



**DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY**

Statement of Accounts

2024/25

Unaudited

PASSIONATE ABOUT

CHANGING & SAVING LIVES

Contents

| | Page | | Page |
|---|------|--|------|
| Certificate for the Approval of the Statement of Accounts | 2 | 12 Provisions | 63 |
| Narrative Report | 3 | 13 Non-current assets held for sale | 64 |
| Statement of Significant Accounting Policies | 20 | 14 Usable Reserves | 65 |
| Statement of Responsibilities for the Statement of Accounts | 33 | 15 Unusable Reserves | 68 |
| Independent Auditor's Report | 34 | 16 Members' allowances | 72 |
| | | 17 Officers' remuneration | 73 |
| <u>The Financial Statements</u> | | 18 External audit costs | 76 |
| Comprehensive Income and Expenditure Statement | 40 | 19 Grant income | 77 |
| Movement in Reserves Statement | 42 | 20 Related party transactions | 78 |
| Balance Sheet | 46 | 21 Capital expenditure and financing | 80 |
| Cash Flow Statement | 48 | 22 Leases | 81 |
| | | 23 Private Finance Initiative | 83 |
| <u>Notes to the Financial Statements</u> | | 24 Defined Benefit Pension Schemes | 85 |
| 1 Expenditure and Funding Analysis | 50 | 25 Contingent assets and liabilities | 94 |
| 2 Critical judgements in applying accounting policies | 53 | 26 Disclosure of the nature and extent of risks arising from financial instruments | 95 |
| 3 Assumptions made about the future and other sources of estimation uncertainty | 53 | 27 Impact of future Accounting Standards | 98 |
| 4 Material items of income and expense | 54 | | |
| 5 Events after the Balance Sheet date | 54 | <u>The Firefighters' Pension Fund Accounts</u> | |
| 6 Property, plant and equipment | 55 | The Firefighters' Pension Fund Account | 99 |
| 7 Intangible assets | 58 | Net Assets Statement | 99 |
| 8 Financial instruments | 58 | Notes to the Firefighters' Pension Fund Accounts | 100 |
| 9 Inventories | 60 | | |
| 10 Debtors and creditors | 61 | Annual Governance Statement | 101 |
| 11 Cash Flow Statement disclosures | 62 | Glossary of Terms | 113 |

Certificate for the Approval of the Statement of Accounts

This page is intentionally blank

Narrative Report

1 Introduction

Welcome to the Statement of Accounts for the Dorset & Wiltshire Fire and Rescue Authority (the Authority) for the year ended 31 March 2025. Publication of these accounts is required under the current Accounts and Audit Regulations, and their form is prescribed by the Code of Practice on Local Authority Accounting in the United Kingdom 2024/54 (the Code), published by the Chartered Institute of Public Finance & Accountancy (CIPFA). The information contained in the Statement is of a highly technical nature, and readers may find it useful to refer to the glossary at the end of this document.

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

Dorset & Wiltshire Fire and Rescue Authority (the Authority) was formed on 1 April 2016. It is the responsibility of the Authority to help improve the safety, health and welfare of 1.54 million people living in the counties of Dorset and Wiltshire, an area covering some 2,370 square miles.

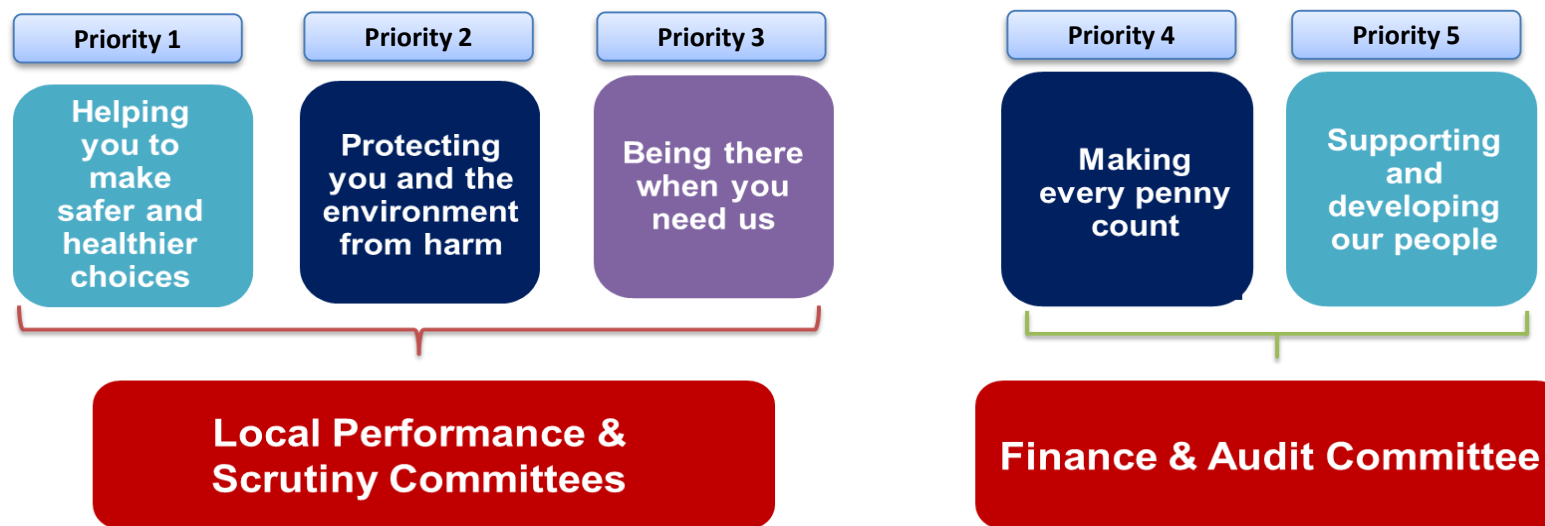
We have 50 fire stations covering the area, and serving our local communities. Crews are available to respond to emergency calls 24 hours a day. This operational response is supported by staff based at a number of other sites, including our Headquarters in the Five Rivers Health & Wellbeing Centre in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

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

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

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

Narrative Report



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

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

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

Narrative Report

2 Explanation of the Statements

The Statement of Accounts comprises the following elements:

◆ Narrative Report

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

◆ Statement of Accounting Policies

Accounting policies are included for all items that have a significant effect on the amounts included in the financial statements. Examples of such items include the measurement bases used, accruals, financial instruments, leases, overheads, provisions and reserves. Note 2 to the Financial Statements sets out the critical judgements that have been made in applying the accounting policies.

◆ Statement of Responsibilities for the Statement of Accounts

This sets out the respective responsibilities of the Authority and the Treasurer in preparing, publishing and approving the Statement of Accounts. The Treasurer signs this statement, stating that it gives a true and fair view of the financial position of the Authority at 31 March 2025 and of its income and expenditure for the year.

◆ Independent Auditor's Report

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

◆ The Financial Statements

There are four principal financial statements which, taken together, show the results of the stewardship and accountability of elected Members and management for the resources entrusted to them. These are the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet and the Cash Flow Statement. These statements contain the information about the Authority's financial position, performance and cash flows. Full information is presented relating to the year of account, 2024/25, along with comparative information for the previous year. Throughout the Statement, payments, expenditure and assets are shown as positive figures (debits) and receipts, income, reserves and liabilities as negative figures (credits).

Narrative Report

◆ Comprehensive Income and Expenditure Statement (CIES)

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

◆ Movement in Reserves Statement (MIRS)

This statement shows the movement in the year on the different reserves held by the Authority, analysed between usable and unusable reserves. Usable reserves can be used to fund expenditure or set against the need to raise the Council Tax. Unusable reserves are funds that must be set aside for specific legal or accounting purposes. Further detail about all reserves, and restrictions on their use, is given in Notes 14 and 15.

◆ Balance Sheet

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

The most significant item in the Balance Sheet is the Pensions Liability, matched by the Pensions Reserve. These amounts are explained in Note 24 and later in this Narrative Report. The true net worth of the Authority is shown by deducting the Pensions Reserve from the total Reserves. This adjusted figure matches the net assets less the Pensions Liability.

◆ Cash Flow Statement

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

◆ Notes to the Financial Statements

The four financial statements are followed by comprehensive notes. The Notes give more detail about items shown on the face of the financial statements, present information required under regulations or by the Code which is not presented elsewhere and provide further information relevant to an understanding of the accounts. The notes are cross-referenced to the financial statements, the accounting policies and to each other as appropriate. Comparative figures for 2023/24 are shown as required.

Narrative Report

◆ Expenditure and Funding Analysis (EFA) Note

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

◆ The Firefighters' Pension Fund Account and Net Assets Statement

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

◆ Annual Governance Statement

The Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk. The Annual Governance Statement sets out the arrangements in place to discharge this responsibility and the requirement of the Accounts and Audit Regulations 2015 to prepare and publish an Annual Governance Statement.

◆ Glossary of Terms

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

Narrative Report

3 Comparison of revenue outturn to budgets

Each year, a net revenue budget is approved by the Authority. The net revenue budget for 2024/25 was set at £73.919m, funded by £50.005m from council tax, £7.398m from revenue support grant, £11.279m from non-domestic rates, £5.237m from other non-ringfenced grants and £0.540m net transfer from reserves. During the financial year variations and budget adjustments are approved within this sum, with any change in total budget being matched by a change in transfers to or from reserves. The actual spending on the Service's running costs, interest payable and other operating costs, net of income generated from charges and contributions, is known as the outturn. The outturn is contained within the CIES, but does not match the format of that Statement as required by the Code. A reconciliation is shown in the EFA note. The difference between the outturn and the approved budget is transferred to or from Reserves. In order to demonstrate the Authority's stewardship of public funds, a comparison of the outturn to the approved budget is shown in the next table, followed by reasons for the most significant variations in 2024/25.

A number of temporary factors have influenced performance against the budget approved for 2024/25. On-call activity levels showed a 15% reduction compared to 2023/24. An underspend of £0.374m also occurred across our other employee groups, mainly due to staffing movements. The flooding of Marlborough Fire station in Quarter 4 of 2023/24 led to in excess of £100k of additional expenditure to enable the station to return to operational activity. The associated insurance claim covered the majority of this cost and works, and is reported separately as income. Additional costs were also incurred in the provision of operational and preventative equipment and hydrant maintenance. Changes to the arrangements for the provision of legal advice and monitoring officer services were implemented in Quarter 3 of 2024/25 and some small additional costs have been incurred. Central Government also addressed and resolved the external audit backlog in 2024/25, and fees for additional work relating to prior years were charged. Delays to planned capital expenditure and additional funding from central Government for pension remedy payments significantly boosted cash flow levels. This, and the enhanced yields that were available for most of 2024/25, meant that a significantly higher level of investment income was generated than expected when the budget was approved. Lastly, as part of the funding settlement for 2025/26, central Government confirmed the distribution of accumulated surpluses from the national business rate levy account. A one-off adjustment of £88k was received in March 2025. Note 19 details all of the grants and contributions received during the year.

Narrative Report

| 2024/25 | Original Approved Budget £000s | Updated Approved Budget £000s | Outturn £000s | Variation £000s |
|---------------------------------------|---|--|------------------|--------------------|
| Employees | 60,107 | 59,614 | 57,778 | -1,836 |
| Premises | 4,574 | 4,609 | 4,690 | 81 |
| Transport | 1,510 | 1,406 | 1,455 | 49 |
| Supplies and Services | 5,579 | 5,143 | 5,398 | 255 |
| Agency and Contracted Out Services | 2,850 | 2,218 | 2,256 | 38 |
| Democratic Representation | 116 | 116 | 109 | -7 |
| Capital Financing and Leasing | 5,147 | 5,720 | 5,720 | 0 |
| Income | -5,424 | -4,807 | -5,519 | -712 |
| Net expenditure | 74,459 | 74,019 | 71,887 | -2,132 |
| <i>Funded by:</i> | | | | |
| Council Tax | -50,005 | -50,005 | -50,005 | 0 |
| Revenue Support Grant | -7,398 | -7,398 | -7,398 | 0 |
| Business Rates | -11,279 | -11,279 | -11,279 | 0 |
| Non-ringfenced Grants | -5,237 | -5,237 | -5,318 | -81 |
| Total funding | -73,919 | -73,919 | -74,000 | -81 |
| Transfers to (+) or from (-) Reserves | -540 | -100 | 2,113 | 2,213 |

Narrative Report

| Main reasons for variations in 2024/25 | Variation from Budget £000s |
|--|--------------------------------|
| Reduced operational activity levels for on-call staff | -1,462 |
| Net employee cost variance across other staffing groups | -374 |
| Net additional spend on operational and preventative equipment and hydrant maintenance | 181 |
| Additional legal and external audit fees | 26 |
| Increase in investment income | -496 |
| Additional funding from business rate levy account surplus distribution | -88 |
| Net Revenue Underspend | -2,213 |

4 Significant assets acquired or liabilities incurred

Notes 6 and 7 show movements on property, plant and equipment and intangible assets by way of capital expenditure, depreciation, amortisation, revaluations and disposals. Additions to these assets are also set out in Note 21, which shows how the additions were financed in the year.

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

| Capital expenditure in the year | See Note | 2024/25 £000s |
|--|----------|------------------|
| Enhancements to existing buildings | | 702 |
| Other ICT systems and communications equipment | | 527 |
| Operational & other equipment | | 614 |
| Vehicles | | 1,860 |
| Property, plant and equipment | 6 | 3,703 |
| Software licences (intangible assets) | 7 | 55 |
| Total capital expenditure | 21 | 3,758 |

Narrative Report

5 The Pensions Liability

Reference has already been made to the Pensions Liability and Reserve, which have a significant impact on the Balance Sheet of the Authority. The balance was £408.2m at 31 March 2025, a decrease of £15.1m since the start of the year. All of the figures for pensions, except the actual contributions made by employees and the Authority, are calculated or estimated by the Actuary, who interprets the requirements of International Accounting Standard (IAS) 19 "Employee Benefits" and other relevant accounting provisions. The Authority has appointed Barnett Waddingham LLP, a firm of independent actuaries, to estimate the value of the liability in relation to the Firefighters' Pension Scheme (FPS) each year. Wiltshire Council, as the administering authority for the Local Government Pension Scheme (LGPS), appointed Hymans Robertson LLP as actuaries to the Wiltshire Council Pension Fund.

Details of the transactions for pensions are set out and explained in Note 24, which also describes the nature and benefits of the schemes to which the Authority contributes - the FPS, which includes the 1992, 2006, 2015 and Modified schemes, and the LGPS. The transactions for the various firefighters' schemes are aggregated in the Accounts.

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

The CIES is also charged, in the section for "Financing income and expenditure", with net interest on the defined benefit liability. The cost in 2024/25 was £20.2m (£20.1m in 2023/24). This charge is taken out of the General Fund in the MIRS.

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

6 Borrowing and other sources of funds

The Balance Sheet as at 31 March 2025 shows that outstanding debt stands at £16.187m (£16.224m in 2023/24), of which £39k is repayable within a year. £37k was repaid in 2024/25.

Note 21 to the Financial Statements shows how capital spending in 2024/25 was financed by revenue contributions, and capital receipts. The Authority did not undertake any new long-term borrowing during 2024/25 (nil in 2023/24).

Narrative Report

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

7 Provisions, contingencies and write-offs

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

The Balance Sheet at 31 March 2025 contains two provisions totalling £617k. These are set out in Note 12.

As part of the revised arrangements for non-domestic rates starting on 1 April 2013, the Authority shows in the Balance Sheet an allocated 1% share of the provisions made by the billing authorities for appeals against rating valuations. These are as notified by the billing authorities and amounted to £473k at 31 March 2025.

The Authority also makes provision for insurance claims that have been notified, but not settled, during the current or earlier financial years. The value of these claims was estimated at £144k at 31 March 2025.

Where it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably, a contingent liability is recognised. Contingent liabilities are also recognised where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. A contingent asset would be recognised in similar circumstances, but where the Authority expects to benefit from the receipt of an asset. Contingent assets and liabilities are not shown in the Balance Sheet, as no amount can be calculated, but any that do exist are described in Note 25.

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

Narrative Report

8 Material events after the reporting date

Post Balance Sheet events occur between the Balance Sheet date (31 March 2025) and the date on which the accounts are authorised for issue. These may be adjusting events - i.e. the figures recorded in the accounts must be changed, or non-adjusting events, for which there must be a note to the financial statements, but no actual change to the figures. Under the Code, adjusting events do not require a note, but material events would generally have to be explained. The existence of Post Balance Sheet events is reviewed each time the Statement is published, both before and after audit. There are no such events to report.

9 Inspection

All fire services in England were inspected by HMICFRS for the first time during 2018 and 2019. Our Service was inspected in the Tranche 2 inspection round, with the findings published in July 2019. Overall, the Service was rated as "Good" in all three areas of Effectiveness, Efficiency and People. A second round of full inspections took place during 2021 and 2022. The Service maintained a rating of "Good" for Effectiveness and People, and was judged as "Outstanding" for Efficiency. Within the People pillar we received an "Outstanding" judgement for "getting the right people with the right skills" when the findings were published in January 2023.

Against an expanded grading system, the findings of our third inspection were announced in October 2024. The Service achieved ratings of "Good" in five areas, "Adequate" in two areas, "Requires improvement" in three areas and "Inadequate" in one area. We continue to welcome the scrutiny and accountability the inspection process brings and remain committed to providing the best possible service to our communities.

10 Corporate Performance 2024/25

Performance arrangements for the Service for 2024/25 were centred on the delivery of the strategic priorities defined within our Community Safety Plan. Each of our priorities is supported by Key Lines of Enquiry (KLOEs), which pose specific questions against which our performance is appraised using performance indicators and commentary provided by officers throughout the year. A full review of each year's service performance can be found in our Annual Report publication, which is available on our website (dwfire.org.uk).

Priority 1: Help you to make safer and healthier choices

The Service completed 7,358 Safe and Well visits in 2024/25 (7,730 in 2023/24). We made 695 safeguarding referrals (561 in 2023/24). The majority of referrals involved concerns for poor mental health in adults and self-neglect. This growing trend is set to continue due to the impacts of the 'cost of living' crisis, increases in the number of people reporting mental health issues and our ageing population.

Last year we attended 681 road traffic collisions (752 in 2023/24). We carried out extrications in 163 of them (196 in 2023/24), which resulted in a total of 399 people being rescued from incidents (446 in 2023/24). Working in partnership with the Police and other organisations we

Narrative Report

aim to reduce the number of these incidents, through our prevention activities. We align our activity to local and national campaigns, and work closely with our partners. We have coordinated 3 digital road safety education events to 170 students, 5 Safe Drive Stay Alive events to 578 students and 1 Survive the Drive event, where we work closely with the Ministry of Defence to deliver safety messaging to MOD personnel. We have also hosted 2 Biker Down sessions.

Our youth education work is recognised by our partners as being effective, enjoyable, and educational. Over 10,700 children received safety messages, including 4,564 students at 44 Go Drive sessions in 34 schools.

Sadly, there have been 6 deaths in fire related incidents in 2024/25 (6 in 2023/24). His Majesty's Coroner has confirmed one of these as fire related (at time of publication), but no determination has yet been made on the other five. Each fire death is investigated at a fatal fire case conference to explore Service and multi-agency learning and improvement. We also consider how we can improve the identification of vulnerable individuals and tailor our interventions accordingly.



Priority 2: Protect you and the environment from harm

Changes in primary and secondary legislation following the Grenfell Tower Inquiry recommendations and the introduction of the revised building safety regime have now taken effect. These impact a wide range of businesses, not just multi-occupied residential buildings, and place new requirements on the building managers to conduct regular checks, share risk information, provide floor plans and to report defects in firefighting equipment. In line with our Community Safety Plan, we increased the capacity in our Protection department and are also now supporting the Building Safety Regulator with new and occupied building safety cases. We are also increasing engagement with energy infrastructure consultants, with Battery Energy Storage Sites, an emerging area of demand.

Narrative Report

Our inspection programme continues to look at higher risk buildings including high rise buildings, residential care homes and sleeping risk above commercial catering establishments. As well as providing support and guidance, we sometimes take formal action to resolve issues in buildings where we deem them to be unsafe. Along with increasing our specialist teams, crews at wholtime stations have been trained to complete lower risk fire safety checks on premises such as offices, shops or small industrial units. We also completed 773 fire safety audits (920 in 2023/24) and responded to 1,572 building regulation consultations (1,645 in 2023/24) as part of our statutory duties last year. In total there were 7,034 positive engagements with businesses (6,787 in 2023/24).

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

Last year we attended 4,508 Automatic Fire Alarm (AFA) calls (5,779 in 2023/24). 1,087 of these were in commercial premises (2,014 in 2023/24). The positive reduction in attendance numbers is a result of the call challenge process introduced for all non domestic and commercial property calls from April 2024.



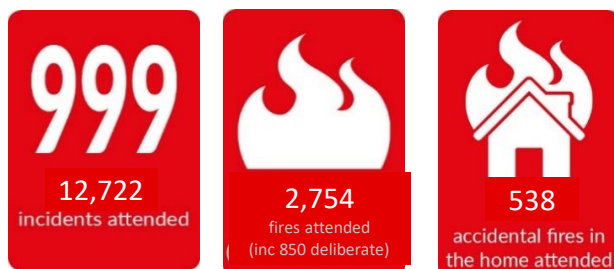
Narrative Report

Priority 3: Be there when you need us

Last year we responded to 12,722 incidents in total (14,605 in 2023/24), attending 2,754 fires (2,789 in 2023/24). 878 were deliberate fires (850 in 2023/24) and 1,876 were accidental fires (1,939 in 2023/24). Of these accidental dwelling fires, 538 (605 in 2023/24) were in the home, representing a 18% reduction in a five-year average. We attended 681 road traffic collisions (752 in 2023/24). 4,335 non-fire related calls were attended (4,623 in 2023/24). Demand has grown over a five-year period to support partner agencies at incidents. This was required on 2,129 occasions (2,199 in 2023/24) for collapsed behind closed doors, bariatric, suicide attempt support and other agency assistance request incidents. The equivalent figure for the year 2020/21 is 1,621 incidents, an increase of 31%.

We have a corporate target to achieve a 10-minute response time (including call handling and travel time) to fire in sleeping risk premises. Performance for 2024/25 shows an average response time of 10 mins and 17 seconds compared to 9 mins and 31 seconds in 2023/24. The long-term trend shows a small increase and is impacted by On-Call firefighter availability, increases in road traffic and the specific location of some incidents.

The average response time for the first appliance attending road traffic collisions (including call handling and travel time) was 12 mins and 28 seconds (12 mins and 6 seconds in 2032/24), compared to our target of 15 minutes. All failures to meet the response standards are investigated to see if there were any contributing factors that are in our control that could be improved. Our Local Performance and Scrutiny committees monitor this information in more detail.



Narrative Report

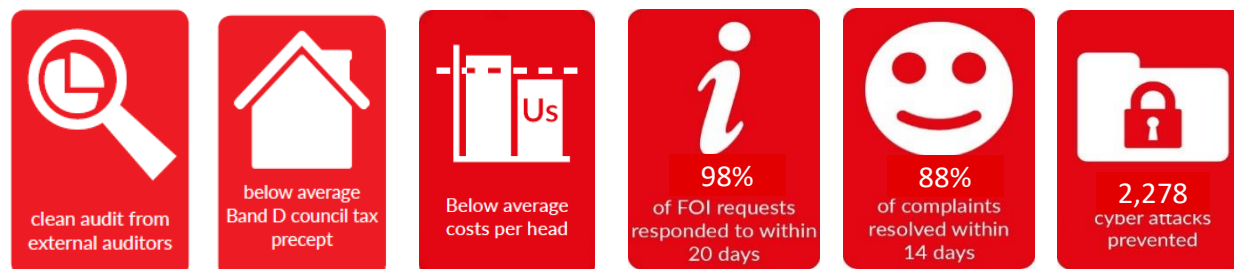
Priority 4: Make every penny count

The Authority continues to be a low-spending and efficient authority. Since April 2016 we have delivered total cashable savings of more than £67m and our annual savings total is now £11.2m. For 2024/25 our Band D fire precept figure was £86.95 compared to a national average for combined fire authorities of £90.32. Firefighter costs per person were £23.15 compared to an all-England average of £26.96.

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

Our electricity consumption Service-wide has reduced over the past three years with 2.185 MWh consumed, compared to 2.323 MWh in 2023/24. Over the same time period our gas consumption has reduced from 3.471 MWh down to 3.385 MWh in 2024/25. Carbon dioxide electricity emissions have decreased by 6% and gas emissions have decreased by 2.8%.

The Service continues to maintain accreditation to ISO 45001, the international standard for occupational health and safety management system, and ISO 55001, the Asset Management system certification standard. This helps ensure that we have a systematic and cost effective approach to our fleet, equipment, PPE, and estate, and also supports ISO 45001.



Narrative Report

We have maintained a good level of performance in meeting our legal requirements in relation to information management, and in responding to threats from cyber attacks. 98% of Freedom of Information requests were responded to within 20 days, 1% higher than 2023/24. 133 FOI's were received in total in 2024/25. 88% of complaints received by the Service were resolved within 14 days, compared to 87% in 2023/24. A total of 42 complaints were received in the year. 22 Subject Access requests were also received and 94% were responded to within the statutory time limit.

We take cyber security extremely seriously and have appropriate arrangements in place to guard against a wide range of potential cyber threats and attacks. During 2024/25 33 security incidents and 2,278 security intrusion attacks were detected and resolved (2,307 in 2023/24).

Priority 5: Supporting and developing our people

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

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

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

The diversity of our workforce remains a priority for us and we aspire to create a workforce that is more diverse. To help us achieve this we use positive action activities which includes 'have a go days' and a buddying scheme to ensure potential applicants have a good understanding of the work we do as well as information and advice in the lead up to our recruitment processes. We also provide a lot of helpful information on our website including videos of existing staff who share their experience of working for the Service as well as handy recruitment tips for anyone considering a career in the fire and rescue service. We have a corporate target to improve the diversity of our workforce as a whole compared to the previous five years. Overall numbers in 2024/25 show a 7.8% increase in diversity compared to this previous five-year average.



Narrative Report

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

Absence management continues to be a key focus for us, with the long-term trend for all staff groups absence showing a small decrease. Overall absence last year averaged 9.42 days/shifts lost per person. This has reduced from 9.45 days/shifts in 2023/24. The fitness test pass rate for operational staff was 94% (92% in 2023/24).

11 Future developments

Our future plans are set out in our Community Safety Plan (CSP), and on 6 February 2025 the Authority approved a revenue budget of £76.4m for 2025/26, along with a new Medium Term Financial Plan (MTFP), to support the delivery of this CSP. The CSP is also supported by our Strategic Assessment of Risk, which examines a range of key factors that impact on our organisation, from opportunities and challenges emerging from within the fire sector and those within the wider public-sector environment. The assessment aims to highlight the strategic and operational risks we face and describes how we intend to deal with them.

Whilst we achieved a balanced budget for 2025/26, we continue to face further financial challenges due to the ongoing uncertainty over funding in the medium to long term. Central Government provided a single-year Funding Settlement for 2025/26, the approach for the seventh consecutive year. Future years' budget plans are therefore based on a range of assumptions about the future funding levels we are likely to receive. The projected deficit for 2026/27 is £1.380m, increasing to £1.511m in 2027/28 and £1.764m in 2028/29.

The Authority is focused on delivering financial sustainability and a resourcing and savings programme was implemented during 2024/25. In excess of £0.9m of permanent revenue budget savings were identified and delivered during the year via this workstream and the impact of this initial work is incorporated into the figures above. The Authority has a good track record of sound financial management and is well placed to address the challenges that it faces in the immediate future and longer term with further work ongoing. It is for this reason that the Authority does not believe it will need to issue a Section 114 notice over the medium term and the accounts are prepared on a going concern basis. Future year budget planning is based on a number of prudent assumptions and a range of scenarios are maintained and updated as part of the budget setting process to ensure that all likely eventualities are considered.

12 Further information

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

Statement of Significant Accounting Policies

1 General principles

The general principles adopted in compiling the accounts of the Authority are in accordance with the recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA). They are contained in the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code), which is based on International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS). This Code constitutes 'proper accounting practice' under the terms of section 21(2) of the Local Government Act 2003. The accounts are prepared on a going concern basis.

The accounting policies specified in this Statement are the principles, bases, conventions, rules and practices applied by the Authority in preparing and presenting the financial statements. When accounting policies are changed, they are applied retrospectively, unless the Code requires transitional arrangements to be followed. Where retrospective adjustments are made, the comparative figures shown are restated as if the new policy had always been applied, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change. Additionally, the impact of any accounting changes required by Accounting Standards issued but not adopted by 1 January 2025 must be disclosed.

2 Measurement bases

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

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

3 Accruals

The accounts of the Authority are maintained on an income and expenditure basis, such that amounts relating to the year of account, but due to be paid or received after the end of the year, are included as creditors or debtors, known collectively as accruals. Where actual amounts are not known, estimated amounts are included. If it is necessary to make significant judgements in estimating accruals, these are recorded in Note 2 to the Financial Statements.

Statement of Significant Accounting Policies

4 Cash and cash equivalents

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

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

5 Contingent assets and liabilities

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

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

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

6 Employee benefits

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

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

Statement of Significant Accounting Policies

7 Events after the Balance Sheet date

Events after the reporting period are those events, whether favourable or otherwise, that occur between the Balance Sheet date and the date on which the financial statements are authorised for issue. Those events that provide evidence of conditions that existed at the Balance Sheet date are adjusting events, and the Statement will be adjusted to account for material amounts that result from those events. Events which only give an indication of conditions that arose after the reporting period are non-adjusting events, and the Statement will not be adjusted for these, although they will be described in Note 5 if non-disclosure would adversely affect the true and fair view of the Authority's financial position.

Events after the reporting period are reconsidered at each date that the Statement is authorised for issue - i.e before and after audit, and at the time that the Treasurer re-certifies that the accounts give a true and fair view of the Authority's financial position and performance. The relevant dates will be disclosed in Note 5.

8 Material items and prior period adjustments

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

Prior period adjustments are accounted for by restating the comparative figures for each prior period presented in the Financial Statements and Notes and adjusting the opening balances for the current period. There were no prior period adjustments to account for in the 2024/25 Financial Statements and Notes.

9 Financial instruments

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

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

Statement of Significant Accounting Policies

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

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

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

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

Interest costs and receipts are reported in the Financing and Investment Income and Expenditure section of the Comprehensive Income and Expenditure Statement in the period to which they relate. The cash flows for interest are shown separately in Note 11.

The fair value of financial instruments is disclosed in Note 8. When measuring the fair value of financial instruments, the Authority uses valuation techniques that are appropriate in the circumstances and for which sufficient detail is available, maximising the use of observable inputs and minimising the use of unobservable inputs.

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

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

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

10 Foreign currency

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

Statement of Significant Accounting Policies

11 Government grants and contributions

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

Capital and Revenue Grants with outstanding unfulfilled conditions are held in the Balance Sheet as receipts in advance. For capital grants, once conditions are met, these grants are transferred to the Comprehensive Income and Expenditure Statement. If related expenditure has not been incurred by the end of the year, the grants are taken forward in the Unused Grants Account as usable reserves (Note 14). Once related capital expenditure has been incurred the sums are finally transferred to the Capital Adjustment Account to reflect the application of capital resources to finance capital expenditure. Unapplied grants for revenue purposes are transferred back to the Comprehensive Income and Expenditure Statement as relevant expenditure is incurred in later years.

12 Intangible assets

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

13 Inventories

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

14 Leases

The Authority classifies contracts as leases based on their substance. Contracts and part of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Statement of Significant Accounting Policies

a Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension periods.

The Authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the Authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

b Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The Authority considers the cost model to be a reasonable proxy except for:

- ◆ assets held under non-commercial leases
- ◆ leases where rent reviews do not necessarily reflect market conditions
- ◆ leases with terms of more than five years that do not have any provision for rent reviews
- ◆ leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. Right-of-use assets held under index-linked leases are adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases are valued using market prices or rentals for equivalent land and properties.

Right-of-use assets are depreciated straight line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- ◆ there is a change in future lease payments arising from a change in index or rate
- ◆ there is a change in the Authority's estimate of the amount expected to be payable under a residual value guarantee
- ◆ the Authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- ◆ there is a revised in-substance fixed lease payment.

Statement of Significant Accounting Policies

Where such a remeasurement occurs, a corresponding adjustments is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

c Low value or short term lease exemption

As permitted by the Code, the Authority excludes leases:

- ◆ for low-value items that cost less than £10,000 when new, which are not highly dependent on or integrated with other items, and
- ◆ with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Authority is reasonably certain to exercise and any termination options that they Authority is reasonably certain not to exercise).

d Lease expenditure

Expenditure in the Comprehensive Income & Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

15 Private Finance Initiative (PFI)

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

With effect from 1 April 2024, IFRS 16 (Leases) also applies to service concession arrangements. Under IFRS 16, where indexation (or other changes in a rate) affects future service concession payments, the lease liability is required to be remeasured. Instead of expensing the increased payment, the net present value of future payments that comprise the liability is recalculated based on the revised level of payments. The effect of this will be to increase the balance sheet liabilities.

Statement of Significant Accounting Policies

16 Non-current assets held for sale

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

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

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

17 Overheads

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

18 Property, plant and equipment

a Recognition

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

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

Statement of Significant Accounting Policies

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

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

b Valuation

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

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

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

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

c Impairment and other reductions in value

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

Statement of Significant Accounting Policies

d Derecognition

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

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

e Depreciation

All assets except land are depreciated over their expected useful lives. Land is excluded because it is deemed to have an unlimited useful life. Depreciation ceases if an asset is reclassified as held for sale or otherwise derecognised. Accumulated depreciation is written out on revaluation of an asset. The sum to be depreciated is the current value less the residual value. Residual values are based on prices current at the Balance Sheet date. Residual values, estimated lives and depreciation methods are reviewed annually, and any changes are a change in accounting estimates, not policies. If material, the monetary effect of these changes is recorded in Notes 6 and 7.

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

19 Provisions

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

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

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

Statement of Significant Accounting Policies

20 Reserves

The Authority holds reserves to guard against unforeseen and unbudgeted expenditure. These usable reserves include the General Fund and unused grants. Part of the General Fund has been earmarked for specific purposes. Details of individual earmarked reserves are shown in Note 14 to the Financial Statements. When expenditure is incurred which is to be financed from a reserve it is charged to the Comprehensive Income and Expenditure Statement and matched by a transfer shown in the Movement in Reserves Statement. This ensures that there is no net charge to Council Tax for that expenditure in the year.

Some reserves are kept to manage accounting processes, mainly for property, plant and equipment, and for retirement benefits. These do not represent usable resources for the Authority. They are shown as Unusable Reserves in the Balance Sheet and the Movement in Reserves Statement. Transactions in the year and further explanations are set out in Note 15 to the Financial Statements.

21 Value Added Tax (VAT)

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

22 Pensions

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

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

Statement of Significant Accounting Policies

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

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

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

23 Council Tax and Non-Domestic Rates

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

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

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

Statement of Significant Accounting Policies

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

24 Apprenticeship Levy

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

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

Statement of Responsibilities for the Statement of Accounts

The Authority's responsibilities

The Authority is required to :

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

The Treasurer's responsibilities

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

In preparing this Statement of Accounts, the Treasurer has:

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

The Treasurer has also:

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

I certify that the Statement of Accounts give a true and fair view of the financial position of the Authority at the accounting date and of its income and expenditure for the year ended 31 March 2025.



Ryan Maslen

Treasurer

30 June 2025

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

This page is intentionally blank

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

This page is intentionally blank

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

This page is intentionally blank

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

This page is intentionally blank

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

This page is intentionally blank

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

This page is intentionally blank

Comprehensive Income and Expenditure Statement 2024/25

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

| Gross Expenditure £000s | 2023/24 Gross Income £000s | Net Expenditure £000s | | Gross Expenditure £000s | 2024/25 Gross Income £000s | Net Expenditure £000s | See Notes |
|----------------------------|----------------------------------|--------------------------|--|----------------------------|----------------------------------|--------------------------|-----------|
| 50,799 | 0 | 50,799 | Employees | 50,490 | 0 | 50,490 | |
| 4,644 | 0 | 4,644 | Premises | 4,290 | 0 | 4,290 | |
| 1,422 | 0 | 1,422 | Transport | 1,455 | 0 | 1,455 | |
| 5,416 | 0 | 5,416 | Supplies and Services | 5,398 | 0 | 5,398 | |
| 2,080 | 0 | 2,080 | Agency and Contracted Out Services | 1,508 | 0 | 1,508 | |
| 103 | 0 | 103 | Democratic Representation | 109 | 0 | 109 | |
| 4,060 | 0 | 4,060 | Capital Financing and Leasing | 4,754 | 0 | 4,754 | |
| 0 | -6,380 | -6,380 | Income | 0 | -4,753 | -4,753 | |
| 68,524 | -6,380 | 62,144 | Cost of Services | 68,004 | -4,753 | 63,251 | |
| 0 | -91 | -91 | Other Operating Expenditure | 0 | -34 | -34 | |
| 0 | -11,194 | -11,194 | (Gains)/Losses on Disposal of Non-Current Assets | 0 | -8,685 | -8,685 | |
| 0 | -11,285 | -11,285 | Pensions Top-up Grant | 0 | -8,719 | -8,719 | |
| | | | Financing & Investment Income & Expenditure | | | | |
| | | 973 | Interest payable & similar charges | | | 1,295 | |
| | | 20,120 | Net interest on the Defined Benefit Liability | | | 20,198 | |
| | | -330 | Interest Income | | | -690 | |
| | | 20,763 | Total | | | 20,803 | 24 |

Comprehensive Income and Expenditure Statement 2024/25

| Gross Expenditure £000s | 2023/24 Gross Income £000s | Net Expenditure £000s | | Gross Expenditure £000s | 2024/25 Gross Income £000s | Net Expenditure £000s | See Notes |
|----------------------------|----------------------------------|--------------------------|--|----------------------------|----------------------------------|--------------------------|-----------|
| | | -47,862 | Taxation & Non-specific Grant Income | | | -50,218 | |
| | | -5,154 | Council Tax Income | | | -5,245 | |
| | | -5,328 | Non-Domestic Rates Income | | | -5,558 | 19 |
| | | -4,403 | Non-Domestic Rates Top-up Grant | | | -7,398 | 19 |
| | | -423 | Revenue Support Grant | | | -73 | 19 |
| | | -3,411 | Services Grant | | | -5,245 | 19 |
| | | | Other non-ringfenced Government Grants | | | | |
| | | -66,581 | Total | | | -73,737 | |
| | | 5,041 | (Surplus)/Deficit on Provision of Services | | | 1,598 | |
| | | -10,875 | Other Comprehensive Income & Expenditure | | | -19,369 | 24 |
| | | | Remeasurement of the net Defined Benefit Liability | | | | |
| | | -2,865 | (Surplus)/Deficit on Revaluation of Non-Current Assets | | | 801 | 15 |
| | | -13,740 | Total | | | -18,568 | |
| | | -8,699 | Total Comprehensive Income & Expenditure | | | -16,970 | |

Movement in Reserves Statement 2024/25

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The statement shows how movements in the year of the Authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return the amounts chargeable to Council Tax for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

| 2023/24 (Prior year) | General Fund* | Capital Receipts Reserve | Total Usable Reserves | Unusable Reserves | Total Reserves | See Notes |
|---|---------------|--------------------------|-----------------------|-------------------|----------------|-----------|
| | £000s | £000s | £000s | £000s | £000s | |
| Balance at 1 April 2023 | -19,664 | 0 | -19,664 | 408,852 | 389,188 | |
| Movement in reserves during 2023/24 | | | | | | |
| Deficit on provision of services | 5,041 | 0 | 5,041 | 0 | 5,041 | |
| <u>Other Comprehensive Income and Expenditure</u> | | | | | | |
| Movement in Pensions Reserve | 0 | 0 | 0 | -10,875 | -10,875 | 24b |
| (Surplus)/Deficit on Revaluation of Non-Current Assets | 0 | 0 | 0 | -2,865 | -2,865 | 15a |
| Total Comprehensive Income and Expenditure | 5,041 | 0 | 5,041 | -13,740 | -8,699 | |
| Adjustments between accounting basis and funding basis under regulations | | | | | | |
| <u>Reversal of items in the CIES</u> | | | | | | |
| Depreciation and amortisation | -4,039 | 0 | -4,039 | 4,039 | 0 | 6/7 |
| Revaluation losses and reversal of previous losses | -21 | 0 | -21 | 21 | 0 | 6/7 |
| Effect of disposal of Non-Current Assets | -179 | 0 | -179 | 179 | 0 | |
| Retirement benefits under IAS 19 | -16,209 | 0 | -16,209 | 16,209 | 0 | 24b |
| Council Tax & NNDR income adjustment | -292 | 0 | -292 | 292 | 0 | 15d |
| Employee benefits accrual adjustment | -168 | 0 | -168 | 168 | 0 | 15e |

Movement in Reserves Statement 2024/25

| 2023/24 (Prior year) | General Fund* | Capital Receipts Reserve | Total Usable Reserves | Unusable Reserves | Total Reserves | See Notes |
|--|---------------|--------------------------|-----------------------|-------------------|----------------|-----------|
| | £000s | £000s | £000s | £000s | £000s | |
| <u>Insertion of items not in the CIES</u> | | | | | | |
| Minimum Revenue Provision | 2,005 | 0 | 2,005 | -2,005 | 0 | 21 |
| Revenue Provision for Private Finance Initiative | 940 | 0 | 940 | -940 | 0 | 21 |
| Employer's contributions to pension schemes and payments to pensioners | 10,743 | 0 | 10,743 | -10,743 | 0 | 24b |
| Capital expenditure charged to revenue | 758 | 0 | 758 | -758 | 0 | 21 |
| <u>Transfers</u> | | | | | | |
| Transfers to/(from) Capital Receipts Reserve | 171 | -171 | 0 | 0 | 0 | 14/21 |
| Transfers to/(from) Capital Receipts Reserve | 0 | 171 | 171 | -171 | 0 | |
| Total adjustments | -6,291 | 0 | -6,291 | 6,291 | 0 | |
| Increase or Decrease in the year | -1,250 | 0 | -1,250 | -7,449 | -8,699 | |
| Balance at 31 March 2024 | -20,914 | 0 | -20,914 | 401,403 | 380,489 | |

* General Fund includes Earmarked Reserves

Movement in Reserves Statement 2024/25

| 2024/25 (Current year) | General Fund* | Capital Receipts Reserve | Total Usable Reserves | Unusable Reserves | Total Reserves | See Notes |
|---|---------------|--------------------------|-----------------------|-------------------|----------------|-----------|
| | £000s | £000s | £000s | £000s | £000s | |
| Balance at 1 April 2024 | -20,914 | 0 | -20,914 | 401,403 | 380,489 | |
| Restatement of opening PFI liability | 0 | 0 | 0 | 5,619 | 5,619 | |
| Restated balance at 1 April 2024 | -20,914 | 0 | -20,914 | 407,022 | 386,108 | |
| Movement in reserves during 2024/25 | | | | | | |
| Deficit on provision of services | 1,598 | 0 | 1,598 | 0 | 1,598 | |
| <u>Other Comprehensive Income and Expenditure</u> | | | | | | |
| Movement in Pensions Reserve | 0 | 0 | 0 | -19,369 | -19,369 | 24b |
| (Surplus)/Deficit on Revaluation of Non-Current Assets | 0 | 0 | 0 | 801 | 801 | 15a |
| Total Comprehensive Income and Expenditure | 1,598 | 0 | 1,598 | -18,568 | -16,970 | |
| Adjustments between accounting basis and funding basis under regulations | | | | | | |
| <u>Reversal of items in the CIES</u> | | | | | | |
| Depreciation and amortisation | -4,664 | 0 | -4,664 | 4,664 | 0 | 6/7 |
| Revaluation losses and reversal of previous losses | 20 | 0 | 20 | -20 | 0 | 6/7 |
| Effect of disposal of Non-Current Assets | -164 | 0 | -164 | 164 | 0 | |
| Remeasurement of PFI liability | -109 | 0 | -109 | 109 | 0 | 23 |
| Retirement benefits under IAS 19 | -17,518 | 0 | -17,518 | 17,518 | 0 | 24b |
| Council Tax & NNDR income adjustment | -264 | 0 | -264 | 264 | 0 | 15d |
| Employee benefits accrual adjustment | 30 | 0 | 30 | -30 | 0 | 15e |

Movement in Reserves Statement 2024/25

| 2024/25 (Current year) | General Fund* | Capital Receipts Reserve | Total Usable Reserves | Unusable Reserves | Total Reserves | See Notes |
|--|---------------|--------------------------|-----------------------|-------------------|----------------|-----------|
| | £000s | £000s | £000s | £000s | £000s | |
| <u>Insertion of items not in the CIES</u> | | | | | | |
| Minimum Revenue Provision | 2,186 | 0 | 2,186 | -2,186 | 0 | 21 |
| Revenue Provision for Right-of-Use assets | 351 | 0 | 351 | -351 | 0 | 21 |
| Revenue Provision for Private Finance Initiative | 1,276 | 0 | 1,276 | -1,276 | 0 | 21 |
| Employer's contributions to pension schemes and payments to pensioners | 13,263 | 0 | 13,263 | -13,263 | 0 | 24b |
| Capital expenditure charged to revenue | 1,759 | 0 | 1,759 | -1,759 | 0 | 21 |
| <u>Transfers</u> | | | | | | |
| Transfers to Capital Receipts Reserve | 123 | -123 | 0 | 0 | 0 | 14/21 |
| Transfers from Capital Receipts Reserve | 0 | 123 | 123 | -123 | 0 | 14/21 |
| Rounding | 0 | 0 | 0 | -1 | -1 | |
| Total adjustments | -3,711 | 0 | -3,711 | 3,710 | -1 | |
| Increase or Decrease in the year | -2,113 | 0 | -2,113 | -14,858 | -16,971 | |
| Balance at 31 March 2025 | -23,027 | 0 | -23,027 | 392,164 | 369,137 | |

* General Fund includes Earmarked Reserves

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves comprises those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

| 31 March 2024 | | 31 March 2025 | | See Notes |
|---------------|--------|--|---------|--------------|
| £000s | £000s | £000s | £000s | |
| | | | | |
| | 40,567 | Property, Plant & Equipment | | 6 |
| | 22,636 | Land & Buildings | 38,897 | |
| | 0 | Vehicles, Plant & Equipment | 22,540 | |
| | | Right-of-Use Assets - Land & Buildings | 1,568 | 6/22 |
| | 63,203 | | 63,005 | |
| | 23 | Intangible Assets | 45 | 7 |
| | 157 | Long-term Debtors | 75 | 10 |
| | 63,383 | Long-term Assets | 63,125 | |
| 611 | | Inventories | 616 | 9 |
| 10,826 | | Short-term Debtors | 15,745 | 10 |
| 1,702 | | Cash & Cash Equivalents | 11,635 | 11 |
| | 13,139 | Current Assets | 27,996 | |
| -37 | | Short-term Borrowing | -39 | 8 |
| -9,049 | | Short-term Creditors | -22,660 | 10 |
| -598 | | Provisions | -617 | 12 |
| 0 | | Assets Held for Sale | 92 | 13 |
| | -9,684 | Current Liabilities | -23,224 | |

Balance Sheet

| 31 March 2024 | | 31 March 2025 | | | See Notes |
|---------------|----------|--|----------|----------|---------------------------------|
| £000s | £000s | | £000s | £000s | |
| -7,867 | | Long-term Creditors | -12,727 | | 10/23 8 24 |
| -16,187 | | Long-term Borrowing | -16,148 | | |
| -423,273 | | Net Pensions Liability | -408,159 | | |
| | -447,327 | Long-term Liabilities | | -437,034 | 14 14 |
| | -380,489 | Net Assets | | -369,137 | |
| -3,102 | | General Fund | -3,157 | | |
| -17,812 | | Earmarked General Fund Reserves | -19,870 | | 15a 15b 15c 15d 15e |
| | -20,914 | Usable Reserves | | -23,027 | |
| -12,021 | | Revaluation Reserve | -11,220 | | |
| -9,344 | | Capital Adjustment Account | -4,503 | | 15a 15b 15c 15d 15e |
| 423,273 | | Pensions Reserve | 408,159 | | |
| -1,002 | | Collection Fund Adjustment Account | -739 | | |
| 497 | | Short-term Accumulating Compensated Absences Account | 467 | | 15a 15b 15c 15d 15e |
| | 401,403 | Unusable Reserves | | 392,164 | |
| | 380,489 | Total Reserves | | 369,137 | |

Cash Flow Statement

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

| 2023/24 | | | 2024/25 | | See Notes |
|---------|--------|---|---------|---------|--------------|
| £000s | £000s | | £000s | £000s | |
| | 5,041 | Net (surplus)/deficit on the provision of services | | 1,598 | |
| | | Adjust net (surplus)/deficit on the provision of services for non-cash movements | | | |
| -4,039 | | Depreciation and amortisation | -4,664 | | |
| -21 | | Change in valuations of property, plant & equipment | 20 | | |
| -425 | | (Increase)/decrease in creditors | -12,493 | | |
| 3,405 | | Increase/(decrease) in debtors | 4,019 | | |
| 37 | | Increase/(decrease) in inventories | 6 | | |
| 102 | | (Increase)/decrease in provisions | 1 | | |
| -5,466 | | (Increase)/decrease in pension liability | -4,255 | | |
| 0 | | Other non-cash items charged to the net surplus or deficit on the provision of services | 111 | | |
| -316 | | | | | |
| | -6,723 | Adjust for items included in the net (surplus)/deficit on the provision of services that are investing and financing activities | | -17,255 | |
| | 271 | Proceeds from the sale of property, plant and equipment | | 198 | |
| | -1,411 | Net cash flows from operating activities | | -15,459 | 11 |

Cash Flow Statement

| 2023/24 | | | 2024/25 | | See Notes |
|---------|-------|---|---------|--------|--------------|
| £000s | £000s | | £000s | £000s | |
| | | Investing activities | | | |
| 5,521 | | Purchase of property, plant, equipment and intangibles | 4,492 | | |
| 0 | | Purchase of short-term investments | 4,500 | | |
| -271 | | Proceeds from sale of property, plant and equipment | -198 | | |
| 0 | | Proceeds from short-term investments | -4,500 | | |
| | 5,250 | Net cash flows from investing activities | | 4,294 | |
| | | Financing activities | | | |
| | | Cash payments for the reduction of outstanding liabilities | | | |
| 611 | | - Private Finance Initiative | 929 | | |
| 0 | | - Right-of-Use Assets | 266 | | |
| 0 | | Receipts from new long-term borrowing | 0 | | |
| 36 | | Repayments of long-term borrowing | 37 | | |
| | 647 | Net cash flows from financing activities | | 1,232 | |
| | 4,486 | Net (increase)/decrease in cash and cash equivalents | | -9,933 | |
| | 6,188 | Cash and cash equivalents at the beginning of the year | | 1,702 | |
| | 1,702 | Cash and cash equivalents at the end of the year | | 11,635 | 11 |

Notes to the Financial Statements

1 Expenditure and Funding Analysis 2024/25

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

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

* General Fund includes Earmarked Reserves

Notes to the Financial Statements

| 2024/25 (Current year) | Net Expenditure General Fund * £000s | Adjustments | | | | Net Expenditure in the CIES £000s |
|---|--|---------------|---------------|------------|---------------|---|
| | | Capital | Pensions | Other | Total | |
| | | £000s | £000s | £000s | £000s | |
| Employees | 57,778 | 0 | -7,258 | -30 | -7,288 | 50,490 |
| Premises | 4,690 | -400 | 0 | 0 | -400 | 4,290 |
| Transport | 1,455 | 0 | 0 | 0 | 0 | 1,455 |
| Supplies and Services | 5,398 | 0 | 0 | 0 | 0 | 5,398 |
| Agency and Contracted Out Services | 2,256 | 0 | 0 | -748 | -748 | 1,508 |
| Democratic Representation | 109 | 0 | 0 | 0 | 0 | 109 |
| Capital Financing and Leasing | 5,720 | -966 | 0 | 0 | -966 | 4,754 |
| Income | -5,519 | 0 | 0 | 766 | 766 | -4,753 |
| Net Cost of Services | 71,887 | -1,366 | -7,258 | -12 | -8,636 | 63,251 |
| Other Income and Expenditure | -74,000 | 513 | 11,513 | 321 | 12,347 | -61,653 |
| Surplus (-) or Deficit (+) | -2,113 | -853 | 4,255 | 309 | 3,711 | 1,598 |
| Opening General Fund* Balance at 1 April 2024 | -20,914 | | | | | |
| Surplus or Deficit on the General Fund in the year | -2,113 | | | | | |
| Closing General Fund* Balance at 31 March 2025 | -23,027 | | | | | |

* General Fund includes Earmarked Reserves

Notes to the Financial Statements

Capital adjustments relate to items charged to the General Fund for decision-making purposes, but excluded from the cost of services in the Comprehensive Income and Expenditure Statement. These items include the minimum revenue provision, the revenue provision for PFI, capital expenditure charged to revenue and interest payments. The interest element of these is included in other income and expenditure, whilst the remaining items are contained in the Movement in Reserves Statement. Other items which are included in the cost of services, but not allocated to the General Fund, include gains and losses on the disposal of assets and depreciation, which are reversed out in the Movement in Reserves Statement, and leasing accounting entries under IFRS16.

Adjustments related to pensions are more fully explained in Note 24b. The only pension-related costs attributable to the General Fund are the actual employer's contributions. All other pensions costs, provided by the actuary under IAS 19 requirements, are excluded from the General Fund when considering the surplus or deficit in the year.

Other adjustments include:

- ◆ The reversal of income and expenditure relating to the Networked Fire Services Partnership project, which does not form part of the Authority's General Fund (see Note 20).
- ◆ Collection Fund adjustments (Note 15d).
- ◆ Adjustments relating to short-term accumulating absences (Note 15e).
- ◆ Transfers to or from usable reserves during the year, which are not included in the cost of services in the CIES.

Notes to the Financial Statements

2 Critical judgements in applying accounting policies

In applying the policies set out in the Statement of Accounting Policies, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. It is felt that there are no critical judgements required in relation to applying accounting policies.

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

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made based on past experience, current trends and other relevant factors. The assumptions and other sources of estimation uncertainty disclosed below relate to the estimates that require the Authority's most difficult, subjective or complex judgements. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increases, those judgements become more subjective and complex. As some balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are set out below.

- ◆ Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Actuaries are engaged to provide the authority with expert advice about the assumptions to be applied. The actuary has provided an assessment of the effect of changes in the assumptions used in estimating the pensions assets and liabilities included in the Accounts according to the requirements of IAS 19. This is reported in Note 24f.
- ◆ The age and remaining lives of buildings and their elements have been advised by the Authority's Valuer and assessed as at the valuation date. Assets are valued on a five-year rolling basis. Asset lives have been provided based on the assumption that building elements will continue to be maintained normally over the period from the date of inspection to the valuation date and that there will be no untoward changes. If the remaining lives of buildings is reduced, depreciation charges will increase and the carrying value of the buildings will fall. It is estimated that the annual depreciation charge for buildings would increase by £117k for every year that the remaining lives had to be reduced.

The property valuations were undertaken at 31 March 2025, based on market conditions at that time. A 1% change in valuations equates to £405k.

Notes to the Financial Statements

4 Material items of income and expense

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

5 Events after the Balance Sheet date

Post Balance Sheet events occur between the Balance Sheet date (31 March 2025) and the date on which the accounts are authorised for issue. Events which have a material effect on the accounts must be disclosed in a note. No such events were identified before the final accounts were authorised for issue by the Treasurer on 30 June 2025.

Notes to the Financial Statements

6 Property, plant and equipment

A Movements on balances

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

Notes to the Financial Statements

| 2024/25 (Current year) | Land & Buildings £000s | Vehicles £000s | Plant & Equipment £000s | Right-of-Use Assets £000s | Total £000s |
|---|---------------------------|-------------------|----------------------------|------------------------------|----------------|
| <u>Cost or valuation</u> | | | | | |
| At 1 April 2024 | 40,567 | 31,366 | 9,010 | 0 | 80,943 |
| Additions in year | 961 | 1,860 | 1,141 | 88 | 4,050 |
| Revaluations | -714 | 0 | 0 | -68 | -782 |
| Derecognition due to disposals | 0 | -649 | -1,485 | 0 | -2,134 |
| Reclassification to assets held for sale | 0 | -351 | 0 | 0 | -351 |
| Reclassification to Right-of-Use assets | -490 | 0 | 0 | 1,910 | 1,420 |
| Write-out depreciation on revaluation | -1,427 | 0 | 0 | -20 | -1,447 |
| Cost or valuation at 31 March 2025 | 38,897 | 32,226 | 8,666 | 1,910 | 81,699 |
| <u>Depreciation</u> | | | | | |
| At 1 April 2024 | 0 | -11,775 | -5,965 | 0 | -17,740 |
| Charge for the year | -1,427 | -1,916 | -926 | -362 | -4,631 |
| Disposals in year | 0 | 491 | 1,480 | 0 | 1,971 |
| Reclassification to Right-of-Use assets | 0 | 259 | 0 | 0 | 259 |
| Write-out depreciation on revaluation | 1,427 | 0 | 0 | 20 | 1,447 |
| Depreciation at 31 March 2025 | 0 | -12,941 | -5,411 | -342 | -18,694 |
| Net Book Value at 31 March 2025 | 38,897 | 19,285 | 3,255 | 1,568 | 63,005 |
| <u>Nature of asset holding at 31 March 2025</u> | | | | | |
| Owned | 30,304 | 19,285 | 3,255 | 1,568 | 54,412 |
| Private Finance Initiative | 8,593 | 0 | 0 | 0 | 8,593 |
| Net Book Value at 31 March 2025 | 38,897 | 19,285 | 3,255 | 1,568 | 63,005 |

Notes to the Financial Statements

B Revaluations

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

A valuation of a representative sample of land and buildings covering about a fifth of the property assets was carried out as at 31 March 2025 by BNP Paribas, who are RICS qualified and independent of the Authority. The results of this valuation were applied to all properties, resulting in unrealised gains of £1.4m and revaluation losses of £2.1m.

In accordance with the Code, unrealised gains were posted to the Revaluation Reserve, except where they had the effect of reversing previous revaluation losses, when they were credited to the Cost of Services in the Comprehensive Income and Expenditure Statement, which had originally borne those losses. Losses at 31 March 2025 were charged against any balance for individual properties in the Revaluation Reserve, and to the Cost of Services where the balance in the Reserve was insufficient.

At the end of 2024/25, the Fleet & Equipment Manager advised that the useful lives of a number of vehicles would differ from those originally estimated. The effect of this change in accounting estimate was to increase depreciation in the year by £35k, as the value of vehicles will be written down over differing periods.

C Impairments

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

With regard to its property assets, the Authority carries out repairs, planned and reactive maintenance each year, while also including funds in its capital programme for minor improvements which help to maintain the capital value as assessed periodically by the independent Valuers. In 2024/25, there were no specific events which caused the Authority to impair its assets.

D Capital Commitments

At 31 March 2025, the Authority had outstanding capital commitments from purchase orders totalling £1m. In addition, the Authority had made prepayments of £2.1m (£1.2m in 2023/24) towards the cost of new vehicles and equipment.

Notes to the Financial Statements

7 Intangible assets

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

| 2023/24 Net Value £000s | | Gross Value £000s | 2024/25 Amortisation £000s | Net Value £000s |
|-------------------------------|--|----------------------|----------------------------------|--------------------|
| 46 | Carrying Amount at 1 April | 141 | -118 | 23 |
| 0 | Additions in year | 55 | 0 | 55 |
| -23 | Amortisation in year | 0 | -33 | -33 |
| 0 | Derecognition on disposal or replacement | -55 | 55 | 0 |
| 23 | Carrying Amount at 31 March | 141 | -96 | 45 |

8 Financial instruments

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

Trade debtors and creditors arise during the normal course of the Authority's business, excluding those with related parties such as for Government grants and Council Tax arrears and prepayments. They are included within debtors and creditors which are analysed in Note 10.

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

Notes to the Financial Statements

| 31 March 2024 | | | 31 March 2025 | | |
|--------------------|------------------|---|--------------------|------------------|--------|
| Long-term £000s | Current £000s | Financial Assets and Liabilities in the Balance Sheet | Long-term £000s | Current £000s | |
| | | <u>Financial Assets (Held at amortised cost)</u> | | | |
| | 1,589 | Investments (Cash equivalents) | | | 11,635 |
| | 39 | Trade debtors | | | 5,365 |
| 0 | 1,628 | | 0 | | 17,000 |
| | | <u>Financial Liabilities (Held at amortised cost)</u> | | | |
| -16,187 | -37 | Public Works Loan Board (PWLB) loans | -16,148 | | -39 |
| -7,597 | -613 | Private Finance Initiative | -12,011 | | -998 |
| 0 | -2,121 | Trade creditors | 0 | | -7,213 |
| -23,784 | -2,771 | | -28,159 | | -8,250 |

| 2023/24 | | | 2024/25 | | |
|------------------|-------------------|--|------------------|-------------------|------|
| Charged £000s | Credited £000s | Interest in the Comprehensive Income and Expenditure Statement | Charged £000s | Credited £000s | |
| | | Investments | | | -690 |
| 478 | -330 | PWLB loans | 477 | | |

Fair value

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

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

Notes to the Financial Statements

The difference between the fair value of PWLB loans and the carrying amount is due to the fixed rate of interest on the loans being higher than the prevailing rates (i.e. new loan rates) at 31 March 2025. The loan rates vary between 1.61% and 4.9%. The PWLB loans are classified in level 2 of the fair value hierarchy - i.e. their fair value is based on inputs other than quoted prices that are observable for the liability, either directly or indirectly.

Previously, the fair value of the PFI liability was estimated as the price the Authority would pay to transfer the liability to another market participant on 31 March by discounting at AA corporate bond yields. Due to the adoption of IFRS 16, the PFI liability is now remeasured annually, and the carrying amount and fair value are therefore the same.

| 31 March 2024 | | | | 31 March 2025 | | |
|--------------------------|---------------------|---------------------|---------------|--------------------------|---------------------|---------------------|
| Carrying amount £000s | Fair Value £000s | Difference £000s | | Carrying amount £000s | Fair Value £000s | Difference £000s |
| -16,224 | -12,500 | -3,724 | PWLB loans | -16,187 | -11,240 | -4,947 |
| -8,210 | -6,313 | -1,897 | PFI liability | -13,008 | -13,008 | 0 |
| -24,434 | -18,813 | -5,621 | Totals | -29,195 | -24,248 | -4,947 |

9 Inventories

| 2023/24 Written off £000s | 31 March 2024 Balance £000s | | 2024/25 Written off £000s | 31 March 2025 Balance £000s |
|---------------------------------|-----------------------------------|--|---------------------------------|-----------------------------------|
| 0 | 35 | Vehicle Fuel | 0 | 28 |
| 1 | 399 | Clothing and Personal Protective Equipment | 5 | 459 |
| 0 | 149 | Equipment | 1 | 108 |
| 0 | 28 | Other | 0 | 21 |
| 1 | 611 | Total Inventories | 6 | 616 |

Notes to the Financial Statements

10 Debtors and creditors

| 31 March 2024 | | | 31 March 2025 | | |
|---------------|-----------|---|---------------|-----------|--|
| Debtors | Creditors | | Debtors | Creditors | |
| £000s | £000s | | £000s | £000s | |
| 39 | -2,121 | Trade debtors and creditors | 5,365 | -7,213 | |
| 4,969 | -12,524 | Related parties | 2,721 | -26,330 | |
| 3,814 | 0 | Prepayments | 4,615 | 0 | |
| 4,915 | -1,337 | Council Tax and Business Rates | 6,025 | -1,179 | |
| -2,813 | 0 | Impairment allowance for doubtful debts | -3,037 | 0 | |
| 59 | -934 | Other amounts | 131 | -665 | |
| 10,983 | -16,916 | Total | 15,820 | -35,387 | |
| 157 | -7,867 | Comprising - Long-term balances | 75 | -12,727 | |
| 10,826 | -9,049 | Short-term balances | 15,745 | -22,660 | |
| 10,983 | -16,916 | | 15,820 | -35,387 | |

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

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

Prepayments are those amounts related to the 2025/26 financial year which have been processed in 2024/25. The largest element of this is the £1.7m payment of Firefighters' Pensions for April, as those pensions are paid in advance. At 31 March 2025 prepayments also include stage payments of £2.1m on nine operational vehicles still being built at that date.

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

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

Notes to the Financial Statements

11 Cash Flow Statement disclosures

| 31 March 2024 £000s | Cash and cash equivalents | 31 March 2025 £000s |
|------------------------|--------------------------------------|------------------------|
| 5 | Cash held by the Authority | 0 |
| 1,697 | Call and deposit accounts with banks | 11,635 |
| 1,702 | Total cash and cash equivalents | 11,635 |

| 2023/24 £000s | Items included in Net cash flows from operating activities | 2024/25 £000s |
|------------------|--|------------------|
| -322 | Interest received | -613 |
| 478 | Interest paid | 499 |

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

| Current year | 1 April 2024 £000s | Cash flows £000s | Non-cash changes £000s | 31 March 2025 £000s |
|---|-----------------------|---------------------|---------------------------|------------------------|
| Changes in liabilities arising from financing activities | | | | |
| Long-term borrowings | -16,187 | 0 | 39 | -16,148 |
| Short-term borrowings | -37 | 37 | -39 | -39 |
| Private Finance Initiative liabilities | -8,210 | 929 | -5,728 | -13,009 |
| Total liabilities arising from financing activities | -24,434 | 966 | -5,728 | -29,196 |

Notes to the Financial Statements

12 Provisions

| Provision for Non-Domestic Rates Appeals | | £000s |
|--|--|-------|
| Balance at 1 April 2024 | | -453 |
| Share of Provisions made in 2024/25 | | -20 |
| Balance at 31 March 2025 | | -473 |

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

| Provision for Insurance Claims | | £000s |
|--------------------------------------|--|-------|
| Balance at 1 April 2024 | | -145 |
| Use of provision during 2024/25 | | 16 |
| Addition to provision during 2024/25 | | -15 |
| Balance at 31 March 2025 | | -144 |

The Authority operates an internal insurance fund, with external policies covering larger and more catastrophic losses. Provision has been made for claims notified but not settled relating to 2024/25 and earlier financial years.

The total provisions (£617k) are shown in the Balance Sheet as short-term liabilities.

Notes to the Financial Statements

13 Non-current assets held for sale

Items of property, plant and equipment that are surplus to requirements and satisfy the following criteria are classified as held for sale. They are shown as current assets because they are expected to be sold within a year from the balance sheet date.

- Criteria:
- ◆ Assets must be available for sale in their present condition
 - ◆ The sale must be highly probably and planned
 - ◆ Assets must be actively marketed at a reasonable price
 - ◆ The sale is expected to be completed within twelve months.

| 2023/24 £000s | Assets Held for Sale | 2024/25 £000s |
|------------------|--|------------------|
| 0 | Balance at 1 April | 0 |
| 0 | Assets newly classified as held for sale | 92 |
| 0 | Assets sold | 0 |
| 0 | Total cash and cash equivalents | 92 |

Notes to the Financial Statements

14 Usable Reserves

| | Balance 1 April 23 £000s | Transfers out £000s | Transfers in £000s | Balance 31 March 24 £000s | Transfers out £000s | Transfers in £000s | Balance 31 March 25 £000s |
|-------------------------------|--------------------------------|---------------------------|--------------------------|---------------------------------|---------------------------|--------------------------|---------------------------------|
| General Fund | -3,052 | 0 | -50 | -3,102 | 0 | -55 | -3,157 |
| Earmarked Reserves | -16,612 | 638 | -1,838 | -17,812 | 3,456 | -5,514 | -19,870 |
| Total General Reserves | -19,664 | 638 | -1,888 | -20,914 | 3,456 | -5,569 | -23,027 |
| Capital Receipts Reserve | 0 | 171 | -171 | 0 | 123 | -123 | 0 |
| Total Usable Reserves | -19,664 | 809 | -2,059 | -20,914 | 3,579 | -5,692 | -23,027 |

General Fund

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

Earmarked Reserves

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

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

Capital Receipts Reserve

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

Notes to the Financial Statements

| Earmarked Reserves | Balance 1 April 23 £000s | Transfers out £000s | Transfers in £000s | Balance 31 March 24 £000s | Transfers out £000s | Transfers in £000s | Balance 31 March 25 £000s | See note below |
|---------------------------------|--------------------------------|---------------------------|--------------------------|---------------------------------|---------------------------|--------------------------|---------------------------------|----------------------|
| Ill Health Retirement | -177 | 172 | -140 | -145 | 0 | 0 | -145 | A |
| Insurance | -1,233 | 0 | -103 | -1,336 | 15 | 0 | -1,321 | B |
| Unused grants | -2,135 | 322 | -203 | -2,016 | 1,482 | -211 | -745 | C |
| Budget and Funding | -2,255 | 0 | -689 | -2,944 | 1,856 | 0 | -1,088 | D |
| Leadership and Training | -77 | 0 | 0 | -77 | 18 | 0 | -59 | E |
| Capital Replacement | -9,513 | 92 | -788 | -10,209 | 0 | -3,791 | -14,000 | F |
| Service Control | -436 | 0 | 0 | -436 | 0 | -370 | -806 | G |
| Leasing Rental | -241 | 85 | 0 | -156 | 85 | 0 | -71 | H |
| ESMCP | -545 | 52 | 0 | -493 | 0 | -127 | -620 | I |
| 2024/25 Carry Forward Requests | 0 | 0 | 0 | 0 | 0 | -515 | -515 | J |
| Invest to Save | 0 | 0 | 0 | 0 | 0 | -500 | -500 | K |
| Total Earmarked Reserves | -16,612 | 723 | -1,923 | -17,812 | 3,456 | -5,514 | -19,870 | |

Purposes of Earmarked Reserves

A Ill Health Retirement

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

B Insurance

Provision has been made for all known or possible insurance claims (see Note 12 above). This reserve is to cater for claims not covered by the provision.

Notes to the Financial Statements

C Unused Grants

Under the Code, revenue grants and contributions are recognised in the Comprehensive Income and Expenditure Statement, provided there are no unfulfilled conditions attached to them. Transfers into this reserve represent income received in the year but not yet used to cover expenditure. Transfers out represent income received in previous years and used to cover net expenditure in the current year. An analysis of income received by way of grants, contributions and donations in the year is shown in Note 19.

D Budget and Funding

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

E Leadership and Training

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

F Capital Replacement

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

G Service Control

This reserve was set up to help with transition costs associated with the establishment a new Service Control centre. It continues to be used to support Control related costs, including some costs associated with the Networked Fire Services Partnership (NFSP) (see Note 20).

H Leasing Rental

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

I ESMCP

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

J 2024/25 Carry Forward Requests

This reserve has been established to support the completion of existing projects that commenced in 2024/25, but were not completed fully by 31st March 2025, or were delayed.

K Invest to Save

This reserve has been created in 2024/25 to support the new Chief Fire Officer's commitments and a desire to support initiatives across the Service which will deliver ongoing savings in future financial years.

Notes to the Financial Statements

15 Unusable reserves

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

a Revaluation Reserve

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

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

| 2023/24 £000s | Revaluation Reserve | 2024/25 £000s |
|------------------|--|------------------|
| -9,156 | Balance at 1 April | -12,021 |
| -3,800 | Unrealised gains on revaluation of property assets | -1,365 |
| 935 | Unrealised losses on revaluation of property assets | 2,166 |
| 0 | Write-out accumulated gains on assets sold or scrapped | 0 |
| -12,021 | Balance at 31 March | -11,220 |

Notes to the Financial Statements

b Capital Adjustment Account

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

| 2023/24 £000s | Capital Adjustment Account | 2024/25 £000s | 2024/25 £000s |
|------------------|---|------------------|------------------|
| -9,709 | Balance at 1 April | | -9,344 |
| | Reversal of items relating to capital expenditure charged or credited to CIES | | |
| 4,016 | Depreciation of non-current assets | 4,631 | |
| 21 | Revaluation gains and losses on Property, Plant and Equipment | -20 | |
| 0 | PFI liability remeasurement | 5,728 | |
| 23 | Amortisation of intangible assets | 33 | |
| 179 | Amounts of non-current assets written out on sale or disposal | 164 | |
| 4,239 | Net written out as the cost of non-current assets consumed in the year | | 10,536 |
| 0 | Rounding | | 0 |
| | Capital financing applied in the year | | |
| -171 | Capital Grants and Receipts applied to capital financing | -123 | |
| -758 | Capital expenditure charged against the General Fund | -1,759 | |
| -2,005 | Statutory provision for debt repayment | -2,186 | |
| -940 | Revenue provision in respect of Private Finance Initiative | -1,276 | |
| 0 | Revenue provision in respect of leases | -351 | |
| -3,874 | | | -5,695 |
| -9,344 | Balance at 31 March | | -4,503 |

Notes to the Financial Statements

c Pensions Reserve

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

The debit balance on the Reserve shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding has been set aside by the time that the benefits come to be paid. Further information about pensions liabilities is given in Note 24.

| 2023/24 £000s | Pensions Reserve | 2024/25 £000s |
|------------------|--|------------------|
| 428,682 | Balance at 1 April | 423,273 |
| -10,875 | Actuarial gains or losses on pensions assets and liabilities | -19,369 |
| 16,209 | Reversal of items relating to retirement benefits charged or (credited) to the CIES | 17,518 |
| -10,743 | Deficit on the Provision of Services | |
| | Employers' pension contributions and direct payments to pensioners payable in the year | -13,263 |
| 423,273 | Balance at 31 March | 408,159 |

Notes to the Financial Statements

d Collection Fund Adjustment Account

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

| 2023/24 £000s | Collection Fund Adjustment Account | 2024/25 £000s |
|------------------|---|------------------|
| -1,294 | Balance at 1 April | -1,002 |
| | Amount by which the income credited to the CIES differs from that calculated for the year in accordance with statutory requirements | |
| 487 | Council Tax | -213 |
| -195 | Non-Domestic Rates | 476 |
| -1,002 | Balance at 31 March | -739 |

Notes to the Financial Statements

e Short-term Accumulating Compensated Absences Account

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

| 2023/24 £000s | Short-term Accumulating Absences Account | 2024/25 £000s | 2024/25 £000s |
|------------------|---|------------------|------------------|
| 329 | Balance at 1 April | | 497 |
| -329 | Settlement or cancellation of accrual made at the end of the preceding year | -497 | |
| 497 | Amounts accrued at the end of the current year | 467 | |
| 168 | Amount by which officer remuneration charged to the CIES on an accruals basis is different from that chargeable in the year in accordance with statutory requirements | | -30 |
| 497 | Balance at 31 March | | 467 |

16 Members' Allowances

The total amount paid in allowances to Members in accordance with the Authority's approved scheme of Members' Allowances made under the Local Authorities (Members' Allowances) (England) Regulations 2003 was £107,028 (£101,791 in 2023/24). There were £2,927 of travelling and subsistence costs reimbursed during the year (£2,029 in 2023/24).

Notes to the Financial Statements

17 Officers' remuneration

A Remuneration bands

The Accounts and Audit Regulations require the disclosure of the numbers of officers whose remuneration exceeded £50,000 in the year, analysed in bands of £5,000. Where appropriate, this table includes those officers listed in Note 17B and the effect of exit packages shown in Note 17C.

| 2023/24 No. | Remuneration band | 2024/25 No. |
|----------------|---------------------|----------------|
| 58 | £50,000 - £54,999 | 72 |
| 36 | £55,000 - £59,999 | 46 |
| 51 | £60,000 - £64,999 | 35 |
| 12 | £65,000 - £69,999 | 41 |
| 10 | £70,000 - £74,999 | 4 |
| 6 | £75,000 - £79,999 | 13 |
| 3 | £80,000 - £84,999 | 4 |
| 1 | £85,000 - £89,999 | 1 |
| 3 | £90,000 - £94,999 | 0 |
| 2 | £95,000 - £99,999 | 4 |
| 0 | £100,000 - £104,999 | 1 |
| 1 | £105,000 - £109,999 | 0 |
| 0 | £110,000 - £114,999 | 1 |
| | ~ | |
| 2 | £120,000 - £124,999 | 2 |
| | ~ | |
| 1 | £135,000 - £139,999 | 0 |
| 0 | £140,000 - £144,999 | 1 |
| | ~ | |
| 1 | £155,000 - £159,999 | 1 |
| 0 | £160,000 - £164,999 | 1 |
| | ~ | |
| 1 | £185,000 - £189,999 | 0 |

Notes to the Financial Statements

B Senior officers' remuneration

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

| 2024/25 Role | Salary, fees and allowances £ | Expenses & Benefits in kind £ | Total excluding pension £ | Employers' pension contributions £ | Total £ | See note |
|---|--|--|------------------------------------|---|------------|-------------|
| Ben Ansell, Chief Fire Officer | 143,886 | 122 | 144,008 | 54,101 | 198,109 | 1 |
| Andy Cole, Chief Fire Officer | 48,121 | 41 | 48,162 | 18,093 | 66,255 | 2 |
| Derek James, Deputy Chief Fire Officer | 163,206 | 163 | 163,369 | 35,089 | 198,458 | |
| Assistant Chief Fire Officer, Director of Community Safety | 107,914 | 122 | 108,036 | 40,576 | 148,612 | 3 |
| T/Assistant Chief Fire Officer, Director of Community Safety | 48,121 | 0 | 48,121 | 11,848 | 59,969 | 4 |
| Assistant Chief Officer, Director of Service Support | 120,004 | 4,250 | 124,254 | 25,801 | 150,055 | |
| Assistant Chief Officer, Director of People Services | 120,004 | 4,250 | 124,254 | 25,801 | 150,055 | |
| Deputy Assistant Chief Officer - Financial Services & Treasurer | 96,578 | 4,250 | 100,828 | 20,764 | 121,592 | |
| Deputy Assistant Chief Officer - Corporate Support & Clerk | 84,021 | 4,250 | 88,271 | 18,065 | 106,336 | |
| Total | 931,855 | 17,448 | 949,303 | 250,138 | 1,199,441 | |

Notes to the Financial Statements

| 2023/24 Role | Salary, fees and allowances £ | Expenses & Benefits in kind £ | Total excluding pension £ | Employers' pension contributions £ | Total £ | See note |
|--|--|--|------------------------------------|---|------------|-------------|
| Ben Ansell, Chief Fire Officer | 185,681 | 163 | 185,844 | 53,476 | 239,320 | |
| Derek James, Deputy Chief Fire Officer | 157,828 | 163 | 157,991 | 33,933 | 191,924 | |
| Assistant Chief Fire Officer, Director of Community Safety | 139,260 | 163 | 139,423 | 40,107 | 179,530 | |
| Assistant Chief Officer, Director of Service Support | 116,040 | 4,250 | 120,290 | 24,949 | 145,239 | |
| Assistant Chief Officer, Director of People Services | 116,050 | 4,250 | 120,300 | 24,951 | 145,251 | |
| Head of Financial Services & Treasurer | 87,564 | 3,976 | 91,540 | 18,826 | 110,366 | 5 |
| Head of Financial Services & Treasurer | 49,578 | 2,444 | 52,022 | 10,659 | 62,681 | 6 |
| Head of Corporate Support | 77,751 | 5,438 | 83,189 | 16,716 | 99,905 | |
| Total | 929,752 | 20,847 | 950,599 | 223,617 | 1,174,216 | |

- Notes:
- 1 Ben Ansell, Chief Fire Officer, left on 31 December 2024.
 - 2 Andy Cole, replacement Chief Fire Officer, started on 1 January 2025.
 - 3 The Assistant Chief Fire Officer, Director of Community Support, moved to the Chief Fire Officer role on 1 January 2025.
 - 4 The temporary replacement Assistant Chief Fire Officer, Director of Community Support, started on 1 December 2024.
 - 5 The Head of Financial Services & Treasurer left on 7 March 2024.
 - 6 The replacement Head of Financial Services & Treasurer started on 4 September 2023.

Notes to the Financial Statements

C Exit Packages

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

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

| 2023/24 | | | 2024/25 | |
|---------|---------|------------------------|---------|---------|
| No. | £ | Exit package cost band | No. | £ |
| 3 | 164,691 | £0 - £150,000 | 5 | 162,186 |

18 External audit costs

The Authority's external auditor charged £106,703 for work undertaken in 2024/25 (£120,357 in 2023/24). The audit scale fee is £106,703 (£120,357 in 2023/24). A further £12,498 was charged in 2023/24 for additional work related for extended testing. Similar additional fees may be charged in 2024/25.

Notes to the Financial Statements

19 Grant income

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

| 2023/24 £000s | | 2024/25 £000s | |
|------------------|--|------------------|---------|
| | <u>Credited to the Cost of Services</u> | | |
| -7 | National Resilience Grant (New Dimension) | -7 | |
| -1,627 | Private Finance Initiative (PFI) Grant | -1,627 | |
| 0 | Emergency Services Mobile Communications Programme Grant * | 750 | |
| -7 | Grants and contributions towards fire prevention activities | -8 | |
| -271 | Fire Protection funding | -226 | |
| -329 | Firelink Revenue Grant | -220 | |
| -2,703 | Fire Pensions | -2,118 | |
| -543 | Dorset Civil Contingencies Unit | -540 | |
| -263 | Other grants and contributions | -234 | |
| -5,750 | | | -4,230 |
| | <u>Credited to Taxation and Non-specific Grant Income</u> | | |
| -4,403 | Revenue Support Grant | -7,398 | |
| -5,328 | Non-Domestic Rates Top-up Grant | -5,558 | |
| -423 | Services Grant | -73 | |
| -3,411 | Other non-ringfenced Government Grants | -5,245 | |
| -13,565 | | | -18,274 |
| -19,315 | Total credited to the Comprehensive Income and Expenditure Statement | | -22,504 |

Grants and contributions which have not been used to match expenditure in the year are transferred to earmarked reserves, while those brought forward from previous years may be transferred to the revenue account to cover expenditure in the current year. These transfers are shown in Note 14 and in the Movement in Reserves Statement. They are excluded from this table.

* As at 1 April 2024 the Authority held £750k of infrastructure grant money from the Home Office relating to the Emergency Services Mobile Communications Programme (ESMCP). On the instructions of the Home Office, this balance was transferred to North Yorkshire Fire & Rescue Authority during March 2025, as part of the Home Office's review and consolidation of infrastructure funding for the project.

Notes to the Financial Statements

20 Related party transactions

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

Central Government has effective control over the general operations of the Authority, in that it is responsible for the statutory framework in which the Authority operates and provides much of its funding in grants. It also sets the terms of some of the transactions which the Authority has with other parties, such as Council Taxpayers. Grants received from central government are set out in Note 19.

Members of the Fire Authority have ultimate control over the Authority's governance and financial policies. The allowances paid to Members in the year are shown in Note 16. Where Members have declared personal interests in accordance with statutory requirements, the details of these have been recorded and are open to public inspection.

Key management personnel having the authority and responsibility for planning, directing and controlling the activities of the Service, and members of their families and households, have been asked to declare external interests which might affect the independence of the Authority. All those required to complete returns have replied with no material interests to declare. The payments made in respect of senior officers are detailed in Note 17.

The Authority is working with three other Fire Authorities (Devon & Somerset, Hampshire & Isle of Wight and Kent) in a Networked Fire Services Partnership (NFSP) project, to provide a collaborative approach to the provision of fire control services. The Authority is responsible for paying all partnership-related expenditure and for recovering each partner's share of these costs. During 2024/25 the Authority incurred total partnership expenditure of £672k which was shared amongst the partners as detailed in the table below.

| NFSP Costs Recovered | 2023/24 £000s | 2024/25 £000s |
|-----------------------------|--------------------------|--------------------------|
| Devon & Somerset | 267 | 219 |
| Hampshire & Isle of Wight | 283 | 177 |
| Kent | 55 | 63 |
| Dorset & Wiltshire | 263 | 213 |
| Total | 868 | 672 |

Notes to the Financial Statements

The Authority also incurred another £294k of revenue expenditure and £205k of capital expenditure on the project in the year. This expenditure was solely attributable to Dorset & Wiltshire Fire and Rescue Authority, rather than to the partnership.

Until July 2024 the Authority undertook the role of finance lead for the South West region of the Emergency Services Mobile Communication Programme (ESMCP). ESMCP is a Home Office led cross-government programme to deliver the new Emergency Services Network (ESN) critical communications system, which will replace the current Airwave service used by the emergency services in Great Britain. During 2020/21 £1.17m of Local Transition Resource (LTR) grant money was received by the Authority to hold on behalf of the region (including Somerset, Gloucestershire, Hampshire and the Isle of Wight). In both 2023/24 and 2024/25, due to a national pause put on the project by the Home Office, none of this grant was distributed to our regional partners, nor did the Authority itself transfer any grant to revenue to finance any ESMCP related staff costs. The balance of the grant as at 31 March 2024 was £270k, which was included as part of the Authority's liabilities on the Balance Sheet. On the instructions of the Home Office, this balance was paid over to North Yorkshire Fire & Rescue Authority during July 2024, as part of the Home Office's consolidation of regional LTR funds.

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

Notes to the Financial Statements

22 Leases

The Authority's lease contracts comprise leases of land and buildings, plant and equipment. Most are individually immaterial; however, material leases include:

- ◆ The lease of the top floor of the Five Rivers Health & Wellbeing Centre in Salisbury as the Service headquarters. The lease commenced in February 2016 for a period of 10 years. The Authority paid £850k paid in advance, meaning there is no outstanding liability. The value of the asset is £71k.
- ◆ The lease of land at Kemble Airfield for Compartment Fire Behaviour Training (CFBT). The lease is for two years from April 2024 at a cost of £31k per annum, and is increased annually by RPI. The value of the asset is £62k.
- ◆ The lease of Westmoors Training Centre for three years from April 2024 at £220k per annum, with no rent review during the term of the lease. The value of the asset is £418k.
- ◆ The lease of Charminster Depot as a vehicle workshop for a period of 99 years from April 1997 at nil consideration. The value of the asset is £490k.
- ◆ The lease of Bowerhill Workshops for 25 years from October 2010 at £63k per annum. Rent is reviewed every five years based on open market rental. The value of the asset is £527k.

Right-of-use assets

The following table shows the change in the value of right-of-use assets held under leases by the Authority.

| | Land and buildings £000s |
|--------------------------|-----------------------------|
| Balance at 1 April 2024 | 1,910 |
| Additions | 88 |
| Revaluations | -68 |
| Depreciation | -362 |
| Disposals | 0 |
| Balance at 31 March 2025 | 1,568 |

Notes to the Financial Statements

Transactions under leases

The Authority incurred the following expenses and cash flows in relation to leases.

| | 2024/25 £000s |
|---|------------------|
| <u>Comprehensive Income & Expenditure Statement</u> | |
| Interest expense on lease liabilities | 48 |
| Expense relating to exempt short-term leases | 21 |
| Expense relating to exempt leases of low-value items | 62 |
| | 131 |
| <u>Cashflow Statement</u> | |
| Minimum lease payments | 399 |

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments).

| 31 March 2024 £000s | | 31 March 2025 £000s |
|------------------------|--------------------------------|------------------------|
| 148 | Less than one year | 386 |
| 323 | One to five years | 472 |
| 476 | More than five years | 413 |
| 947 | Total undiscounted liabilities | 1,271 |

Notes to the Financial Statements

23 Private Finance Initiative

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

The Authority makes an agreed payment each year which comprises both fixed and variable elements. For 2024/25 the value of the Authority's share of those payments was £2.8m and the Authority received £1.6m of financial support from the Ministry of Housing, Communities and Local Government in the form of a PFI grant. Payments remaining to be made under the PFI contract at 31 March 2025 are as follows:

| | PFI liability | Interest | Service charges | Lifecycle replacement | Total |
|--------------------------|------------------|----------|--------------------|--------------------------|--------|
| | £000s | £000s | £000s | £000s | £000s |
| Payable in 2025/26 | 998 | 704 | 759 | 323 | 2,784 |
| Payable in 2 to 5 years | 4,624 | 2,240 | 3,036 | 1,235 | 11,135 |
| Payable in 6 to 10 years | 7,387 | 1,198 | 3,556 | 901 | 13,042 |
| Total | 13,009 | 4,142 | 7,351 | 2,459 | 26,961 |

Notes to the Financial Statements

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

| 2023/24 £000s | | 2024/25 £000s |
|------------------|---|------------------|
| -8,821 | Balance at 1 April | -8,210 |
| 0 | Remeasurement of the PFI Liability | -5,728 |
| -329 | Capitalisation of Private Finance Initiative Assets in year | -347 |
| 940 | Principal repayment in the year | 1,276 |
| -8,210 | Balance at 31 March | -13,009 |

Notes to the Financial Statements

24 Defined Benefit Pension Schemes

a Participation in Pension Schemes

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

The Authority participates in two pension schemes:

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

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

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

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

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

Notes to the Financial Statements

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

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

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

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

b Transactions relating to retirement benefits

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

Notes to the Financial Statements

| 2023/24 | | Transactions in CIES and MIRS | 2024/25 | |
|-------------------------------|---------------|---|-------------------------------|---------------|
| Firefighters' Scheme £000s | LGPS £000s | | Firefighters' Scheme £000s | LGPS £000s |
| | | Comprehensive Income and Expenditure Statement | | |
| 4,406 | 2,594 | Current service cost | 3,973 | 2,360 |
| 242 | 65 | Past service costs | 308 | 0 |
| 19,728 | 392 | Net interest expense | 20,104 | 94 |
| 0 | 0 | Administration expenses | 0 | 84 |
| -19,374 | -2,587 | Benefits paid net of contributions by scheme participants | -19,809 | -2,859 |
| 5,002 | 464 | Total charged or credited to the deficit on the provision of services | 4,576 | -321 |
| | | <u>Other Comprehensive Income and Expenditure</u> | | |
| | | Remeasurement of the net defined benefit liability comprising: | | |
| 0 | -2,406 | Return on plan assets (excluding that in the net interest expense) | 0 | 1,287 |
| -6,733 | -4,760 | Actuarial gains/losses from changes in financial assumptions | -55,133 | -10,195 |
| 284 | -431 | Actuarial gains/losses from changes in demographic assumptions | -99 | -1,326 |
| 0 | 0 | Impact of asset ceiling* | 0 | 9,392 |
| 912 | 2,259 | Other experience | 37,132 | -427 |
| -5,537 | -5,338 | Total charged to other comprehensive income and expenditure | -18,100 | -1,269 |
| -535 | -4,874 | Total charged to CIES | -13,524 | -1,590 |
| | | Movement in Reserves Statement | | |
| -5,002 | -464 | Reversal of net charges made to the deficit on the provision of services in accordance with the Code | -4,576 | 321 |
| 8,170 | 2,573 | Actual amount charged against the General Fund balance for pensions - Employers' contributions payable to the schemes | 10,535 | 2,728 |

Notes to the Financial Statements

c Assets and liabilities in relation to retirement benefits

| 31 March 2024 | | Pensions assets and liabilities recognised in the Balance Sheet | 31 March 2025 | |
|-------------------------------|---------------|---|-------------------------------|---------------|
| Firefighters' Scheme £000s | LGPS £000s | | Firefighters' Scheme £000s | LGPS £000s |
| -400,643 | -39 | Present value of unfunded liabilities | -389,696 | -34 |
| 0 | -73,392 | Present value of funded liabilities | 0 | -66,461 |
| -19,281 | 0 | Present value of injury liabilities | -16,704 | 0 |
| 0 | 70,082 | Fair value of employer assets | 0 | 64,736 |
| -419,924 | -3,349 | Net liability arising from defined benefit obligation | -406,400 | -1,759 |

| 2023/24 | | Reconciliation of present value of scheme liabilities | 2024/25 | |
|-------------------------------|---------------|---|-------------------------------|---------------|
| Firefighters' Scheme £000s | LGPS £000s | | Firefighters' Scheme £000s | LGPS £000s |
| -420,459 | -71,802 | Opening balance at 1 April | -419,924 | -73,431 |
| -4,406 | -2,594 | Current service cost | -3,973 | -2,360 |
| -242 | -65 | Past service cost | -308 | 0 |
| -19,728 | -3,437 | Interest cost on defined benefit obligation | -20,104 | -3,540 |
| -3,159 | -825 | Contributions by scheme participants | -3,179 | -856 |
| 22,533 | 2,360 | Benefits paid | 22,988 | 1,744 |
| | | Remeasurement gains and losses: | | |
| 6,733 | 4,760 | Changes in financial assumptions | 55,133 | 10,195 |
| -284 | 431 | Changes in demographic assumptions | 99 | 1,326 |
| -912 | -2,259 | Other experience | -37,132 | 427 |
| -419,924 | -73,431 | Closing balance at 31 March | -406,400 | -66,495 |

Notes to the Financial Statements

| 2023/24 | | Reconciliation of the fair value of scheme assets | 2024/25 | |
|-------------------------------|---------------|--|-------------------------------|---------------|
| Firefighters' Scheme £000s | LGPS £000s | | Firefighters' Scheme £000s | LGPS £000s |
| 0 | 63,579 | Opening balance at 1 April | 0 | 70,082 |
| 0 | 3,045 | Interest income on plan assets | 0 | 3,446 |
| 3,159 | 825 | Contributions by scheme participants | 3,179 | 856 |
| 19,374 | 2,587 | Employer contributions | 19,809 | 2,859 |
| -22,533 | -2,360 | Benefits paid | -22,988 | -1,744 |
| 0 | 0 | Transfers to/from other authorities | 0 | 0 |
| 0 | 2,406 | Return on assets excluding that included in net interest | 0 | -1,287 |
| 0 | 0 | Impact of asset ceiling* | 0 | -9,392 |
| 0 | 0 | Administration expenses | 0 | -84 |
| 0 | 0 | Other experience | 0 | 0 |
| 0 | 70,082 | Closing balance at 31 March | 0 | 64,736 |

The liabilities show the underlying commitments that the Authority has in the long run to pay post-employment (retirement) benefits. The total liability of £408.2m has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet, resulting in a negative overall balance of £369.1m.

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

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

In the year to 31 March 2026, the total employer contributions to be made by the Authority to the Wiltshire Pension Fund are estimated at £2,678,000 and to the Firefighters' Schemes they are estimated at £9,163,000.

* Impact of Asset Ceiling

The asset ceiling is the present value of any economic benefit available to the Authority in the form of refunds or reduced future employer contributions. The Actuary has calculated the asset ceiling for the LGPS scheme following their interpretation of IFRIC 14 - IAS 19 - The Limit

Notes to the Financial Statements

on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

The Actuary's calculations assume that:

- ◆ The Authority does not have a right to a refund of surplus at the level required by the accounting standard. Any surplus recognised is based on the economic benefit from a reduction in contributions.
- ◆ The Authority is a scheduled body and assumed to participate indefinitely.
- ◆ The requirement for the Authority to make contributions to the Fund is considered to be a minimum funding requirement (MFR). For the period beyond the existing Rates and Adjustments certificate, the Actuary's best estimate is that the existing rates remain in force. This is based on the Fund Actuary's methodology which is designed to provide a stable contribution rate, and also the lack of any other readily available figure.

In broad terms, the Actuary's analysis shows that:

- ◆ The potential economic benefit from the reduction in future contributions has been calculated to be nil. Since this is less than the unadjusted net asset of £7,667k, the initial impact of the asset ceiling is £7,667k.
- ◆ The Authority is currently paying deficit contributions towards a funding deficit. The Actuary has assessed this minimum funding requirement and calculates that it constitutes an onerous funding commitment. There is an additional liability of £1,725k to be recognised.
- ◆ The unadjusted funded surplus is £7,66k. There is an initial impact from an asset ceiling of £7,66k, plus an additional liability of £1,725k. The final funded net asset to be recognised is (£1,725k).
- ◆ In addition, there is an unfunded liability of £34k. The final deficit to be recognised is therefore £1,759k.

Notes to the Financial Statements

d Fair Value of Employer Assets

| 31 March 2024 | | | Analysis of fair value of scheme assets Wiltshire Council Fund | 31 March 2025 | | |
|---------------------------------------|---|-------------|---|---------------------------------------|---|-------------|
| Quoted prices in active markets £000s | Prices not quoted in active markets £000s | Total £000s | | Quoted prices in active markets £000s | Prices not quoted in active markets £000s | Total £000s |
| 0 | 4,885 | 4,885 | Property | | | |
| 0 | 2,941 | 2,941 | United Kingdom | 0 | 16,823 | 16,823 |
| | | | Overseas | 0 | 0 | 0 |
| 0 | 7,826 | 7,826 | Total property | 0 | 16,823 | 16,823 |
| | | | Investment Funds and Unit Trusts | | | |
| 0 | 28,084 | 25,478 | Equities | 26,830 | 2,981 | 29,811 |
| 0 | 19,195 | 17,414 | Bonds | 20,511 | 5,860 | 26,371 |
| 0 | 5,335 | 5,335 | Infrastructure | 0 | 0 | 0 |
| 0 | 9,326 | 8,461 | Other | 0 | 0 | 0 |
| 0 | 61,940 | 56,688 | Total Investment Funds and Unit Trusts | 47,341 | 8,841 | 56,182 |
| | | | Cash and other | | | |
| 0 | 316 | 316 | Cash and cash equivalents | 0 | 1,123 | 1,123 |
| 0 | 0 | 0 | Other | 0 | 0 | 0 |
| 0 | 316 | 316 | Total cash and other | 0 | 1,123 | 1,123 |
| 0 | 70,082 | 64,830 | Total scheme assets | 47,341 | 26,787 | 74,128 |
| | | 0 | Impact of asset ceiling* | | | -9,392 |
| | | 64,830 | Total scheme assets after impact of asset ceiling | | | 64,736 |

Notes to the Financial Statements

e Basis for estimating assets and liabilities

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

| 31 March 2024 | | Principal assumptions used by the actuary | 31 March 2025 | |
|-------------------------|-------------------|---|-------------------------|-------------------|
| Firefighters' Scheme | Wiltshire LGPS | | Firefighters' Scheme | Wiltshire LGPS |
| | | <u>Mortality assumptions</u> | | |
| | | Longevity for current pensioners (in years)* | | |
| 20.6 | 22.0 | Men | 20.5 | 21.0 |
| 23.2 | 24.2 | Women | 23.3 | 24.0 |
| | | Longevity for future pensioners (in years) * | | |
| 21.9 | 22.1 | Men | 21.9 | 21.7 |
| 24.6 | 25.8 | Women | 24.7 | 25.2 |
| 15.0 | 20.0 | Weighted average duration of the defined benefit obligation (in years) | 14.0 | 17.0 |
| 3.25% | 3.10% | Rate of inflation (Market derived RPI) | 3.20% | 3.20% |
| 3.90% | 3.25% | Rate of increase in salaries | 3.90% | 3.40% |
| 2.90% | 2.75% | Rate of increase in pensions | 2.90% | 2.90% |
| 4.90% | 4.85% | Rate for discounting scheme liabilities | 5.80% | 5.80% |

* Longevity assumptions are based on retirement at 65. Future pensioners are assumed to be age 45 as at 31 March 2025.

Notes to the Financial Statements

f Sensitivity analysis and risks and uncertainties relating to assumptions

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

The assumptions used are largely prescribed and reflect market conditions at 31 March 2025. Changes in market conditions can have a significant effect on the value of liabilities reported. For example, a reduction in the net discount rate will increase the assessed value of liabilities as a higher value is placed on benefits paid in the future. The effect of changes in financial assumptions is shown in the table.

| Approximate increases - Firefighters' Schemes | Change | Employer Liability £000s |
|--|--------|-----------------------------|
| <u>Change in financial assumptions 2024/25</u> | | |
| Decrease in real discount rate | 0.1% | 2,674 |
| Increase in member life expectancy | 1 year | 2,658 |
| Increase in rate of increase in salaries | 0.1% | 2,516 |
| Increase in rate of increase in pensions (CPI) | 0.1% | 2,679 |

| Approximate increases - Wiltshire LGPS | Change | Employer Liability £000s |
|--|--------|-----------------------------|
| <u>Change in financial assumptions 2024/25</u> | | |
| Decrease in real discount rate | 0.1% | 1,814 |
| Increase in member life expectancy | 1 year | 1,823 |
| Increase in rate of increase in salaries | 0.1% | 1,752 |
| Increase in rate of increase in pensions | 0.1% | 1,816 |

Notes to the Financial Statements

25 Contingent assets and liabilities

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

As at 31 March 2025, the Authority had no contingent assets.

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

◆ O'Brien v Ministry of Justice

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

This is being done through a second options exercise. On 31 March 2023, the Home Office launched their formal consultation on *Retained Firefighters' Pensions: Proposed Changes to the Firefighters' Pension Scheme (England) 2006*'. The consultation closed on 9 June 2023. On 8 September 2023, the Home Office published their consultation response. The Firefighters' Pension Schemes (England) (Amendment) Order 2023 was then laid before Parliament and came into force on 1 October 2023. FRAs were required to notify all those who may be eligible to take part in the second options exercise by 31 December 2023. From the responses received by the Authority to date, £12m in lump sums and £1.2m in annual pensions are estimated to be payable.

Notes to the Financial Statements

26 Disclosure of the nature and extent of risks arising from financial instruments

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

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

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

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

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

Credit risk

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

The 2024/25 Treasury Management Policy Statement and Practices (incorporating the Annual Investment Strategy) allowed internal staff to invest surplus cash in a limited range of specified deposits, either fixed term or on call, but where the maturity was for no longer than one year. The Treasury Management Policy requires financial institutions to have a minimum short-term Fitch IBCA credit rating of F1 and a long-term rating of A. The criteria are used to derive a list of institutions which may be used, and authority is delegated to the Treasurer to vary the list and limits as circumstances dictate. The listings are reviewed at least quarterly. During 2024/25, although the Authority benefited from higher interest rates, investment activities continued to be constrained by the unwillingness of some institutions to accept short-term deposits for the sums available to invest. The Authority has appointed independent advisors to assist with Treasury Management, with a view to widening the range of investments in future years.

Notes to the Financial Statements

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

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

At 31 March 2024 and 2025, the Authority held no short-term investments that were not classed as cash equivalents. These short-term, highly liquid financial instruments are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The credit risks in investments have not changed since initial recognition. As the risk of default is considered to be negligible, the Authority has not estimated an amount of expected credit losses. At 31 March 2025, cash equivalents included £11.6m in call and deposit accounts with five institutions (31 March 2024 £1.7m with five institutions).

The Authority does not generally allow credit to its debtors, and at 31 March 2025, there were no material trade debts more than three months past their due date. The impairment allowance of £1k was set with reference to specific debtors and individual debts, not on a formula basis.

Liquidity risk

The Authority manages its cash flow to ensure that cash is available when needed. If unexpected movements happen, there is ready access to short-term funds through the money markets. The Authority borrowed £3m this way for a period of 50 days during 2024/25 (nil during 2023/24).

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

Notes to the Financial Statements

No new long-term loans were taken out in 2024/25 (none in 2023/24).

| 31 March 2024 £000s | Maturity profile of borrowings | 31 March 2025 £000s |
|------------------------|--|------------------------|
| 37 | Less than one year (in Current Liabilities in Balance Sheet) | 39 |
| 39 | One to two years | 41 |
| 541 | Two to five years | 900 |
| 1,707 | Five to ten years | 1,307 |
| 13,900 | Over ten years (last date September 2071) | 13,900 |
| 16,224 | Total loans outstanding | 16,187 |

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

Creditors and other payables are all due within one year.

Market risk

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

The Authority saw a decrease in the interest rates available on investments and cash balances during 2024/25, with the Bank of England Base Rate reducing from 5.25% in April 2024 to 4.5% by March 2025. Income from investment interest was £672k in 2024/25 (£330k in 2023/24). This represented a weighted average rate of 4.91% on sums invested (5.08% in 2023/24). If rates were to increase by 0.1%, this would increase income by £14k, other factors being constant.

Notes to the Financial Statements

27 Impact of future accounting standards

The Code requires disclosure of information relating to the impact of an accounting change that will be required by standards that have been issued or amended but not yet adopted. The following new or amended standards have been introduced to the 2025/26 Code and may require a change in accounting policy with effect from 1 April 2025:

- ◆ IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)
- ◆ IFRS 17 Insurance Contracts
- ◆ Changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

With the exception of the changes to the measurement of non-investment assets, it is anticipated that the above amendments will not have a significant impact on the information provided in the financial statements. Any impact as a result of the changes to the measurement of non-investment assets will have a net nil impact on the revenue account.

The Firefighters' Pension Fund Account

| 2023/24 | | Pension Fund Account | 2024/25 | |
|---------|---------|--|---------|---------|
| £000s | £000s | | £000s | £000s |
| | | Contributions receivable | | |
| | | From the Fire Authority | | |
| -6,570 | | Contributions in relation to pensionable pay | -8,722 | |
| -172 | | Ill Health lump sum charges | -166 | |
| -313 | | Transfers in from other schemes | -149 | |
| -3,057 | | Firefighters' contributions | -3,386 | |
| | -10,112 | Total income | | -12,422 |
| | | Benefits payable | | |
| 16,881 | | Pensions | 3,026 | |
| 4,425 | | Commutation of pensions and lump sum retirement benefits | 18,081 | |
| | 21,306 | | | 21,107 |
| | 0 | Transfers to other schemes | | 0 |
| | 21,306 | Total expenditure | | 21,107 |
| | 11,194 | Net amount payable for the year | | 8,685 |
| | -9,116 | Less Top-up Grant received on account for the year | | -17,598 |
| | 2,078 | Balance of Top-up Grant receivable/(payable) | | -8,913 |

| 31 March 2024 | | Pension Fund Net Assets Statement | 31 March 2025 | |
|---------------|-------|--|---------------|--------|
| £000s | £000s | | £000s | £000s |
| | | Current Liabilities (Creditors) | | |
| | 2,078 | Pension Top-up Grant payable to the Government | | -8,913 |
| | 2,078 | Net current assets and liabilities * | | -8,913 |

* The net creditor at 31 March 2025 is a result of a large additional top-up grant received on account during 2024/25, to cover the costs of pension remedy payments due to pension scheme members, which have not yet been paid. This net creditor is included in the Balance Sheet figure for Short-term Creditors.

Notes to the Pension Fund Accounts

1 Operation and Administration of the Firefighters' Pension Scheme

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

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

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

2 Accounting Policies

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

3 Future Liabilities

The Pension Fund Account takes account only of transactions for the year of account. The Net Assets Statement shows assets and liabilities as at 31 March 2025. They do not take account of liabilities to pay pensions and other benefits after this period. Details of the Authority's future liabilities are set out in Note 24 to the Financial Statements.

Annual Governance Statement 2024/25

Scope and Responsibilities

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

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

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

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

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

Local authorities are required to prepare an Annual Governance Statement in order to report publicly on the extent to which they comply with their own code of governance, which in turn is consistent with the good governance principles in the Framework.

Annual Governance Statement 2024/25

The purpose of the governance framework

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

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

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Governance Framework has been in place within the Authority for the year ended 31 March 2025, and up to the date of approval of the Statement of Accounts.

Key elements of our Governance arrangements

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

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

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

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

Annual Governance Statement 2024/25

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

A Culture Development Committee, chaired by the Chief Fire Officer, was introduced in 2023/24 alongside a culture action plan. The Committee meet quarterly and consists of staff from across the organisation, trade union representatives, staff network leads and two independent advisors. Good progress is being made against the culture action plan and there are sound governance and oversight arrangements in place. A Culture Steering Group is in place to deliver the actions in the plan and progress reports are also presented to the Finance and Audit Committee.

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

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

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

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

A register of interests and a register of gifts and hospitality is also maintained. The Corporate Support department ensures structured and well governed committee processes are in place and external legal advice is provided where deemed necessary. The Monitoring Officer provides legal advice to Members at each of their meetings.

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

Annual Governance Statement 2024/25

Principle B: Ensuring openness and comprehensive stakeholder engagement

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

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

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

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

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

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

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

Annual Governance Statement 2024/25

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

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

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

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

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

Our Environmental Sustainability Strategy 2024-28 was published in 2024 and sets out what we plan to do over the next four years to further strengthen our approach to sustainability. Our strategic focus is focused on three priorities:

- ◆ A greener estate
- ◆ Green fleet and equipment
- ◆ Championing environmental sustainability

Our procurement procedures identify our commitment to, and adoption of, the Procurement Act 2023, which ensures that pre-procurement deliberations are undertaken if there are economic, social and environmental well-being issues in connection with public services contracts. The Authority approved the latest version of our Modern Slavery Statement in October 2024.

Annual Governance Statement 2024/25

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

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

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

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

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

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

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

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

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

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

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

Annual Governance Statement 2024/25

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

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

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

Members and Officers review, and amend as appropriate, the Scheme of Delegation, Standing Orders and Financial Regulations. This is an ongoing process with full reviews completed at least annually, with any significant changes approved by the Fire Authority.

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

Officers and Members are active at a national and local level to help ensure that Service and individual leaders are effective in their role. The Chief Fire Officer is the lead officer for the NFCC On-call strategic group. There is a good history of welcoming and responding positively to external challenge.

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) undertook their first national inspections of the Fire and Rescue Service during 2018 and 2019. The Service was rated as "Good" in all three areas of Effectiveness, Efficiency and People when the findings were published in July 2019. A second round of full inspections took place during 2021 and 2022. The Service maintained a rating of "Good" for Effectiveness and People, and was judged as "Outstanding" for Efficiency. Within the People pillar we received an "Outstanding" judgement for "getting the right people with the right skills" when the findings were published in January 2023.

Against an expanded grading system, the findings of our third inspection were announced in October 2024. The Service achieved ratings of "Good" in five areas, "Adequate" in two areas, "Requires improvement" in three areas and "Inadequate" in one area. We continue to welcome the scrutiny and accountability the inspection process brings and remain committed to providing the best possible service to our communities.

Annual Governance Statement 2024/25

The Health and Safety Policy was reviewed in February 2024 and this sets out the key requirements and expectations for the Service. An assurance framework checks that the Service is continuing to deliver against the commitments made in our Health and Safety Policy Statement. The Authority is accredited to the ISO 45001, the international standard for occupational health and safety management system standard and maintains a good level of legal compliance in relation to Health and Safety. In addition, the Service monitors a suite of corporate indicators against a common performance tolerance through the Health, Safety and Welfare Committee, Strategic Leadership Team and the Finance & Audit Committee.

The Service also maintains accreditation to the ISO 55001 Asset Management system certification standard, via a number of scheduled assessment visits. This structured approach helps the management of assets, leading to better performance, risk management and cost reduction. This is supported by internal assurance audits carried out by our own trained auditors and ensures we have a systematic cost effective approach to our fleet, equipment, PPE, and estate. It also supports our continued compliance with ISO 45001.

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

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

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

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

Annual Governance Statement 2024/25

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

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

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

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

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

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

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

Annual Governance Statement 2024/25

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

The Authority has good arrangements in place for ensuring effective financial management is undertaken, with an overarching Financial Management Policy. There is a history of good financial management, supported by positive External Audit opinions and value for money assessments. In Quarter 1 of 2024/25 our internal auditors completed a review of our medium-term financial plan and financial resilience. They were able to provide a 'Substantial' assurance rating following their review with no recorded actions necessary.

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

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

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

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

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

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

Annual Governance Statement 2024/25

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

Review of Effectiveness

Dorset & Wiltshire Fire and Rescue Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Internal Auditor's annual report, and also by comments made by the external auditor and other review agencies and inspectorates.

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

We consider that our governance framework and systems of internal control have been operating effectively during 2024/25. SWAP (South West Audit Partnership), our internal auditors, have undertaken eight reviews during 2024/25. SWAP's Quarter 4 report to the Finance and Audit Committee in February 2025 shows that five of the reviews provided 'Substantial' assurance over the controls in place and the remaining three provided 'Adequate' assurance. We are anticipating a positive position when SWAP provide their annual opinion. The Authority became formal board members of SWAP from April 2024.

The Authority changed external auditors for the 2023/24 financial year and a positive working relationship has been developed and maintained with Bishop Fleming.

Significant Governance Issues and Risks

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

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

Annual Governance Statement 2024/25

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

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

- ◆ Risk 006 - Inability to secure financial sustainability that ensures and maintains effective service provision.
- ◆ Risk 009 - Inability to have a robust and financially sustainable on-call duty system to meet the needs of the Service.
- ◆ Risk 301 - Inability to protect the Service against cyber risks.
- ◆ Risk 529 - Sustainability of operational training provision.
- ◆ Risk 598 - Service Culture.

The strategic risk register for the Authority is available on the Service website at www.dwfire.org.uk as reported at the Finance and Audit Committee.

To meet the challenges of continued financial sustainability, the Service put in place a Resourcing and Savings Programme in 2023-24. This programme sets out how the Service intends to make savings and investments to:

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

This programme is supported by a comprehensive Fire Cover Review, a stakeholder engagement plan and regular reviews by the Strategic Leadership Team and Members. Significant progress had been made during 2024/25, but work will continue in 2025/26 to enable the objectives to be met.

Cllr Clare Weight
Fire Authority Chair

Andy Cole
Chief Fire Officer
& Chief Executive

Glossary of Terms

Accounting Policies

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

Accounting Standards

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

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

Accruals

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

Actuary & Actuarial Valuation

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

Amortisation

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

Amortised cost

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

Assets

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

Balance Sheet

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

Glossary of Terms

Baseline Funding Level

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

Budget

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

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

Capital Adjustment Account

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

Capital Expenditure

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

Capital Financing Requirement (CFR)

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

Capital Programme

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

Capital Receipts

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

Cash equivalents

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

Glossary of Terms

Cash Flow Statement

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

CIPFA

The Chartered Institute of Public Finance and Accountancy.

The "Code"

The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25. This prescribes the form and content of the Statement of Accounts, and is published by a joint committee of CIPFA and LASAAC (The Local Authority (Scotland) Accounts Advisory Committee). It is based on approved accounting standards and reflects specific statutory accounting requirements. Compliance with the Code is necessary in order that the Authority's Accounts give a "true and fair" view of its financial position and performance. The Statement also has to comply with any "Code Update" which may be issued after the main Code, while Note 27 refers to the impact of accounting standards which have not yet been incorporated into the Code.

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

Comprehensive Income and Expenditure Statement

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

Contingent assets and liabilities

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

Council Tax

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

Creditors

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

Glossary of Terms

Current Assets

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

Debtors

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

De minimis - see Materiality.

Depreciation

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

Earmarked Reserves

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

Fair Value

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

Finance Lease - See Lease.

Financial Instruments

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

General Fund (General Reserve)

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

Gross Expenditure

Total expenditure before deducting income.

Glossary of Terms

Gross Book Value

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

Historical Cost

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

Impairment

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

Intangible Assets

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

International Financial Reporting Standards (IFRS) - See Accounting Standards

Inventories

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

Lease

An agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for a specified period of time. A **Finance Lease** transfers substantially all of the risks and rewards incidental to ownership to the lessee, whether or not title is transferred at the end of the lease. Any lease not meeting the definition of a Finance Lease is an **Operating Lease**. With the introduction of IFRS 16 in 2024/25 all leases where the Authority is a lessee are now effectively accounted for as Finance Leases, with the associated assets being classed as Right-of-Use assets on the balance sheet, and corresponding liabilities as creditors.

Liabilities

Amounts owed by the Authority to lenders or suppliers.

Glossary of Terms

Materiality and de minimis

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

Minimum Revenue Provision

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

Minor Capital Works

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

Movement in Reserves Statement

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

Net Book Value (Carrying Amount)

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

National Non-Domestic Rates (NNDR)

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

Net Expenditure

Gross expenditure less income.

Operating Lease - See Lease.

Outturn

Actual income and expenditure for the financial year.

Overspending - See Budget.

Glossary of Terms

Precept

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

Private Finance Initiative

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

Property, Plant and Equipment

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

Provisions

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

Prudential Code & Prudential Indicators

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

PWLB

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

Reserves

The amount held in balances and funds that are free from specific liabilities or commitments. Reserves may be usable or unusable.

Usable reserves may be used to finance future spending from the revenue account, including contributions from revenue to finance capital expenditure. **Unusable reserves** are for accounting purposes only and do not represent available resources.

Glossary of Terms

Residual Value

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

Revaluation

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

Revaluation Reserve

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

Revenue Account

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

Revenue Expenditure

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

Revenue Support Grant (RSG)

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

RICS

The Royal Institution of Chartered Surveyors.

Right-of-Use Assets

Right-of-use assets are those assets where leases or lease-type arrangements convey the right to control the use of an asset, through right to both obtain substantially all the economic benefits or service potential from that asset and to direct its use. For this Authority this includes leases of properties which are included on the Balance Sheet as right-of-use assets.

Glossary of Terms

Statement of Assurance

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

Treasury Deposits

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

Treasury Management

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

True and fair view

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

Underspending - See Budget.

Useful Life

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

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



DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY



Dorset & Wiltshire Fire and Rescue Service
Five Rivers Health & Wellbeing Centre
Hulse Road
Salisbury
Wiltshire
SP1 3NR



01722 691000



dwfire.org.uk



[/DWFire](https://www.facebook.com/DWFire)



[@DWFireRescue](https://twitter.com/DWFireRescue)



[/c/DWFire](https://www.youtube.com/c/DWFire)

PASSIONATE ABOUT

CHANGING & SAVING LIVES