potential liabilities are given the options exercise with in-scope former and existing employees is underway.
3. Following the legal dispute between the FBU and Central Government (McCloud judgment) it has been determined that the transitional protections associated with the new 2015 Fire pension scheme are discriminatory. Remedy (to put pension members back into the position they would have been but for the discrimination) Regulations were published in order for Remedy to commence in October 2023. The eventual outcome is highly likely to have significant financial implications but these cannot be estimated at this time.
4. The Service has one employment tribunal case pending if the claimants are successful then costs will be incurred. Costs are unknown but are unlikely to be material.
5. The FRA determination in relation to a successful Internal Disputes Resolution Procedures (IDRP) pension claim, and subsequent claim to The Pensions Ombudsman may give rise to additional costs in respect of addressing underpayments to the pension fund and in turn, the pension fund to employees. This is ongoing work, hence the estimated pension obligations from this matter have not been captured within the pension liability estimates in these accounts.

27. Contingent Assets

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

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

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

As a result, and on the recommendation of the NFCC Finance Committee, the Home Office will be continuing to invoice FRAs in England at the original rate and will not apply the credit notes to the invoices the Home Office sends to FRAs. Instead, it will provide the total value of the credit to

Buckinghamshire Fire who have kindly agreed to hold the total credit that relates to Fire England until a final court decision is reached. Any monies remaining with Buckinghamshire Fire after the conclusion of the legal process will be shared between all FRAs in England based on their percentage share of the credit, if ultimately Motorola are unsuccessful in their court application. As at 31 March 2024 Bedfordshire FRA's share of the credit is estimated to be £77,160.

28. Authorisation of Accounts

These pre-audited accounts were approved by G Chambers on 16 August 2024.

29. Pension Arrangements

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

The Authority participates in two Pension Schemes:

- a. The **Firefighters' Pension Scheme** for firefighters is an unfunded defined benefit final salary scheme. This means that there are no investment assets built up to meet the pension's liabilities and cash has to be generated to meet actual pension's payments as they eventually fall due.
- b. The **Local Government Pension Scheme** for control and non-uniformed staff, administered from 1 April 2009 by Bedford Borough Council, is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

The cost of retirement benefits are recognised in the Net Cost of Service when they are earned by employees, rather than when the benefits are actually paid out as pensions. However, the charge required to be made against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the Movement on Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and General Fund Balance via the Movement in Reserves Statement during the year.

	Firefighters' Pension Scheme £'000		Local Government Pension Scheme £'000		Total £'000	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	Net Cost of Service:					
Current Service Cost	(6,710)	(1,580)	(2,565)	(1,201)	(9,275)	(2,781)
Past Service (Cost)/Gain	0	0	0	0	0	0
Administration Fee	0	0	(25)	(42)	(25)	(42)
Net Operating Expenditure:						
Net interest expense	(9,670)	(11,960)	(480)	(36)	(10,150)	(11,966)
Surplus or Deficit on the Provision of Service	(16,380)	(13,540)	(3,070)	(1,279)	(19,450)	(14,819)
Remeasurement of the net defined benefit liability:						
Return on Plan assets excluding amounts included in interest	0	0	(1,127)	3,104	(1,127)	3,104
Actuarial gains and losses arising on changes in demographic assumptions	13,000	0	0	369	13,000	369
Actuarial gains and losses arising on changes in financial assumptions	120,399	5,470	24,391	981	144,790	6,451
Other	(19,400)	(9,520)	(4,045)	(119)	(23,445)	(9,639)
Total Charge to the CIES	97,619	(17,590)	16,149	(3,056)	113,768	(14,534)
Movement in Reserves Statement						
Reversal of Net Charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the code	16,380	13,540	3,070	1,279	19,450	14,819
Amount charged against Council Tax for pensions in the year:						
Employer's contributions payable to the Scheme	6,031	7,193	1,553	1,587	7,584	8,780
Retirement benefits payable to Pensioners	870	947	0	0	870	947

The underlying assets and liabilities for retirement benefits attributable to the Authority at 31 March 2024 are as follows:

	Firefighters' Pension Scheme £'000		Local Government Pension Scheme £'000		Total £'000	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	Estimated Liabilities in Scheme	(260,450)	(269,900)	(33,879)	(35,061)	(294,329)
Estimated Assets in Scheme	0	0	32,353	38,178	32,353	38,178
Net Liability	(260,450)	(269,900)	(1,526)	3,117	(261,976)	(266,783)

The liabilities show the underlying commitments that the Authority has in the long-run to pay retirement benefits. The total net liability of £266.7m has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet, resulting in a negative overall balance on the Authority's Balance Sheet of £216.6m. Statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy:

- Any deficit on the Firefighters' Pension Account will be met by Government Grant.
- The deficit on the Local Government Pension Scheme will be made good by increased contributions over the remaining working life of employees as assessed by the Scheme's Actuary.

Liabilities have been assessed on an Actuarial Basis using the projected unit credit method: an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Firefighters' Pension Scheme liabilities have been assessed by Government Actuarial Department and the Local Government Pension Scheme liabilities have been assessed by Barnett Waddingham, an independent firm of Actuaries; estimates for the Firefighters' Pension Scheme and the Local Government Pension Scheme being based on the Actuarial Valuation (IAS 19) of the scheme as at 31 March 2024.

The significant assumptions used by the Actuary have been:

Assumptions	Firefighter Scheme 2022/23	Firefighter Scheme 2023/24	LGPS 2022/23	LGPS 2023/24
Longevity at 65 for current pensioners:				
Men	21.2 years	21.3 years	21.4 years	21.1 years
Women	21.2 years	21.3 years	24.2 years	23.9 years
Longevity at 65 for future pensioners:				
Men	22.9 years	22.9 years	22.4 years	22.2 years
Women	22.9 years	22.9 years	25.8 years	25.5 years
Rate of Inflation:				
Rate of Increase in Salaries	2.60%	2.60%		
Rate of Increase in Pensions	3.85%	3.85%	3.85%	3.85%
Rate for discounting scheme liabilities	2.60%	2.60%	2.85%	2.85%
Take up option to convert annual pension into retirement lump sum	4.65%	4.75%	4.80%	4.95%

The Local government Pension Scheme permits employees retiring on or after 6 April 2006 to take an increase in their lump sum payment on retirement in exchange for a reduction in their future pension. For 2023/24 the Actuary has assumed that all retirees will exchange half their commutable pension for cash at retirement.

The Firefighters' Pension Scheme has no assets to cover its liabilities.

The fair value of scheme assets in the Local Government Pension Scheme comprised of:

Asset category	2022/23 £000's	2022/23 %	2023/24 £000's	2023/24 %
Equities	20,738	64%	23,383	62%
Bonds	5,914	19%	6,935	18%
Property	4,335	13%	5,452	14%
Cash	1,366	4%	2,408	6%
Total	32,353	100%	38,178	100%

Bedford Borough Council has overall responsibility for the investment of the Local Government Pension Scheme Assets (the Fund). The major objective of the Fund is to maintain a portfolio of secure and sufficiently liquid assets, which together with new contributions from active members of the Fund will generate sufficient income and capital growth to meet the cost of current and future benefits that the Fund provides. The Council's Pensions Fund Panel has set an overall asset allocation for the Fund and for each asset class the Fund has a benchmark against which performance can be measured.

As is required by the pensions and (where relevant) investment regulation, the suitability of various types of investments have been considered, as the need to diversify investments to reduce risk of investment in too narrow range. The risk associated with the investments is controlled through the diversification of asset classes and investment managers. A small cash balance is also maintained to meet the liquid requirements of the Fund. A large proportion of the assets relate to equities (61 per cent of scheme assets) and UK Government bonds (18 per cent). The Bedfordshire Pension Funding Strategy is monitored annually or more frequently if necessary.

The table below shows the reconciliation of the present value of the Scheme's liabilities:

	Unfunded Liabilities Firefighters Scheme		Funded Liabilities LGPS	
	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000
Opening Defined Benefit Obligation	364,970	260,450	50,631	33,879
Current Service Costs	6,710	1,580	2,565	1,201
Interest Costs	9,670	11,960	1,313	1,617
Contributions from Scheme Participants	1,549	1,620	430	471
Transfers in/(out)	596	46	0	0
Experience loss / (gain) on defined benefit obligation	19,400	9,520	4,045	119
Actuarial losses/(Gains) due to changes in demographic assumptions	(13,000)	0	0	(369)
Actuarial losses/(Gains) due to changes in financial assumptions	(120,399)	(5,470)	(24,391)	(981)
Other	0	0	0	0
Past Service Cost	0	0	0	0
Past Service Cost as a result of McCloud Judgement	0	0	0	0
Benefits Paid	(8,176)	(8,859)	(706)	(867)
Injury Award Expenditure	(870)	(947)	0	0
Backdated Commutation Payments	0	0	0	0
Estimated unfunded benefits paid	0	0	(8)	(9)
Closing Defined Benefit Obligation	260,450	269,900	33,879	35,061

The objectives of the LGPS are to keep the employers' contributions at as constant a rate as possible, whilst achieving a funding level of 100% over the longer term. In 2019 the Borough Council agreed a strategy with the scheme's actuary to achieve a funding level of 100 per cent over 14 years.

The last triennial valuation for the Local Government Pension Scheme was 31/03/2022 and Firefighters' Pension Scheme (quadrennial valuations) was as at 31/03/2020.

The table below shows the membership details of the respective pension schemes in relation to the number of pensioner members for 2023/24.

Pension Scheme			Total Salaries - current members £'000	Total Deferred Pension £'000	Total Pensions payable £'000	Total Unfunded Pensions £'000
Fire Fighters	Number	%				
Active Members	386	36.3%	9,860			
Deferred Members	232	21.8%		860		
Pensioner Members	445	41.9%			7,110	
	1,063	100%	9,860	860	7,110	
LGPS						
Active Members	184	46.2%	5,440			
Deferred Members	97	24.4%		293		
Pensioner Members	115	28.9%			725	
Unfunded Pensioners	2	0.5%				8
	398	100 %	5,440	293	725	8

Notes

- 1 - Total Salaries is average pensionable pay with allowance for part time workers
- 2 - Total deferred pension includes the PI awarded in April 2020
- 3 - Total pension includes the PI awarded in April 2020

The table below shows the reconciliation of the Fair Value of the Scheme's Assets:

	Firefighters' Pension Schemes		Local Government Pension Scheme	
	2022/23	2023/24	2022/23	2023/24
	£'000	£'000	£'000	£'000
Opening Fair Value of Employer Assets	0	0	31,403	32,353
Interest - Income	0	0	833	1,581
Return on Plan Assets	0	0	(1,127)	3,104
Employer Contributions	6,031	7,193	1,553	1,587
Contributions by Scheme Participants	1,549	1,620	430	471
Other Actuarial Gains / (Losses)	0	0	0	0
Benefits Paid	(8,176)	(8,859)	(714)	(876)
Contributions in respect of Unfunded Benefits	870	947	8	9
Unfunded Benefits Paid	(870)	(947)	(8)	(9)
Transfers in/(out)	596	46	0	
Admin Expenses	0	0	(25)	(42)
Closing Fair Value of Employer Assets	0	0	32,353	38,178

30. Grants and Contributions

The Authority credited the following grants and contributions to the Comprehensive Income and Expenditure Statement:

Grant / Contribution	2022/23 £000	2023/24 £000
CLG – New Dimensions Resilience Training	21	40
CLG – Firelink	158	119
CLG – New Risk	70	0
Home Office – Covid19 Grant	110	0
Building Risk Review	0	57
Protection Grant	128	215
Grenfell Infrastructure	0	0
Home Office - RPL	0	0
ESMCP	44	0
Pension Admin	22	36
Redmond Review Grant	11	14
Revenue Service Grant	410	240
Levy Account Surplus Grant	50	50
P&M Green	0	7
Local Resilience Forum	0	77
Total	1,024	855

31. Post Balance Sheet Events

There are no post balance sheet events to report.

FIREFIGHTER PENSION FUND ACCOUNT

For the year ended 31 March 2024

2022/23 Net Expenditure £'000		2023/24 Net Expenditure £'000	See Note
	Contributions Receivable		
	From Employer		
(3,461)	• Normal	(3,612)	4*
(106)	• Other	(45)	
(1,549)	From Members	(1,637)	
(596)	Transfers In	(46)	
(5,712)	Total Receivable	(5,340)	
	Benefits Payable		
7,689	• Pensions	7,146	6*
483	• Communications & lump sum retirement benefits	1,708	
38	• Other	0	7*
	Payment to and on account of leavers		
0	• Individual transfers out to other schemes	2	
2,498	Net amount payable for the year	3,516	
(2,498)	Top-up grant payable by the Government	(3,516)	3*
	Net Amounts		
	NET ASSETS STATEMENT		
(723)	Net current Assets due from/(Net Current Liabilities owed to) Government	0	3*
723	Other current assets and liabilities	0	
0		0	

NOTES TO THE PENSION FUND ACCOUNT

1. Due to the way that firefighters' pensions are managed a separate Pension Fund Account is required to show the transactions related to those pensions. The fund was legally established under the Firefighters' Pension Scheme (Amendment) (England) Order 2006 and administered by London Pension Fund authority but is managed by Bedfordshire Fire and Rescue Authority.
2. The Pension Fund Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting and follow the Statement of Accounting Policies as detailed on pages 35 to 45. Similarly, the general management and administrative arrangements of the Pension Fund are the same as for the core accounts.
3. The Firefighters' Pension Fund is an unfunded scheme which means that there are no investment assets built up to meet the liabilities to pay pensions or other benefits in the future. Cash has to be generated to meet actual payments on a 'pay-as-you-go' basis from contributions from the FRA and employees. The Pension Fund has to be balanced to nil each year and so where the income generated is not sufficient to cover the costs, central government pay a top-up grant to cover any deficit. If, however, surplus income is generated then the surplus grant is repaid to the government.
4. Employee's and Employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and subject to four-year revaluation by the Government's Actuary Department.
5. The Net Assets Statement does not include liabilities to pay pensions and other benefits after the Balance Sheet date.
6. The April 2024 pension payments are paid out to the pensioners in March 2024. As income from employer and employees' contributions is not received until April, the payments have been funded from the FRA which is treated as a creditor of the Pension Fund Account.
7. The payment of £38k in 2022/23 related to Annual Allowance charges, where individuals' annual pension pot contributions have exceeded their individual annual allowance. The annual allowance is a limit on the amount that can be contributed to an individual's pension each year, while still receiving tax relief. It is based on an individual's earnings for the year and is capped at £40,000. These payments by the Authority to the HMRC are offset by the Home Office reimbursing the Authority via the Pension Top Up Grant. The individuals' relating to this £38k will ultimately pay back the Government when receiving their pensions, as their pensions will be reduced by the relevant amounts relating to their Annual Allowance charges. This is called the Mandatory Scheme Pays (MSP) option. If an individual did not take up the MSP option, they would have to pay the Annual Allowance via their own self-assessment tax return.

GLOSSARY OF TERMS

ACCRUAL

A sum included in the final accounts to cover income or expenditure attributable to an accounting period for goods received or work done, but for which payment has not been received/made by the end date of the period for which the accounts are prepared.

AUDIT

An independent examination of the Authority's activities, either by internal audit or the Authority's external auditor.

BALANCE SHEET

A statement of the recorded assets, liabilities and other balances at a specific date at the end of an accounting period.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a non-current asset or expenditure which adds to and not merely maintains the value of an existing non-current asset, i.e. by extending the economic life of the asset or increasing its value.

CAPITAL RECEIPT

Proceeds from the sale of a non-current asset, i.e. land or a building.

CONSISTENCY

The concept that the accounting treatment of like items within an accounting period and from one period to the next are the same.

CREDITOR

An amount owed by an organisation for work done, goods received, or services rendered to the organisation within the accounting period but for which payment has not been made.

CURRENT ASSET

An asset where the value may change because the volume held can vary through day-to-day activity, e.g. physical stockholdings.

CURRENT LIABILITY

The amount which will become payable or could be called in within the next accounting period e.g. creditor, cash overdrawn.

CURRENT VALUE

The measurements that reflect the economic environment prevailing to the service or function the asset is supporting at the reporting date. Current value measurement bases include: Existing Use Value, Existing Use Value Social Housing, Depreciated Replacement Cost and Fair Value.

DEBTOR

An amount due to the Authority within the accounting period but not received at the balance sheet date.

DEBT OUTSTANDING

Amounts borrowed which are still to be repaid.

DEPRECIATION

The measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset, whether arising from use, effluxion of time or obsolescence through technological or other changes.

FAIR VALUE

The fair value of a non-current asset is the price that will be received to settle an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement dates.

IFRS (International Financial Reporting Standards)

A set of rules, governed by the IASB (International Accounting Standard Board) for application in the compilation of Local Authority accounts.

INVENTORIES

Comprise consumable goods.

LOANS OUTSTANDING

The total amounts borrowed from external lenders for capital and temporary revenue purposes but not repaid at the balance sheet date.

LONG TERM CONTRACTS

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or combination of asset or services which together constitute a single project), where the time taken substantially to complete the contract is such that the contract activity falls into different accounting periods. Some contracts with a shorter duration than one year should be accounted for as long term contracts if they are sufficiently material to the activity of the period.

MINIMUM REVENUE PROVISION (MRP)

The minimum amount which must be charged each year to an authority's revenue account to repay the principal sum of borrowing for capital purposes.

NET BOOK VALUE

The amount at which non-current assets are included in the balance sheet, i.e. their historical cost or current value less cumulative amounts provided for depreciation.

NET CURRENT REPLACEMENT COST

The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

NON-CURRENT ASSETS

An asset which has value beyond one financial year.

OPERATING LEASES

A means of renting an asset for part of its life.

OPERATIONAL ASSETS

Non-current assets held and occupied, used or consumed by the authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

PUBLIC WORKS LOAN BOARD (PWLB)

A government agency which provides long-term loans to local authorities at interest rates only slightly higher than those at which the government itself can borrow.

REVENUE EXPENDITURE

The day-to-day running expenses incurred by an authority in providing services.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)

Represents expenditure which is capitalised but does not result in the creation of or enhancement to a non-current asset.

TRANSFER VALUE

A payment one pension fund makes to another when a member changes employment.

USEFUL LIFE

The period over which the authority will derive benefits from the use of a non-current asset.