



**DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY**

Item 25/22

MEETING	Finance & Audit Committee
DATE OF MEETING	23 July 2025
SUBJECT OF THE REPORT	Draft Statement of Accounts, Annual Governance Statement and Financial Outturn 2024-25
STATUS OF REPORT	For open publication
PURPOSE OF REPORT	For comment and approval
EXECUTIVE SUMMARY	<p>The Accounts and Audit (Amendment) Regulations 2015 require that the annual Statement of Accounts be approved by 31 July each year. The Accounts and Audit (Amendment) Regulations 2024 extended this deadline to 27 February 2026 for the 2024-25 Statement of Accounts, with the draft Statements published by 30 June 2025.</p> <p>The Regulations also require an Annual Governance Statement (AGS) to accompany the accounts, which also requires approval.</p> <p>The Authority's Draft Statement of Accounts for 2024-25 have been produced and were published on 30 June 2025. They include the draft AGS which is shown on pages 101 - 112 of the Financial Statements.</p> <p>Bishop Fleming will be commencing their main audit fieldwork in October 2025. Members will receive a further update from the Treasurer and external auditor at the September meeting, with the presentation of the audit completion report and the auditor's annual report to those charged with governance scheduled for the December meeting.</p> <p>This report also provides an analysis of the outturn financial performance for the year, a summary of which is also included in the accounts.</p>

	The final revenue outturn position shows a positive net revenue expenditure variance of £2.213m, with a total of £2.113m contributed to reserves. Capital expenditure for the year totalled £3.758m.
RISK ASSESSMENT	Financial sustainability remains a key focus as a strategic risk, and as such, the monitoring of the financial position is a critically important factor in financial planning and decision making for the Authority.
COMMUNITY IMPACT ASSESSMENT	None for the purposes of this report
ENVIRONMENTAL IMPACT ASSESSMENT	None for the purposes of this report
BUDGET IMPLICATIONS	None for the purposes of this report
RECOMMENDATIONS	Members are asked to: <ol style="list-style-type: none"> 1. note and comment on the Draft Statement of Accounts 2024-25, including the Annual Governance Statement 2. approve the carry forward of £3.292m for capital projects not completed in 2024-25.
BACKGROUND PAPERS	Medium Term Finance Plan 2023-27
APPENDICES	Appendix A - Draft Statement of Accounts 2024-25 Appendix B - Revenue Monitoring Statement 2024-25 Appendix C - Reserves & Unused Grants Statement 2024-25 Appendix D - Capital Monitoring Summary 2024-25 Appendix E – Treasury Management Prudential Indicators 2024-25 Appendix F – Treasury Management Statement 2024-25
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Introduction

- 1.1 The Authority must prepare its annual accounts in accordance with proper practice. This means complying with the current Accounts and Audit Regulations and presenting the accounts in the form prescribed by the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21 (the Code). The Statement of Significant Accounting Policies included in the accounts, along with supporting information in the various Notes to the Accounts, detail how the Authority conforms with the Code.
- 1.2 The Accounts and Audit (England) Regulations 2024, issued in September 2024, amended the deadline for the Authority's draft accounts to be certified by the Treasurer and submitted for external audit to 30 June 2025. The deadline for final approval has been extended in the same regulations to 27 February 2026.
- 1.3 Bishop Fleming have presented their audit plan for 2024-25 at this meeting and plan to start their main audit fieldwork in October 2025. The Finance team will be working in partnership with them to ensure a smooth audit process.

2. The Draft Statement of Accounts

- 2.1 The Draft Statement of Accounts for 2024-25 are set out in Appendix A. They were published on DWFRS website on 30 June 2025.
- 2.2 Producing the accounts in the format required as described in section 1 above makes them a very technical document. Wherever possible the financial information and accompanying notes look to make the accounts as understandable as possible for any reader.
- 2.3 The Narrative Report at the start of the accounts provides a guide to the Statements that follow, contains summaries of the primary financial statements, describes any changes in accounting policies and presentation, and explains any material items within the accounts. It also sets the accounts in the context of the ongoing plans of the Service.
- 2.4 Part 3 of the Narrative Report looks at a comparison of revenue outturn compared to the approved budget. This shows an overall positive net revenue expenditure variation of £2.213m. Section 4 of this report provides a more in-depth analysis of revenue variations.

3. The Annual Governance Statement

- 3.1 The Accounts and Audit (England) Regulations 2015 specify that the Authority must review its systems of internal control each year, and publish an Annual Government Statement, along with the Statement of Accounts.
- 3.2 The Annual Government Statement is incorporated into the main Statement of Accounts document (see pages 101 - 112).

4. Major Variations from Revenue Budget

- 4.1 Appendix B shows a summary of the final revenue performance. Variations are “traffic lighted”, with those in excess of £20,000 (under or overspending) shown in pink, those between £10,000 and £20,000 in yellow and those below £10,000 in green.
- 4.2 Employee Costs (note 1)
- 4.2.1 The total underspend for Employee Costs was £1,836k, which represents 3.08% of the budgeted amount. This incorporates positive and negative variances against different staffing groups and the position fluctuated in-year to reflect levels of operational activity and vacancy management.
- 4.2.2 The most significant variance within this section was an underspend of £1,462k for on-call costs. Lower levels of operational activity have been detailed to Members throughout the financial year as a justification for this underspend and the full-year position is illustrated below, a reduction of 8.54%.

On-call Attendance	Apr 23 – Mar 24	Apr 24 - Mar 25	Difference
Fires	1,526	1,593	4.39%
Non-Fire Incidents	1,925	1,777	-7.69%
False Alarms	3,297	2,802	-15.01%
Total incidents attended	6,748	6,172	-8.54%

- 4.2.3 The positive impact of the automatic fire alarm policy change that was implemented in April 2024 is illustrated in the false alarms data above. It has been estimated that the revised approach has saved £145k in 2024-25.
- 4.2.4 Looking specifically at incident numbers in quarter four for both years illustrates that activity levels have reduced slightly compared to the equivalent period in 2023-24. This is consistent with the trend in quarter three, which showed a 1.60% reduction.

On-call Attendance	Q4 Jan – Mar 2024	Q4 Jan – Mar 2025	Difference
Fires	323	372	15.17%
Non-Fire Incidents	501	449	-10.38%
False Alarms	773	667	-13.71%
Total incidents attended	1,597	1,488	-6.83%

4.2.5 The year-end outturn position on our other staffing groups shows an underspend of £120k for wholetime staff, £96k for control staff and £396k for corporate staff. This is consistent with the position reported throughout the year and reflects staffing movements and other temporary factors such as associated recruitment periods.

4.3 Other non-pay related costs (notes 2-5)

4.3.1 The premises costs outturn position shows a small overspend of £81k. The repair work following the flood damage at Marlborough in Q4 2023-24 cost £112k and these costs are included within this figure. The associated insurance claim covered most of this cost, and this reimbursement is reflected in the income section detailed below.

4.3.2 Transport costs slightly exceeded the budgeted position, with insurance premiums for the year being higher than the budgeted position, reflecting the general insurance market across the country.

4.3.3 Supplies and services costs were also higher, with additional spend incurred on a variety of areas including operational equipment purchase and maintenance, software licences and hydrant maintenance.

4.3.4 The agency service cost outturn position shows a small overspend of £38k. This is largely due to additional external audit costs, linked to the clearance of the national audit backlog and the additional work that was completed in 2024-25, and additional legal costs linked to the new arrangements that were implemented in-year.

4.4 General & Investment Income (note 7)

4.4.1 The final outturn position on general income was an over recovery of £125k, mainly due to the insurance reimbursement position outlined above.

4.4.2 Our investment income performance has been a real positive throughout 2024-25, with the service taking advantage of the higher yields available to maximise return. £496k of additional income was generated compared to the budgeted position.

4.5 Grants & Contributions (note 8)

4.5.1 Final grant allocations for 2024-25 were confirmed after the budget was formally set in February 2024 and some are linked to ongoing reporting processes throughout year, which means overall levels can be subject to small variations. Additional income of £91k was generated.

4.6 Funding (note 9)

4.6.1 As part of the final funding settlement for 2025-26, central Government also confirmed the distribution of accumulated surpluses from the national business rate levy account. This one-off adjustment was unexpected, and the Service received £88k in March 2025.

5. Reserves and Balances (note 10 and Appendix C)

5.1 Appendix C shows the year end position for reserves and balances.

5.2 Risk assessed general balances totalled £3.102m on 1 April 2024 and have been increased to £3.157m at 31 March 2025, in line with the risk-based approach outlined in the Reserves Strategy.

5.3 Earmarked reserves totalled £15.796m on 1 April 2024 and show a net increase of £3.329m for the year, up to £19.125m. This includes £2.213m from the net revenue expenditure variation. These reserves have largely been earmarked to fund key strategic projects and to support projects to deliver ongoing financial sustainability, as outlined at Fire Authority in June 2025.

5.4 There has been a net decrease of £1.271m in the level of unused grants held, with the balance reducing to £0.745m. The in-year movement is largely due to the transfer of the Emergency Services Mobile Communications Programme (ESMCP) project infrastructure funding, which is now being held nationally rather than locally due to the delay in the project.

6. Capital Programme

6.1 Appendix D details the capital outturn for 2024-25 and shows a total spend for the year of £3.758m. In year spend totalled £5.650m but year-end accounting adjustments require spend to be recognised when assets are physically received rather than when any stage payments are made. The variance to budget and carry forward requirements are analysed below.

6.2 Property/Estates (note 11)

6.2.1 Building projects – Overall spend was £845k against a budgeted sum of £1,009m. The programme of in-year works has focused on completing the cyclical maintenance programme, with work carried out at many stations including Beaminster, Gillingham, Ferndown, Amesbury and Marlborough. The main focus

for the department was the progression of the training centre project. Overall, £286k will need to be carried forward to 2025-26 to support active projects.

6.3 IT and Communications (note 12)

- 6.3.1 Hardware Replacement – The programme included £276k for the replacement of IT equipment and the continuing upgrade of station end equipment across all fire stations. £482k will be carried forward into 2025-26 to fund planned replacements of equipment at the end of its useful life. The service opted into an aggregated framework procurement process in Q4 2024-25 to replace a significant number of laptops, and the order was formally placed with the supplier in Q1 2025-26.
- 6.3.2 A £250k budget allocation for the set up / one-off costs incurred for the purchase and implementation of a replacement HR management system was built into the 2024-25 budget. The procurement process completed in 2024-25, but contracts were not formally signed until early April 2025 so the costs will be recognised in the new financial year. Budget has already been set aside to fund this.
- 6.3.3 The Command and Control System project, procured through the National Fire Safety Partnership (NFSP) has progressed following the procurement process completion in Q2 2024-25. The total project will cost the partnership £4.3m, with our share being £1.1m. £204k of these costs were incurred in 2024-25 as expected and future year needs were built into the 2025-26 budget approved by Members in February 2025.

6.4 Vehicles and Equipment (note 13)

- 6.4.1 A number of vehicles have been delivered in year including four water carriers, flexi-duty officer vehicles and two full electric support vans for the equipment team. Two welfare trailers are now also fully operational, based in Corsham and Ferndown.
- 6.4.2 Additional P1 Pumping appliances have also been ordered, but there was a delay in delivery due to high supplier demand. The delivery of the first appliance is expected in Q2 2025-26, followed by further deliveries in the coming months. The first four appliances will be based at Royal Wootton Bassett Fire Station (FS), Pewsey FS, West Moore Training Centre (TC) and Devizes TC as driver training vehicles.
- 6.4.3 The Unimog vehicle was delivered in April 2025. Following extensive testing and driver training it went operational in June, based at Wareham FS. As already explained above, the costs must be formally recognised in the year in which the asset was received from an accounting perspective. Across all projects, the total carry forward request is £2,524k.

7. Treasury Management

- 7.1 The Authority approved the Treasury Management Strategy for 2024-25 at its meeting in February 2024. The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code and Treasury Management Code now require treasury management activity to be reported quarterly as part of the general revenue and capital monitoring updates.
- 7.2 The full treasury management annual report for 2024-25 was approved by Fire Authority in June 2025. The headline data is provided again, with the Prudential Indicators shown in Appendix E and the Treasury Management Statement in Appendix F, which outlines the borrowing and investment position at 31 March 2025.

8. Summary and key points

- 8.1 The Draft Statement of Accounts for 2024-25 have been produced and were authorised for issue on 30 June 2025. Initial external audit work has started, with plans in place for the main work to commence in October 2025. The Treasurer and external auditor will provide progress updates at future meetings.
- 8.2 Revenue performance throughout the year has been subject to several factors temporary in nature, leading to a significant underspend. Unfortunately, these will not continue into future years. Reserves balances have increased by £2.113m to £23.027m at 31 March 2025.
- 8.3 The Capital Programme cost was revised significantly during the year, to reflect changing timescales for various projects, most significantly for building works and the vehicle replacement programme. Projects worth £3.3m will require funding to be carried forward to 2025-26.