



Staffordshire Commissioner Fire and Rescue Authority

Unaudited Statement of Accounts

2023/24

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Foreword by the Staffordshire Commissioner



A Commissioner has been responsible for the governance of Staffordshire Fire and Rescue Service since August 2018, Staffordshire is currently only one of five services operating under this model, with Cumbria becoming the fifth in April 2023. I am delighted to return for a second term as Staffordshire's Police, Fire and Crime Commissioner following the election in May 2024 and I am committed to helping Staffordshire Fire & Rescue Service build on the progress made in the last three years.

The primary responsibility of your local Police, Fire & Crime Commissioner is to ensure that government funding and local council tax precepts are spent well. For me this means that the budget must focus on keeping people safe, with operational decisions based on evidence and assessment of risk balanced with the public expectations set out in my Local Fire & Rescue Plan. In Staffordshire the total Fire & Rescue budget is £50 million. A lot of taxpayers money that does a lot of good. I aim to ensure as much of this funding as possible is used to support the frontline Fire & Rescue effort.

In December 2021, I published my local Fire and Rescue Plan, drawn up in consultation with Staffordshire residents. It sought a flexible and responsive service, to protect people and places, help people most at risk stay safe and to ensure that we have a Fire and Rescue Service fit for tomorrow. I have reported progress against my plan to the Police Fire and Crime Panel and also challenged the performance of the Service by questioning the Chief Fire Officer during a number of Public Performance Meetings. I will now update my Plan alongside the Service as the Chief Fire Officer updates the Corporate Risk Management Plan ready for the next four years.

I will continue to support central government's plans to reform and improve Fire & Rescue Services across the country and I will work closely with the Chief Fire Officer Rob Barber to drive the local change and improvement expected in three key areas: People, Professionalism and Governance.

In Staffordshire, we see every day the benefits of a single point of governance, as it allows for a more efficient, responsive service, able to react quickly to emerging public demand. The benefits are also seen through collaboration with co-location with Staffordshire Police in stations at Hanley in Stoke-on-Trent, Tamworth, Chase Terrace and Kinver with more to come this year. Estates are just one part of a programme of collaboration which has seen shared services developed in vehicle maintenance, procurement, human resources, finance and corporate communications meaning more resources for the frontline.

I have worked with Staffordshire Fire to address future years' budget gaps through a number of planning sessions, and I am pleased to that c.£1.3 million of cash savings is being delivered. This has improved efficiency and effectiveness of the Service but there is still more to do to address funding moving forward and I will continue to push for transformation, alongside greater efficiency and improvements in productivity.

The Service has also continued to build on existing partnerships such as our Fire and Health Partnership activities where I am pleased with the work ongoing with the NHS through the local Integrated Care Board (ICB) and Midland Partnership Foundation Trust (MPFT) in providing a Falls Response Service and in December 2023 a new Home from Hospital service was launched. These two initiatives are providing improved outcomes to some of the most vulnerable people within our communities with both being excellent examples of how the Service can add real value and support the communities we serve.

HMICFRS recognised that following their inspection carried out in 2021 there were 20 areas for improvement (AFI's) identified by the Inspectorate and I am happy that a majority of these AFI's were closed ahead of the latest inspection which commenced at the start of 2024. I am very confident that the next inspection will report tangible improvements in many areas when it is published in the summer of 2024.

In terms of outlook for the Authority the updated MTFs will ensure that the Chief Fire Officer has the resources needed to deliver on the local plan and national government priorities. With this, inflation and wage pressures in mind, I increased the council tax precept by 2.99% in 2024/25, equivalent to £2.51 per year. I will always aim to keep council tax as low as possible without compromising safety.

I am responsible for approving the Statement of Accounts for 2023/24 and will give due consideration to the recommendations made by the Ethics Transparency and Audit Panel (ETAP) meeting scheduled for 26th September 2024.

Ben Adams
Staffordshire Commissioner

Narrative Statement by the Director of Finance

The Statement of Accounts sets out the financial activities of the Staffordshire Commissioner Fire and Rescue Authority for the year ended 31 March 2024 and includes comparative figures for the previous year. The Statement of Accounts have been prepared in accordance with the accounting principles contained within the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and International Financial Reporting Standards (IFRS). The Code of Practice and relevant guidance notes specifies the principles and practices of accounting required to give a “true and fair” view of the financial position and transactions of the Authority.

The purpose of the Narrative Statement is to provide the reader with a broad understanding of the Authority’s financial performance for the year ended 31 March 2024, by clearly explaining the funding position, and how this funding is spent in order to deliver the priorities as set out within the Corporate Safety Plan (CSP). In addition, the Narrative Statement also provides further information to the reader about economy, efficiency and the effective use of resources during the financial year. It also looks to the future and considers some of the challenges faced by Staffordshire Fire and Rescue Service (SFRS).

The Staffordshire Commissioner, Ben Adams, was re-elected to office in May 2024 and is responsible for approving this set of accounts. The Commissioner released his Fire and Rescue Plan during 2021 which sets out the main priorities for the three-year period to May 2024. The Commissioner is committed to ensuring that Staffordshire Fire & Rescue is fit for a changing future and is a leading example for other services to follow so that the people of Staffordshire can be reassured that their money is being used efficiently and effectively and the workforce better reflects the communities it serves. The Commissioner will now focus on updating his Fire and Rescue Plan ready for publication later in the year.

This statement also reflects upon current challenges and discusses how the Service is preparing for the challenges ahead by focussing upon being even more efficient and delivers improved productivity.

This narrative report contains:

1. Introduction to Staffordshire
2. Organisation overview
3. Our priorities
4. Our service delivery
5. HMICFRS Inspection Findings
6. Risks
7. Basis of preparation
8. Financial performance
9. Outlook

1. Introduction to Staffordshire

The Staffordshire Commissioner is responsible for the finances of Staffordshire Fire and Rescue Service (SFRS) with a net revenue budget of £46.5 million approved for 2023/24 on 13 February 2023 by the Staffordshire Commissioner following presentation to the Police Fire and Crime Panel. SFRS is responsible for providing its services to a population of around 1.14 million people in the City of Stoke on Trent and the County of Staffordshire.

There are varying levels of deprivation amongst the diverse communities of the county and this is reflected by the differing demand levels placed upon the Service, with Stoke-on-Trent having the most accidental dwelling fires and total number of incidents attended over the last three years. In total, the Service attended 8,498 emergency incidents during the year ending 31 March 2024, with almost half of the incidents attended occurring in the north of the county (Stoke on Trent, Newcastle and Staffordshire Moorlands). Staffordshire has the largest total road length of any authority area of the West Midlands and has one of the largest in the country. There



are 64.5 miles of motorway in Staffordshire and the West Coast Mainline connects the county by rail. The section of the motorway through Staffordshire and Cheshire has around 21 million vehicle movements per year.












2. Organisation Overview

The Service operates through three main service delivery areas covering the county and has thirty-three fire stations, a headquarters site based in Stone and a separate Joint Emergency Transport and Engineering facility that is shared with Staffordshire Police. A close relationship with our communities and partners is at the heart of our Service supported by the Commissioner’s Estates Strategy which includes 21 community fire stations across the county built under two Private Finance Initiatives (PFI’s); which complements the existing premises and has enabled co-location with Staffordshire Police in many locations in addition to supporting opportunities for community use, along with shared facilities for our partners.

The number of deaths and injuries caused by fire have fallen in recent years, and whilst the number of deaths remains low it has increased during 2023/24 and the focus and investment in proactive and targeted activities that help prevent fires and other emergencies happening in the first place must continue. Demand placed on the fire and rescue service has also started to rise and change both locally and nationally with new risks emerging, including terrorism, illegal waste tipping and incidents caused by extreme weather and health pandemics. With these comes increased pressure on our people and our resources.

The following shows a snapshot of the key performance measures and activity undertaken by the Service during the year and provides a trend during the last three years. In terms of the numbers of incidents attended and the number of accidental dwelling fires attended the activity levels remain positive and show a downward trend.

The total number of deaths is showing a slight upward trend and injuries a downward trend although the numbers remain at low levels. The number of deaths at five for the year is an increase from four deaths reported in 2022/23. Road Traffic Collisions (RTC’s) attended by the Service continues to increase year on year despite the positive work undertaken by the Staffordshire Road Safety Partnership. RTC incidents attended by the Fire Service has continued to increase every year during the last five year period.

All Incidents Attended	Accidental Dwelling Fires	Fire Deaths and Injuries
2023/24:8498  Three Year Trend	2023/24:414  Three Year Trend	2023/24:   Deaths:5 Injuries:14
Business Fires (Excl Prisons) 2023/24:182  Three Year Trend	Prison Fires 2023/24:129  Three Year Trend	RTC's 2023/24:855  Three Year Trend
Unwanted Fire Signals 2023/24: 4654 (received)  1634 (attended)  Three Year Trend	Special Service Calls 2023/24:1595  Three Year Trend	Secondary Fires 2023/24:1598  Three Year Trend

Vulnerable households continue to be targeted by the Service for prevention activity and information relating to those who are most at risk of Accidental Dwelling Fires has been developed and updated so that it can be utilised by our Service Delivery Groups. Prevention work has now returned to more normal levels following the restrictions imposed during the Coronavirus pandemic period where home visits were restricted.

The Service analyses performance data to investigate instances where response times are not met and also to understand issues which impact on levels of appliance availability. The Chief Fire Officer reviews performance with the senior team on a monthly basis to ensure that Service priorities are being delivered.

Following the tragic fire at Grenfell Tower in 2017, inquiries into building regulations and fire safety have identified the need to tighten these arrangements to keep people safe in their homes. This has placed greater responsibilities on all fire and rescue services to ensure the right numbers of skilled, specialist staff are available for audit and inspection work. Staffordshire Fire & Rescue Service are already responding to this and it will continue to be an investment priority that is supported by the Protection Uplift Grant funding supplied by the Home Office.

Work remains ongoing between the Service and Staffordshire Police to identify where the combined estate can be rationalised and used more effectively and efficiently to deliver future savings. This has already resulted in the Police and Fire Service sharing the community fire stations at Tamworth Belgrave, Hanley, Chase Terrace, Penkridge and Kinver. Work is progressing well at Stone and Uttoxeter to deliver further shared facilities during 2024.

For both Tamworth and Hanley this has allowed the disposal of two existing police buildings generating a substantial capital receipt, reduce running costs and resulting in additional income for the Fire and Rescue Service. Sharing of buildings ultimately leads to benefits and savings to the public purse which is always at the heart of the focus to improve efficiency and deliver more economic solutions. The delivery of the Staffordshire Commissioner's Estates Strategy is therefore delivering significant savings into the medium term.

The Fire and Rescue National Framework sets out the requirement that each Fire and Rescue Authority must produce an Integrated Risk Management Plan (IRMP) demonstrating how prevention, protection, and response activities will best be used to mitigate the impact of risk on communities, through authorities and partners working either individually or collectively, in a cost-effective way. This task is delivered by producing the Corporate Safety Plan (CSP) which sets out the strategic priorities and shapes and drives the Service's vision of 'making Staffordshire the safest place to be' covering the period 2020 to 2024. This document "our Safety Plan" has been updated and extended due to the Police and Crime Commissioner elections held in May 2024. A new Community Risk Management Plan is being developed and will be subject to significant consultation with our residents, partner organisations, local business and the 9 billing authorities in Staffordshire and Stoke on Trent.

Our People

At the end of the financial year, Staffordshire Fire employed 726 full time equivalent staff, consisting of 319 wholetime operational firefighters, 269 on-call firefighters, 138 support staff and secondments. The total of 726 includes 14 senior management staff including the principal management team.

In addition to the above a number of shared service arrangements are in place with Staffordshire Police, this includes the following departments: Human Resources, Finance, Communications, Property, Commercial Services, Joint Emergency Transport Service (JETS) and also Occupational Health and Stores. All staff, with the exception of Stores, are employed by the Chief Constable with agreements in place to manage the contractual arrangements and cost recharges for each business area.

3. Our priorities

As required by the government's Fire and Rescue National Framework for England, every fire and rescue service must produce a high-level Integrated Risk Management Plan (IRMP) which explains how they use their resources to respond to and reduce the risks they have identified in their local area.

Following consultation in the autumn of 2023 the Service have updated the Safety Plan, which sets out priorities for 2020-2024, to ensure those areas of focus are still relevant and meeting the needs of our communities. This is also a good opportunity to check that the priorities set they remain fit for purpose for the environment in which the Service now operate.

This updated Safety Plan has extended the timeline period until the end of 2024 and during the summer 2024 engagement with the communities of Staffordshire will commence in order to develop the next four year plan, which is now referred to as our Community Risk Management Plan (CRMP) to be consistent with other services.

We identify and assess all foreseeable fire and rescue-related risks across Staffordshire and use this information to plan how to control these risks, respond to emergencies and deliver our fire prevention and protection activities in the most efficient and effective way. This means we can make sure we have the right people and resources in the right places at the right time to protect our communities, our buildings, our people and the environment.

This CRMP sets out the priorities, which support our vision of making Staffordshire ‘the safest place to be’ and are driven by our assessment of the risks across the county. Ensuring that our communities are protected by a first-class fire and rescue service is at the heart of everything that we do. We recognise that delivering these priorities will depend on collaboration, co-operation and effective communication.

The priorities for the Corporate Safety Plan have been established as follows:

1. Prevention and Early Intervention
2. Protecting Staffordshire and Its people
3. Public Confidence
4. Service Reform

Prevention and Early Intervention

What we aim to do - Develop a detailed community risk profile of Staffordshire, so that we can use our resources in the most efficient and effective way.

In order to prevent fires and respond promptly and effectively to fires and other emergencies the Service will work together with partners across the county, share information and create a more detailed understanding of the risks to our communities and identify the people and properties most at risk. In addition, the Service will prioritise these risks to ensure our activities have the most positive impact on community safety and develop targeted activities to make the most efficient use of our resources and minimise our impact on the environment. We are committed to working with partners to educate our communities and share goals to reduce duplication and inefficiencies in the public sector.

Protecting Staffordshire and Its people

What we aim to do - Reduce and remove risks in our communities using a combination of prevention, protection and response activities and help make Staffordshire a safer place to live, work and visit.

To protect our people, buildings, the environment and reduce local risk the Service will: continue to modify and develop our activities to embrace the changing needs of the county and use advances in technology and techniques to ensure our response to emergencies is efficient and effective. We will contribute to building communities which are fit for the future (resilient, healthy and sustainable) and contribute to ensuring that buildings in Staffordshire are safe for residents and visitors for generations to come. We will ensure that we have the capability to meet new and emerging risks from incidents that may involve flooding, wildfire, terrorism or supporting other emergency services.

Public Confidence

What we aim to do - Report regularly on our progress and communicate openly about our plans so that, they are clearly understood, meet our legal duties and provide assurance to the public in a way which is transparent and easy to scrutinise.

In order to ensure plans and resources are in place to provide a flexible efficient and resilient response to emergency incidents the Service will consult with our communities and listen to our people when developing our plans and services. In addition, provide evidence that our activities are based on a recognised need and are targeted where they are needed most. A transparent and easily understood approach will be adopted to planning and reporting throughout the service.

Service Reform

What we aim to do - Develop and support a diverse, healthy and highly professional workforce who are motivated and empowered to improve our service.

To ensure that we continue to be effective, efficient and able to transform the Service to meet the challenges ahead we will invest in our people by providing them with the right equipment, training and skills to keep them safe, encourage innovation and inspire our future leaders. The Service will continue to strive to improve the services we provide and be honest and open, encouraging people to be themselves and treat each other with kindness and respect. This will promote a positive and supportive culture committed to improving the health, fitness and wellbeing of our people and work with our communities and partners to improve the diversity of our workforce.

Further details supporting the CRMP priorities can be found on our website:

[Our Safety Plan 2020-2024 \(Dec 2023 Update\) \(staffordshirefire.gov.uk\)](https://www.staffordshirefire.gov.uk)

4. Our Service Delivery

This CRMP discussed above sets out the priorities, which support our vision of making Staffordshire 'the safest place to be' and are driven by our assessment of the risks across the county.

Our resources are placed so that we are able to respond to incidents as quickly and as safely as possible. As part of our planning process, we monitor and review the risks within Staffordshire to ensure we remain flexible in our approach and are best placed to suggest improvements where they will benefit the safety of our firefighters and our communities.

This helps us to:

- Improve our knowledge of vulnerability and identify those most at risk
- Better understand the needs of our diverse communities
- Prepare for the challenges ahead.

We continue to use and develop a range of data-driven tools, techniques and modelling programmes to help us monitor, assess and anticipate the impact of future changes in risk and levels of demand. These are key to supporting our risk planning processes. They involve the use of both social and demographic data, consideration of local strategic infrastructure plans, industrial strategies and, information and learning from previous emergency incidents.

In planning our response to risk, we work closely with partners including Staffordshire Police, West Midlands Ambulance Service and the Environment Agency. We contribute towards the risk assessment process in the Staffordshire Local Resilience Forum, which produces a community risk register drawing upon local and regional risks set against a national risk framework. Through the Staffordshire Civil Contingencies Unit, we are part of the Staffordshire Resilience Forum and regularly take part in joint exercises and training, testing our Joint Emergency Service Interoperability Principles to ensure we are adequately prepared when crisis hits.

We work with other fire and rescue services and partner organisations to identify new and emerging risks, such as naturally occurring hazards (extreme weather), pandemic illnesses and malicious threats (including terrorism) and use this intelligence to prepare our firefighters for the types of emergencies they may face.

- In recent years, the number of waste fires and wildfires has increased with several large waste fires at illicit sites and fires involving fly-tipped materials. Extreme weather conditions have already seen hundreds of hours spent tackling wildfires in the Moorlands, which destroyed hundreds of acres of countryside and threatened homes. We have specially-trained waste and wildfire tactical advisors
- Climate change causing wide-scale flooding across Staffordshire and further afield. We have high-volume fire engines and enhanced logistical support vehicles that are able to support national incidents
- As well as aiming to cause physical harm, terrorist attacks now seek to disrupt services by preventing access to buildings or damaging computer systems. We have measures in place involving physical

and cyber security, but we must continue to be vigilant and develop our buildings, systems and staff knowledge to keep pace with the threat.

5. His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)

Since 2017, HMICFRS has been responsible for the independent inspection of England's 44 fire and rescue services in addition to national police forces. These inspection reports provide an assessment of a fire and rescue service's effectiveness and efficiency and how well they look after their people. HMICFRS use a system of graded judgments to assess these criteria; 'Outstanding', 'Good', 'Requires Improvement' and 'Inadequate'.

The Service was inspected during September and October 2021, with the final report published later in July 2022; which is in line with HMICFRS's approach of publishing reports in batches and not immediately after each service's inspection is complete. The report's findings were in many ways positive, although it highlighted issues that the Service is continuing to invest time and effort in to improve.

HMICFRS rated the Service as 'Good' at providing an effective service to the people of Staffordshire and at being well prepared for major incidents. Inspectors also said we are 'Good' at identifying people in our communities who are most at risk from fire and work well with partners to reduce this risk. The inspection noted the positive response to learning from the Grenfell Tower tragedy improving the safety of residents in Staffordshire who live in highrise buildings through the community sprinkler scheme. HMICFRS found the Service to have good financial management arrangements in place, understand how money is spent and collaborate well with the police resulting in more efficient use of our fleet and buildings. HMICFRS pointed out the need to explore new ways of working and invest in new technologies to help ensure the workforce is utilised in the most productive way. There were also a number of areas which were rated as 'Requires Improvement' and HMICFRS has identified 20 areas of areas for improvement. These included: protecting the public through fire regulation, responding to fire and other emergencies, making the best use of resources, promoting the right values and culture, and ensuring fairness and promoting diversity.

The HMICFRS Inspection Report is designed to give the public information about how their local fire and rescue service is performing in several important areas, in a way that is comparable with other services across England. A copy of the latest HMICFRS Inspection report can be found in full here.

[Staffordshire - His Majesty's Inspectorate of Constabulary and Fire & Rescue Services \(HMICFRS\) – Home \(justiceinspectors.gov.uk\)](https://www.justiceinspectors.gov.uk)

In January 2023 HMICFRS started the third full programme of inspection of fire and rescue services (FRSs) in England. The Inspectorate use inspection findings, analysis and professional judgment to assess how effective and efficient FRSs are at fire safety, firefighting, and responding to road traffic collisions and other emergencies. HMICFRS also assess how well the service looks after its people. Each of the areas are now graded, using a revised system, as; outstanding, good, adequate, requires improvement or inadequate

The Inspectorate commenced the inspection of Staffordshire Fire and Rescue Service in February 2024 and concluded in May 2024, with the full report due for publication later in the year.

In addition, HMICFRS also undertook a thematic inspection of the Service in Autumn of 2023 with [a terms of reference set following a Home Secretary's commission for a thematic inspection of the handling of misconduct in fire and rescue services](#). The inspection was undertaken across a number of FRS's and a generic report is expected to be published in the summer covering these inspections findings.

6. Risks

The Staffordshire Commissioner and SFRS both have risks registers both at strategic and operational level. The risk register is reviewed and challenged by Ethics, Transparency Audit Panel (ETAP) on a regular basis. Both registers form a part of the Internal Audit programme delivered by our internal auditors, RSM and reported to ETAP. The Service holds a regular review of all strategic risks and risk owners are invited to the meeting to explain the risk and its mitigation along with how it is being pro-actively managed by the Service.

The risk environment was audited by RSM during 2023/24, the internal auditor concluded that “the Service can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.”

7. Basis of preparation

The Statement of Accounts is published to present fairly the financial position and transactions of the Authority in a fair and transparent manner. Its format is prescribed by the Chartered Institute of Public Finance and Accountancy (CIPFA). A glossary to explain some of the technical terms is included at the back of this report.

These accounts are prepared on a going concern basis, assuming that the Staffordshire Commissioner Fire and Rescue Authority will continue in operation for the foreseeable future in accordance with the Accounts and Audit Regulations and the Code of Practice on Local Authority Accounting 2023/24.

The Commissioner is required by statute to make funding decisions on a different basis from the way in which it reports the Statement of Accounts. A number of adjustments are therefore made to the accounts that are used for budget setting and budget management to incorporate proper accounting adjustments in the area of pensions, employee benefits and depreciation.

The main statements consist of:

- **Statement of Responsibilities for the Statement of Accounts** which sets out the responsibilities of the Authority and the Treasurer for the accounts;
- **Annual Governance Statement** which assesses the adequacy of the Authority’s governance arrangements and identifies where improvements can be made;
- **Statement of Accounting Policies** which sets out the basis for recognising, measuring and disclosing transactions in the accounts;
- **Comprehensive Income and Expenditure Statement** which summarises income and expenditure on the Authority’s services during 2023/24; and presents all the recognised gains and losses of the Authority during 2023/24;
- **Movement in Reserves Statement** which reconciles the Income and Expenditure Account with General Fund Balances considering contributions to reserves committed for future expenditure;
- **Balance Sheet** which sets out the Authority’s financial position as at 31 March 2024;
- **Cash Flow Statement** which summarises the inflows and outflows of cash in the year.

8. Financial performance

The Revenue Budget for 2023/24 was approved on 13 February 2023 by the Staffordshire Commissioner, and was set at £46.5 million. Revenue expenditure consists of the day-to-day running costs, such as employee costs, pension costs, premises, transport, ICT, income and financing costs.

Overall, the financial performance of the Authority has been positive in year despite the challenging economic circumstances experienced during the last two years, that has resulted in significant upward pressure in many areas of spend. The year also included a significant improvement in income received with the investment returns on cash held by the Authority following the base rate of interest increases by the Bank of England.

The 2023/24 outturn position is summarised below and the details of how this expenditure has been funded during the year and provides a comparison to budget:

Revenue Budget Outturn 2023/24	Original Budget	Outturn	Variance
	£m	£m	£m
Pay	31.0	30.0	1.0
Non Pay			
Premises Costs	5.2	5.0	0.2
Transport Costs	0.8	0.9	(0.1)
Supplies and Services	7.9	8.1	(0.2)
Community Fire Safety	0.3	0.3	0.1
Total Non Pay	14.2	14.3	(0.1)
Income, Grants and Interest Receivable	(4.4)	(5.2)	0.8
Capital Financing Costs	2.4	2.1	0.3
Unitary Charge Payments	3.8	3.9	(0.1)
Direct Financing Capital Expenditure	0.5	1.2	(0.7)
Total before the use of Reserves	47.5	46.3	1.2
Use of Reserves	(1.0)	(0.3)	(0.7)
Total	46.5	46.0	0.5
Contribution to Reserves	0.0	0.5	(0.5)
Total	46.5	46.5	(0.0)
Funded By:	£m		
Settlement Funding			
Local Business Rates (1%)	4.1		
Business Rates Top-Up	6.2		
Revenue Support Grant	5.4		
Total	15.7		
Council Tax	30.8		
Total	46.5		

The total revenue spend for the year at £46.5 million, was overall in line with forecast and budget. This positive position reported for the year end enabled an additional contribution to the financing of capital projects in year and a lower use of reserves than originally budgeted.

Pay spend for the year of £30 million was lower than budget with a trend of lower pay spend for on-call and support staff experienced during the year, where a number of vacancies have been held. Overall the on-call FTE has increased by 23.1 FTE as at 31 March 2024 (up over 9%) but recruitment still remains challenging for many stations but a very positive trend shown in the year. A three-person crewing system for on-call staff has had a significant impact in on-call appliance availability (up 12%) and response times during the year. Support staff FTE closed 23.6 below budget with a number of vacancies held whilst the review of Prevention and Protection was undertaken. The outcome of this review has been incorporated into the updated budget for 2024/25 and reflected within the authority's transformation tracker.

Non-pay costs closed the year with a slight overspend, which is mainly due to vehicle repair costs with fuel, oil and tyre costs above budget; this upward trend has been fully reflected when setting the budget for 2024/25. Contracted services also reported an overspend with external audit fees and over the border costs adverse in year.

Income from S31 grants is also favourable to budget following the publication of grants receivable by the Home Office. Interest income from cash held has performing exceptionally well with average interest rates delivering around 5% return which was £0.7 million better than budget (interest received in year £0.94 million) and is greater than the cumulative interest received during the last 15 years.

The additional direct revenue contribution to capital alongside the use of reserves to support the capital programme funding has again supported the Capital Financing Requirement for the Authority reducing long term debt and improving the financial resilience for the future.

The statutory accounts are published within the framework issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), the International Financial Reporting Standards (IFRS) and the Government, the results of which are a deficit for the year of £3,083 million (2022/23 was a deficit of £5,310 million). However, this includes pensions and depreciation costs, which are not chargeable to tax payers (nationally and locally) and the final position for the financial year is set out in the following table:

Reserves	General	Earmarked
	Fund Actual	Reserves
	£m	£m
General Reserves		
General Reserves balance 1 April 2023	1.9	
Break Even for the Year	0	
General Reserves balance 31 March 2024	1.9	
Other (useable) Reserves		
Other Reserves balance 1 April 2023		7.5
Net movement for the year:		
Funding for Revenue purposes		0.3
Contribution to Reserves		0.5
Funding to support the Capital Programme		(1.2)
Other (useable) Reserves balance 31 March 2024		7.1

This means that the General Reserve brought forward from 2022/23 remains at £1.9 million at the end March 2024, this reserve is held to allow for any unexpected or emergency events that are assessed to be either medium or high risk. The reserve remains under 5% of the total revenue budget and is considered to be a reasonable provision for any emergency events that may occur.

The Other (Useable) Reserve has reduced to £7.1 million and forms an integral and important part of the overall financial strategy and financial resilience for the Staffordshire Commissioner as incorporated within the approved Medium Term Financial Strategy (MTFS) and Reserves Strategy. Reserves are not held without good reason and are earmarked to support funding into the medium term and are key in reducing borrowing costs and maintaining liquidity. The Reserves Strategy is updated annually to ensure that all reserves are earmarked appropriately and are linked to risk held within the approved risk register.

The Other (useable) Reserves balance is forecast to reduce to around £5 million by 2027/28 in line with the reserves strategy and approved MTFS, thus demonstrating effective and efficient utilisation of reserve balances into the medium term. The balance on this reserve has reduced by £1.2 million during the last two years.

Capital Investment

During 2023/24, £3.8m was invested in capital projects, summarised as follows:

Capital Expenditure Outturn	Forecast	Actual	Actual
2023/24		Spend	
	£m	£m	%
Land and Buildings	0.74	0.51	13%
Vehicles, Plant and Equipment	2.80	2.74	72%
Information Technology	0.66	0.58	15%
Total Capital Expenditure	4.20	3.83	100%

The capital spend for 2023/24 closed at £3.8 million against a forecast of £4.2 million.

The capital programme is supported mainly by external borrowing and planned capital receipts, with no capital grant funding from the government being made available. In 2023/24 £1.18 million has been funded by revenue contributions and £0.86 million by earmarked reserves for the vehicle a replacement and the station refurbishment.

Final payments were made in year for two new Aerial Ladder Platforms both are now fully operational. Two Heavy Rescue Tenders are now expected fully operational later in 2024 and commercials have been agreed

for the next three fire engines. Significant capital spend of £0.8 million has also been invested into the replacement of all breathing apparatus equipment following a regional replacement contract for over £1 million in Staffordshire. Thermal image cameras have been replaced in year.

During the year the design and feasibility work has been completed for the refurbishment at Brewood Firestation which will be completed during 2024/25.

Balance Sheet

The Balance sheet is a snapshot of the Authority's assets and liabilities, cash balances and reserves at the balance sheet date. A table summary is provided below.

	31st March 2023	31st March 2024
	£m	£m
Long Term Assets (incl. Pension Asset)	138.1	137.5
Current Assets	22.8	21.2
Current Liabilities	(10.6)	(10.5)
Long Term Pension Liabilities	(375.0)	(379.8)
Other Long Term Liabilities	(73.2)	(69.9)
Net Liabilities	(297.9)	(301.5)
Usable Reserves	17.5	17.6
Unusable Reserves	(315.4)	(319.2)
Total Reserves	(297.9)	(301.6)

As at 31st March there are negative assets on the balance sheet. The sole reason for this is the unfunded Firefighters' Pension Schemes and the funded Local Government Pension Scheme (LGPS) pension scheme. Excluding these pension liabilities, the Group Balance sheet has net assets of £78.2 million including usable reserves of £17.6 million.

The pension liability has increased by £4.7 million in year following the actuarial reports received by the two actuaries for the Firefighters' Pension Schemes (Government Actuarial Department) and LGPS Pension Scheme (Hymans). This is reviewed in more detail within the pension section below.

Treasury Management

The Staffordshire Commissioner approves a Treasury Management and Investment Strategy before start of each financial year and receives regular updates on treasury performance during the year.

Cash Flow

	31st March 2023	31st March 2024
	£m	£m
Cash and Cash Equivalents	11.4	10.3
Short Term Investments	5.5	6.0
Total	16.9	16.3

Overall, cash flow has remained in a healthy state during the year with £16.3 million of cash held in cash and cash equivalents and investments as at 31 March 2024. The cash flow overall was better than budget in year primarily associated with some delays in capital spend and capital savings achieved and grants and income received in excess of budget.

External Debt

Historically long-term borrowing has been utilised to finance part of the overall capital programme. As at 31st March 2024 the Authority had total external borrowing of £16.7 million.

The total Capital Financing Requirement (CFR) is shown in note 37, this shows a total CFR requirement of £21.4 million, a slight increase in overall debt levels of £0.5 million. This demonstrates the intelligent use of earmarked reserves supported by direct funding of capital from revenue during the year, and when also including the level of Minimum Revenue Provision (MRP) in year has only marginally increased the indebtedness of the Authority despite a £3.8 million capital spend in year.

The Capital Financing Requirement has reduced by more than £8 million since March 2013, demonstrating the commitment of the Authority to reduce debt levels during the challenging financial environment experienced within the public sector during the last decade.

The PFI liability has also reduced by £2.5 million in year and will continue to unwind during the concessionary period for both PFI projects (see Note 41 for further information).

Pensions

Accounting standards require the full cost of pension benefits as they are earned to be reported in the accounts. The impact of this requirement on the accounts is significant with the total balance sheet liability for pensions amounting to £379.8 million. The amount included within the balance sheet reflects an estimate of the total pension liability and incorporates a number of assumptions that change over time. This liability does not affect the ability to continue as a going concern as it refers to future liabilities that will be met by future contributions. Excluding the pension liability, the balance sheet shows net assets of £78.2 million. A detailed going concern assessment is produced each year and presented to ETAP and Grant Thornton as part of the year end audit.

The Firefighters Pension Schemes are unfunded defined benefit schemes and any deficit on the scheme is met by Central Government through the Home Office and a top-up payment is received annually to cover any shortfall. Employer contributions into the Firefighters' Pension Scheme 2015 scheme are at a rate of 28.8% of pay for current operational staff are funded from the current revenue budget which includes council tax funding. The cost of pension payments to pensioners is largely met from the Home Office top-up grant and is therefore not funded by Council Tax. The assessed liability overall of Staffordshire in the Firefighters Pension Schemes as at 31st March 2024 was £376.3 million (£371.1 million 2022/23). The Government's Actuarial Department (GAD) provides the actuarial valuation and supporting information to the Authority.

Support staff working for the Authority are eligible to be members of the Local Government Pension Scheme (LGPS) administered by Staffordshire County Council and is a funded scheme: The current primary contribution rate for employers is 21.9% of pay plus the additional secondary contribution discussed below, and this is met from the current revenue budget which includes council tax funds. The assessed asset overall of Staffordshire in the LGPS as at 31st March 2024 was £3.4 million (£3.9 million asset 2022/23).

Following the three year "triennial" review of the Local Government Pension Scheme (LGPS), the actuary, Hymans Robertson, proposed that secondary contribution i.e. a further deficit repair payment was required for the three year period to 2025/26 in addition to the primary employer contribution rate which increased from 16.7% to 21.9%. The Staffordshire Commissioner agreed to make an upfront payment of £0.556m as a lump sum and receive a favorable discount rate offered by the actuary for this payment in advance. This has resulted in an effective LGPS contribution rate for the three-year period of around 26.5%.

The total pension liability has increased by £4.7 million in year as incorporated into the Statement of Accounts for 2023/24 is primarily associated with the impact of fund valuation mainly through very marginal changes in financial assumptions used by the actuary within the valuation of the Firefighters Pension Schemes and LGPS.

The assumptions used by both actuaries have been reviewed and challenged by management and will be reviewed by the external auditor to ensure the assumptions used are consistent and robust. The assumptions used by both actuaries show a high level of consistency with no outlying factors that are considered to be outside of management expectations.

McCloud / Sargeant Judgment

Before 2015 (2014 for local government), public sector pension schemes provided benefits on a final salary basis. In 2015 (2014 respectively), the Government replaced the final salary schemes with new career average (CARE) schemes for future pensionable service. Existing members had to switch from the final

salary schemes to the new CARE schemes unless they received 'protections', which were granted based on a member's proximity to normal pension age.

In December 2018, the McCloud/Sargeant judgment found the protections introduced in 2015 to be discriminatory against younger members of the final salary schemes. In February 2021, following consultation on its proposal to address the age discrimination, the Government published its response and proposals that would remove this discrimination.

The Public Service Pensions and Judicial Offices Bill (PS&JO Bill) was passed in March 2022. This Bill consolidated the information which has been issued to date and formalised the ruling by the court (McCloud/Sargeant case), forming the proposal for how the government will remove the discrimination identified by the courts in way that the 2015 reforms were introduced for some members.

The pension remedy is now made up of two parts. The first part was completed last year with all active members now being members of Firefighters' Pension Scheme 2015 from 1 April 2023, providing equal treatment for all active pension scheme members. The second part is to put right, 'remedy,' the discrimination that happened between 2015 and 2022. The full remedy and all associated legislation is now in place and the work required for remedy is ongoing.

Unfortunately, there are a number of complexities with implementing the remedy, such as tax charges and allowances, some of which have still not yet been resolved and the Authority has not been able to remedy a number of members at this time.

This deadline for completion of the remedy is March 2025 and the Home Office is providing funding for this exercise during 2024/25 as part of the annual firefighters' pension scheme top-up payment made in July 2024. The actuary has incorporated the estimated liability as part of the actuarial valuation of the Firefighters' Pension Schemes.

Special retained members (Matthews)

In November 2018 a ruling on the legal case involving part time judges (O'Brien v MoJ) has a direct impact on the equivalent firefighters (Matthews). Home Office Ministers agreed to extend the pension entitlement to eligible retained firefighters to cover service pre-July 2000. The Memorandum of Understanding signed in March 2022 sets out the intended scope and operation of the options exercise required to enact remedy in this case.

This options exercise has now commenced and will increase the pension entitlement for some current special retained members and also allow access to the scheme for additional historic retained firefighters.

The Authority have now written to all affected members and this exercise will continue into 2024/25. No members received a remedy payment during 2023/24 and the actuary has incorporated the estimated liability as part of the actuarial valuation.

Firefighters' Pension Schemes

This Firefighters' Pension Scheme Actuarial Report has been prepared by the Government Actuary's Department ('GAD') at the request of Staffordshire Commissioner Fire and Rescue Authority. The report sets out the results of the pensions disclosures in accordance with the requirements of CIPFA's Code of Practice for accounting periods commencing on or after 1 April 2023 for the retirement benefit liabilities under the Firefighters' Pension Scheme 1992, the Firefighters' Injury Benefit Scheme, the New Firefighters' Pension Scheme 2006 and the Firefighters' Pension Scheme 2015 (collectively referred to as 'the scheme') for the period from 1 April 2023 to 31 March 2024.

The results have been calculated by carrying out a detailed valuation of the most recent data provided as at 31 March 2024. This has then been rolled forward to reflect the position as at 31 March 2024. In particular the actuary has allowed for service accrued between 1 April 2020 and 31 March 2024 and known pension and salary increases that would have applied.

The valuation assumptions used by the actuary have been reviewed and are all in line with the expectations published by PwC with their published pension accounting trends report. This document sets out the market

practice on pensions accounting assumptions at 31 March 2024 that PwC has observed, key market indicators and current pensions accounting developments.

LGPS

This LGPS Actuarial Report has been prepared by the Hymans Robertson LLP at the request of Staffordshire Commissioner Fire and Rescue Authority.

LGPS has more than 6.1 million members nationally and the Members of the Scheme who are employed by the Staffordshire Commissioner Fire and Rescue Authority are part of the Staffordshire Fund administered by Staffordshire County Council.

9. Outlook

The Staffordshire Commissioner, Ben Adams, has worked with Staffordshire Fire to address future years' budget gaps through a number of planning sessions with the latest budget and MTFs that has incorporating around £1.3 million of cash savings as part of this transformation work. However, the Commissioner and Chief Fire Officer recognise that there is still more to do in order to further improve efficiency and productivity into the medium term and allow for some consideration of investment into key areas of the Service.

The commitment by the Service to deliver savings and the funding guarantee provided by Government within the Local Government Finance Settlement has helped to present a more positive financial position into the Medium Term, however the continuing uncertainty beyond next year, not helped by a further single year settlement, continues to make planning beyond 2024/25 challenging.

During the next twelve months the Service will continue to focus upon:

- Reviewing expenditure and budgets to ensure value for money is being achieved
- Committing to more collaborative working with all partners, delivering value for money for local people and taxpayers, through working together with all partners
- Reviewing ways of working, through shared approaches to estates, procurement and training, employment arrangements and mobilisation of fire engines, and
- the transformation journey to ensure that we are efficient and effective and ready for the financial challenges ahead

As a result of the updated MTFs the transformation work has now moved into the next phase and will be reviewing options to further transform the Service in order to increase productivity and drive efficiency. This will include a review to ensure that risk and demand are considered fully and are proportionate when reviewing existing station locations and current shift patterns, work that will support the development of the next Community Risk Management Plan.

These Accounts are due to be approved by the Staffordshire Commissioner following detailed review and recommendation by the Ethics, Transparency and Audit Panel scheduled for 26th September 2024.

David Greensmith ACMA CGMA
Director of Finance / Section 151 Officer
Date:

Audit Certificate

Intentionally free

Intentionally free

Intentionally free

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Intentionally free

Statement of Responsibilities

The Staffordshire Commissioner'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. For this authority, the responsibility of Chief Financial Officer is allocated to the Director of Finance;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- approve the Statement of Accounts.

I accept the above responsibilities and I am due to approve the 2023/24 Statement of Accounts for Staffordshire Commissioner Fire and Rescue Authority following a detailed review and recommendation made by the Ethics, Transparency and Audit Panel scheduled for 26th September 2024.

.....

Ben Adams
Staffordshire Commissioner

Date:

The Director of Finance's Responsibilities

The Director of Finance is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper accounting practices as set out in The Code.

The Director of Finance is required to present fairly the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2024.

In preparing this statement of accounts, the Director of Finance has:

- selected suitable accounting policies and then applied them consistently;
- made judgments and estimates that were reasonable and prudent;
- complied with the local authority Code of Practice.

The Director of Finance has also:

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

The Director of Finance Certificate

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Staffordshire Commissioner Fire and Rescue Authority as at 31 March 2024 and the income and expenditure for the year ending 31 March 2024.

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David Greensmith ACMA CGMA
Director of Finance / S151 Officer

Date:

Statement of Main Accounting Policies

1. General Principles

The Statement of Accounts have been prepared in accordance with proper accounting principles contained within the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), and the International Financial Reporting Standards (IFRS).

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

2. Property, Plant and Equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accrual basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

The Authority has a de-minimus of £10,000.

Measurement and Valuation

Assets are initially measured at cost, comprising of the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Donated assets are measured initially at fair value.

Plant, Property and Equipment is valued on the basis recommended by CIPFA and in accordance with the Statement of Asset Valuation Principles and Guidance Notes issued by The Royal Institution of Chartered Surveyors (RICS). The Authority revalues its entire land and building portfolio sufficiently regularly, as a minimum every five years.

Revaluation gains are taken to the Revaluation Reserve and revaluation losses are written off against any balance on the Revaluation Reserve for that asset or to the Comprehensive Income and Expenditure Statement if the balance on the revaluation reserve is less than the loss.

Operational properties are carried in the Balance Sheet at Depreciated Replacement Cost for specialised properties, where there is no evidence of market value, and Open Market Value for properties where there is evidence of market value.

Impairment

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance

-
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated using a straight-line method from the year following acquisition. Assets in the course of construction are not depreciated until used. The following useful lives apply:

- Buildings are depreciated in accordance with IAS 16 – Property, Plant and Equipment. According to the most recent valuation report, all buildings have an asset life of 60 years.
- Fire appliances have an asset life of between 10 and 15 years, other vehicles have an asset life of between 4 and 10 years depending on the vehicle function.
- Plant and equipment have an asset life between 5 and 20 years.
- IT equipment have an asset life between 3 and 5 years.

On an exceptional basis and where appropriate, a small number of assets have a useful expected life outside of the stated range of useful lives, based on specific characteristics of these assets.

Where a property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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

Disposals

When an asset is disposed of, or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals, if any, are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Where a component of an existing asset has to be de-recognised and the component amount is not known, then an estimate using a reasonable basis has been used. The component calculation is established using the replacement cost of the component, indexed back to the original component's inception and adjusted for any subsequent depreciation and impairment.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. Receipts credited to the Capital Receipt Reserve can only be used for new capital investment. Receipts are appropriated to the Reserve from the General Funds Balance in the Movement in Reserves Statement.

The written off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing.

3. Intangible Assets

The Authority defines intangible assets as identifiable non-monetary asset without physical substance; as per IAS 38. The intangible assets (e.g. computer software) are measured at cost less amortisation and impairment.

4. Revenue Provision for the Repayment of Debt

In accordance with the requirements of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 the Authority is required to calculate a 'prudent' level for the repayment of debt. This is achieved through an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance. This charge is calculated as follows:

- For capital expenditure incurred before 1st April 2008 or which in the future is supported capital expenditure, the Minimum Revenue Provision (MRP) policy is to set aside a provision equal to 4% of the previous year's Capital Financing Requirement.
- From 1st April 2008 for all unsupported borrowing, excluding finance leases, the MRP policy uses the Asset Life Method i.e. MRP will be an annual charge based on the estimated life of the assets. The provision is set aside in the year following the capital expenditure.
- MRP is also charged against Private Finance Initiatives. The capital element of repayments is being used as a proxy for the PFI MRP.

5. Leasing Charges

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

During 2023/24 the Authority held finance leases under the definition of IAS 17 Leases. Leases are accounted for in accordance with IAS 17, operating leases are not capitalised and rentals are charged directly to the CIES in the year to which they relate. Finance leases are capitalised with transactions reflected on the Balance Sheet as fixed assets and deferred liabilities and through the CIES as interest payable and similar charges.

6. Heritage Assets

The Authority holds a number of heritage assets. The assets are held in secure locations, either Fire Stations or the local City Museum.

The assets are appropriately and sensitively preserved and insured 20% above the valuation. The Authority does not seek to acquire assets of this nature, and has no intention of disposing of the assets currently held.

The assets have been valued by an independent specialist based on current open market sale value. Due to the value of the assets held they are not recognised in the balance sheet in accordance with the code.

7. Non-current assets held for sale

Non-current assets are reclassified as an Asset Held for Sale where it is probable that the carrying amount of the asset will be recovered through a sale transaction rather than through its continual use.

The asset is revalued and carried at the lower of this amount and fair value less costs to sell. Depreciation is not charged on Assets Held for Sale.

8. Inventories

Workshop, Fuel and Stores inventories are maintained, and where material, are shown in the Balance Sheet. The workshop inventory is valued at the lower of cost or net realisable value. The stores' inventory is valued at First In First Out (FIFO) and the fuel is valued at cost. Other immaterial inventories, e.g. stationery, are fully charged to the CIES in the year of purchase.

The Authority does not currently provide for obsolescence or loss in value since amounts written off remain fairly constant and therefore equate to an annual provision.

9. Debtors and Creditors

The Accounts have been prepared on an accruals basis and provision for sums due to or owed by the Authority is included in the accounts where the cash has not actually been received or paid during the year. Income has only been included in the accounts when it can be realised with reasonable certainty. Proper allowance is made for known losses or liabilities where these are material and can be reasonably estimated otherwise these are disclosed by way of note as contingent liabilities.

10. Pensions

The disclosure requirements are included in the main financial statements as notes to the accounts in accordance with CIPFA recommended practice and IAS 19 – Employee Benefits.

Types of pension schemes

The Authority participates in two different pension schemes, which meet the needs of employees.

a) Firefighters

This scheme is unfunded and the charge to the accounts represents the Authority's (as employer) contribution to the fund for the year.

b) Other Pensionable Employees

Other employees, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme. The pension costs that are charged to the Authority's accounts in respect of these employees are equal to the contributions paid to the funded pension scheme for these employees.

In accordance with IAS 19 the authority recognises the cost of retirement benefits within the Net Cost of Services, when they are earned, rather than when benefits are actually paid as pensions. However, the charge to be made to the Council Tax, via the precepts, is based on the amount payable in the year. The difference is reversed out in the General Fund.

11. Interest on Balances

During the year surplus money was invested and the interest earned credited to the Comprehensive Income and Expenditure Statement.

12. Government Grants and Contributions

Government grants and contributions are recognised in the CIES when conditions attached to the grant or contribution has been satisfied. Government Grants and contributions that have not been satisfied are carried in the Balance Sheet as creditors. Where capital grants are credited to the CIES they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant is yet to be used to finance capital it is held on the Capital Grant Unapplied reserve. When it has been used it is transferred to the Capital Adjustment Account.

13. Changes in Accounting Policies

The Authority has reviewed its accounting policies in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors which sets out the principles to be adopted and disclosures that are required within the Statement of Accounts. Any appropriate changes have been applied.

14. Financial Instruments

Financial Assets

Financial assets are classified into three types which are based on the intention of use when the asset was purchased:

- Amortised Cost – held to collect contractual cash flows of principle and interest on specific dates
- Fair Value through Other Comprehensive Income (FVOCI) – held to both collect contractual cash flows and sell the financial asset on specified dates
- Fair Value through Profit or Loss (FVTPL) – Achieve objectives by any other means than collecting contractual cash flows.

The Authority does not have any FVOCI.

Financial assets are recognised in the Statement of Accounts when the authority becomes party to the financial instrument contract. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Loans and receivables are measured at amortised cost, with the exception of Money Market Fund investments which are measured at FVTPL.

Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. Any gains and losses arise on derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the authority becomes a party to the contractual provision of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Financial liabilities are derecognised when the liability has been discharged, that is the liability has been paid or otherwise discharged.

The Authority has liabilities in relation to loans from the Public Works Loan Board (PWLB), Lender Options Borrowing Options (LOBO), creditors for goods and services and two PFI contracts.

Interest Payable is charged to the Financing and Investment Income and Expenditure section in the Comprehensive Income and Expenditure Statement in the year which it relates.

15. Collection Fund Adjustment Account

The Council Tax and the non-domestic rates income included in the CIES will show the accrued income for the year. The difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is held in the Collection Fund Adjustment Account and included as a reconciling item in the 'Adjustments between accounting basis and funding basis under regulations' reconciliation.

The Authority's Balance Sheet shows the proportion of surplus/deficit of the Billing Authorities Collection Fund in the Debtors/Creditors balance. The Authority also shows the attributable share of the impairment allowance for doubtful debts and a provision for non-domestic rates appeals.

16. Private Finance Initiative (PFI)

PFI transactions are treated in the Authority's accounts in accordance with latest recommended practice of Control of Assets (IFRIC12 – Service concession arrangements).

PFI contracts are agreements to receive services, where the responsibility for making available the fixed assets needed to provide the services passes to the PFI contractor. As the Authority is deemed to control the services that are provided under its PFI scheme and the ownership of the fixed assets will pass to the Authority at the end of the contract for no additional charge, the Authority carries the fixed assets used under the contract on the Balance Sheet.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Authority.

The amounts payable to the PFI operators each year (known as Unitary Charges) are analysed into five elements:

- Fair value of the services received during the year – debited to the relevant service in the CIES
- Finance costs – an interest charge of an agreed % on the outstanding Balance Sheet liability, debited to Interest Payable and Similar Charges in the CIES
- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to Interest Payable and Similar Charges in the CIES
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator
- Lifecycle replacement costs (regular planned refurbishments) – debited to the relevant service in the CIES

17. Employee Benefits – Accumulating Compensating Absences

A review of the cost of holiday entitlements (in the form of annual leave, lieu time and flexi-time) earned by employees but not taken before the year-end which employees can carry forward into the next year. If the value is of a significant amount an accrual is charged to the CIES.

18. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. Any investments that do not satisfy this principle are classed as short-term investments.

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

19. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover unexpected events and contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When the expenditure to be financed from reserves is incurred, it is charged to the appropriate service line in the Comprehensive Income and Expenditure Statement (CIES) in that year, to score against the Surplus or Deficit on the Provision of Services in the CIES. The corresponding amount is then transferred from the reserve account back into the General Fund to ensure that there is no net charge on the council tax for the expenditure.

The Authority holds the following Usable Reserves:

- **General Reserve** – a risk assessment of the pressures likely to face the Authority is undertaken, and the current balance on this reserve represents those identified high and medium risks, in proportion to the probability of their occurrence.

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- **Earmarked Reserves Revenue Grants** – the balance held represents grants received which have no outstanding conditions but have not been fully utilised in the year; the grant is fully recognised in the CIES.
 - **Capital Grants Unapplied** – the balance held represents grants received and fully recognised in the CIES but have not been applied to an acquisition.
 - **Civil Contingency Reserve** – this reserve is made up of budgeted contributions and unspent balances from previous years. It is held as a contingency to cover unexpected occurrences.
 - **Other Reserve** – this reserve is made up of budgeted contributions and planned efficiency savings from previous years and it is utilised in line with the approved Reserve Strategy.

The Authority holds the following Unusable Reserves:

- **Collection Fund Adjustment Account** – the balance held represents the accrued council tax income presented in the CIES.
- **Capital Adjustment Account** – the balance held represents 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.
- **Pension 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.
- **Revaluation Reserve** – contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment, and Intangible Assets.

20. Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA subjective analysis and the monthly management accounts production.

21. Fees and Charges Income

The Authority recognises revenue from contracts with service recipients in accordance with the provision of International Financial Reporting Standard (IFRS) 15, Revenue from Contracts with Customers.

Revenue is recognised in the financial year that services are provided in accordance with the performance obligations of the contract.

22. Accounting Standards That Have Been Issued But Not Yet Adopted

The Authority has considered the impact of accounting changes that will be required by any new accounting standards that have been issued but not yet adopted by the Code for 2024/25. These changes relate to accounting amendments, IAS 1 disclosure of accounting policies, IAS 12 deferred tax related issues, IFRS 7 supplier finance arrangements.

These changes are not expected to have a material impact on the Authority's Accounts, but it will be dependent on arrangements in place at that time and further details of the potential impact will be disclosed when more information becomes available.

The implementation of IFRS16 leasing changes was issued in 2016 and comes into effect from the 1 April 2024, which requires some leases previously recognised as operating leases within the Comprehensive and Income and Expenditure Statement to be recognised as an asset and liability on the Balance Sheet.

The Authority has undertaken a review of its current contracts to determine if any are to be treated as a finance lease from the date of implementation. Only 1 was identified but this is already treated as a finance lease.

23. Events After the Reporting Period

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

Two types of events can be identified as:

- **Adjusting Events**
Those events that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- **Non-adjusting Events**
Those events that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but, where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and either their estimated financial effect or a statement that such an estimate cannot be made reliably.

24. Accrued Revenue Income and Expenditure

The revenue accounts are maintained on an accrual basis. Expenditure is charged to the revenue accounts in the period in which goods and services are received and fall due, similarly, income is credited in the period in which it falls due, regardless of the timing of cash payments or receipts. The exception to the accruals basis is where the amounts involved are not material.

Interest due to or from third parties in relation to loans and investments, is accrued in full at the year-end.

Provision is made for the impairment of debts in the General Fund.

Where Income and Expenditure have been recognised but cash has not been received or paid, a Debtor or Creditor for the relevant amount is recognised on the Balance Sheet. Where debts may not be settled and it is likely that collection of such debt is doubtful, the balance of the debt is written down and a charge is made to revenue for the income that may not be collectable.

25. Council Tax and Non-Domestic Rates

The collection of council tax and non-domestic rates is an agency arrangement for both the billing authorities, major preceptors and, in the case of non-domestic rates, central government. The Fire Authority is a preceptor along with the Policing and Crime Commissioner, while the nine local authorities in Staffordshire are the billing authorities.

The council tax and non-domestic rates income included in each body's Comprehensive Income and Expenditure Statement for the year is their proportion of accrued income for the year. There is a debtor / creditor position between the preceptor authorities, the billing authorities and central government which is recognised on the Balance Sheet.

The Authority only recognise its share of any outstanding council tax and non-domestic rates arrears, receipts in advance, receivables impairments allowance and an allowance for appeals made by non-domestic rates payers.

26. Prior Period Adjustments

Prior period adjustments may arise as a result of a change in accounting policy or to correct a material error.

Where a change in accounting policy is made, or the correction of a material error, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Changes in accounting estimates are accounted for prospectively.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'.

The Statement shows how the movements in 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 to 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	General Fund (GF) Balance £'000	Earmarked GF Reserves £'000	TOTAL GENERAL FUND £'000	Capital Grants Unapplied £'000	TOTAL USABLE RESERVES £'000	TOTAL UNUSABLE RESERVES £'000	TOTAL AUTHORITY RESERVES £'000
Balance as at 31 March 2023	1,906	15,634	17,540	1	17,541	(315,445)	(297,904)
Movement in reserves during 2023/24							
Surplus or (deficit) on provision of services	(3,083)	0	(3,083)	0	(3,083)	0	(3,083)
Other Comprehensive Income & Expenditure			0		0	(531)	(531)
Total Comprehensive Income & Expenditure	(3,083)	0	(3,083)	0	(3,083)	(531)	(3,614)
Adjustments between accounting basis & funding basis under regulations	3,091	0	3,091	0	3,091	(3,091)	0
Net Increase before Transfers to Earmarked Reserves	8	0	8	0	8	(3,622)	(3,614)
Transfers (To) / From Earmarked Reserves	(8)	8	0	0	0	0	0
Increase in year	0	8	8	0	8	(3,622)	(3,614)
Balance as at 31 March 2024 c/f	1,906	15,642	17,548	1	17,549	(319,067)	(301,518)

2022/23	General Fund (GF) Balance £'000	Earmarked GF Reserves £'000	TOTAL GENERAL FUND £'000	Capital Grants Unapplied £'000	TOTAL USABLE RESERVES £'000	TOTAL UNUSABLE RESERVES £'000	TOTAL AUTHORITY RESERVES £'000
Balance as at 31 March 2022	1,906	16,111	18,017	1	18,018	(461,437)	(443,419)
Movement in reserves during 2022/23							
Surplus or (deficit) on provision of services	(5,310)	0	(5,310)	0	(5,310)	0	(5,310)
Other Comprehensive Income & Expenditure					0	150,825	150,825
Total Comprehensive Income & Expenditure	(5,310)	0	(5,310)	0	(5,310)	150,825	145,515
Adjustments between accounting basis & funding basis under regulations	4,833	0	4,833	0	4,833	(4,833)	0
Net Increase / (Decrease) before Transfers to Earmarked Reserves	(477)	0	(477)	0	(477)	145,992	145,515
Transfers (To) / From Earmarked Reserves	477	(477)	0	0	0	0	0
Increase / (Decrease) in year	0	(477)	(477)	0	(477)	145,992	145,515
Balance as at 31 March 2023 c/f	1,906	15,634	17,540	1	17,541	(315,445)	(297,904)

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing service in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

The Authority raises taxation to cover expenditure in accordance with regulations; 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.

2022/23			2023/24				
Gross Expenditure £,000	Gross Income £,000	Net Expenditure £,000		Gross Expenditure £,000	Gross Income £,000	Net Expenditure £,000	Note
53,672	(7,823)	45,849	Fire Fighting Services	51,123	(8,347)	42,776	
650	(525)	125	Civil Contingencies Unit	882	(886)	(4)	30
0	0	0	Non-distributed costs	0	0	0	
54,322	(8,348)	45,974	Net Cost of Services	52,005	(9,233)	42,772	
		200	Other Operating Expenditure			192	10
		15,284	Financing and Investment Income and Expenditure			18,484	11
		(56,148)	Taxation and Non-Specific Grant Income and Expenditure			(58,365)	12
		5,310	Deficit on Provision of Services			3,083	
		(7,151)	(Surplus) / Deficit on revaluation of property			410	13
		(143,674)	Remeasurements of the net defined benefit liability / (asset)			121	45
		(150,825)	Other Comprehensive Income and Expenditure			531	
		(145,515)	Total Comprehensive Income and Expenditure			3,614	

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 liabilities of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories.

The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use.

The second category of reserves is 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'.

2022/23		2023/24	
£,000		£,000	Note
137,840	Property, Plant & Equipment	137,207	13
280	Intangible Assets	304	15
138,120	Long Term Assets	137,511	
5,500	Short Term Investments	6,000	21
643	Inventories	743	18
5,269	Short Term Debtors	4,088	19
11,438	Cash & Cash Equivalents	10,327	20
22,850	Current Assets	21,158	
(178)	Short Term Borrowing	(629)	17
(8,903)	Short Term Creditors	(8,331)	22
(1,549)	Grants Receipts in Advance	(1,506)	22 /34
(10,630)	Current Liabilities	(10,466)	
(16,700)	Long Term Borrowings	(16,150)	17
(56,500)	Other Long Term Liabilities	(53,785)	39
(375,044)	Pension liability	(379,786)	45
(448,244)	Long Term Liabilities	(449,721)	
(297,904)	NET LIABILITIES	(301,518)	
17,541	Usable Reserves	17,549	23
(315,445)	Unusable Reserves	(319,067)	24
(297,904)	TOTAL RESERVES	(301,518)	

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 the way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

2022/23		2023/24	
£'000		£'000	Note
5,310	Net Deficit on the Provision of Services	3,083	
(12,276)	Adjustments net deficit on the provision of services for non-cash movements	(9,318)	27
0	Adjustments for items included in the net deficit on the provision of services that are investing or financing activities	0	28
(6,966)	Net Cash flows from operating activities	(6,235)	
7,242	Net cash flows from Investing Activities	4,336	25
2,651	Net cash flows from Financing Activities	2,642	26
(374)	LGPS Pension deficit contributions	368	24
2,553	Net (increase) or decrease in cash and cash equivalents	1,111	
13,991	Cash and Cash equivalents and bank overdraft at the beginning of the reporting period	11,438	20
11,438	Cash and Cash equivalents and bank overdraft at the end of the reporting period	10,327	20

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1. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

2023/24	General Fund (GF) Balance	Earmarked Other GF Reserves	CCU Reserves	Capital Grants Unapplied	TOTAL MOVEMENT IN UNUSABLE RESERVES
	£'000	£'000	£'000	£'000	£'000
<u>Adjustments primarily involving the Capital Adjustment Account:</u>					
Reversal of items debited or credited to the Comprehensive Income & Expenditure Statement (CIES):					
Charges for depreciation and revaluation of non-current assets	(3,709)				3,709
Revaluation losses on Property Plant and Equipment	(35)				35
Amortisation of intangible assets	(95)				95
Capital grants & contributions applied	0				0
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(192)				192
Insertion of items not debited or credited to the CIES:					
Statutory provision for the financing of capital investment	3,861				(3,861)
Direct Revenue Financing of Capital	2,042				(2,042)
<u>Adjustments primarily involving the Capital Grants Unapplied Account:</u>					
Capital grants and contributions unapplied credited to the CIES	0				0
Application of grants to capital financing transferred to the Capital Adjustment Account	0				0
<u>Adjustments primarily involving the Pension Reserve:</u>					
Reversal of items relating to retirement benefits debited or credited to the CIES	(20,154)				20,154
Government firefighter grant	8,238				(8,238)
Employer's pensions contributions and direct payments to pensioners payable in the year	6,927				(6,927)
<u>Adjustments primarily involving the Collection Fund Adjustment Account:</u>					
Amounts by which council tax income and non-domestic rates credited to the CIES is different from council tax income and non-domestic rates calculated for the year in accordance with statutory requirements	26				(26)
TOTAL ADJUSTMENTS	(3,091)	0	0	0	3,091

2022/23	General Fund (GF) Balance £'000	Earmarked Other GF Reserves £'000	CCU Reserves £'000	Capital Grants Unapplied £'000	TOTAL MOVEMENT IN UNUSABLE RESERVES £'000
<u>Adjustments primarily involving the Capital Adjustment Account:</u>					
Reversal of items debited or credited to the Comprehensive Income & Expenditure Statement (CIES):					
Charges for depreciation and impairment of non-current assets	(3,685)				3,685
Revaluation losses on Property Plant and Equipment	(56)				56
Amortisation of intangible assets	(93)				93
Capital grants & contributions applied	0				0
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(201)				201
Insertion of items not debited or credited to the CIES:					
Statutory provision for the financing of capital investment	3,622				(3,622)
Direct Revenue Financing of Capital	1,977				(1,977)
<u>Adjustments primarily involving the Capital Grants Unapplied Account:</u>					
Capital grants and contributions unapplied credited to the CIES	(1)				1
Application of grants to capital financing transferred to the Capital Adjustment Account					0
<u>Adjustments primarily involving the Pension Reserve:</u>					
Reversal of items relating to retirement benefits debited or credited to the CIES	(22,501)				22,501
Government firefighter grant	8,672				(8,672)
Employer's pensions contributions and direct payments to pensioners payable in the year	6,420				(6,420)
<u>Adjustments primarily involving the Collection Fund Adjustment Account:</u>					
Amounts by which council tax income and non-domestic rates credited to the CIES is different from council tax income and non-domestic rates calculated for the year in accordance with statutory requirements	1,013				(1,013)
TOTAL ADJUSTMENTS	(4,833)	0	0	0	4,833

2. EXPENDITURE AND FUNDING ANALYSIS

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 between the Authority's services. The income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2023/24	As reported to Management £,000	Adjustment to arrive at the net amount chargeable to the General Fund £,000	Chargeable to the General Fund £,000	Adjustments between funding and Accounting Basis £,000	Net Expenditure in the Comprehensive Income and Expenditure Statement £,000
Fire Fighting Services	46,456	2,306	48,762	(5,986)	42,776
Civil Contingencies Unit	0	(4)	(4)	0	(4)
Net Cost of Services	46,456	2,302	48,758	(5,986)	42,772
Other Income and Expenditure	(46,456)	(2,310)	(48,766)	9,077	(39,689)
(Surplus) / Deficit on Provision of Services	0	(8)	(8)	3,091	3,083
Opening General Fund Balance			(17,541)		
Less/Plus (Deficit) on General Fund in Year			(8)		
Closing General Fund Balance 31 March			(17,549)		

2022/23	As reported to Management £,000	Adjustment to arrive at the net amount chargeable to the General Fund £,000	Chargeable to the General Fund £,000	Adjustments between funding and Accounting Basis £,000	Net Expenditure in the Comprehensive Income and Expenditure Statement £,000
Fire Fighting Services	42,316	2,688	45,004	845	45,849
Civil Contingencies Unit	0	125	125	0	125
Net Cost of Services	42,316	2,813	45,129	845	45,974
Other Income and Expenditure	(42,472)	(2,180)	(44,652)	3,988	(40,664)
(Surplus) / Deficit on Provision of Services	(156)	633	477	4,833	5,310
Opening General Fund Balance			(18,018)		
Less/Plus (Deficit) on General Fund in Year			477		
Closing General Fund Balance 31 March			(17,541)		

3. NOTES TO EXPENDITURE AND FUNDING ANALYSIS

2023/24	CCU £,000	Income classification in management accounts £,000	Other accruals and adjustment £,000	Adjustment to arrive at the net amount chargeable to the General Fund £,000	Adjustments for Capital Purposes £,000	Net change for the Pension Adjustment £,000	Other Differences £,000	Adjustments between funding and Accounting Basis £,000
Fire Fighting Services		2,310	(4)	2,306	(2,065)	(3,921)	0	(5,986)
Civil Contingencies Unit	(4)			(4)	0	0	0	0
Net Cost of Services	(4)	2,310	(4)	2,302	(2,065)	(3,921)	0	(5,986)
Other Income and Expenditure		(2,310)		(2,310)	0	8,911	166	9,077
(Surplus) / Deficit on Provision of Services	(4)	0	(4)	(8)	(2,065)	4,990	166	3,091

2022/23	CCU £,000	Income classification in management accounts £,000	Other accruals and adjustment £,000	Adjustment to arrive at the net amount chargeable to the General Fund £,000	Adjustments for Capital Purposes £,000	Net change for the Pension Adjustment £,000	Other Differences £,000	Adjustments between funding and Accounting Basis £,000
Fire Fighting Services		2,180	508	2,688	(1,764)	2,609	0	845
Civil Contingencies Unit	125			125	0	0	0	0
Net Cost of Services	125	2,180	508	2,813	(1,764)	2,609	0	845
Other Income and Expenditure		(2,180)		(2,180)	0	4,800	(812)	3,988
(Surplus) / Deficit on Provision of Services	125	0	508	633	(1,764)	7,409	(812)	4,833

Adjustments to arrive at the net amount chargeable to the General Fund

Staffordshire Fire and Rescue Service administer the Staffordshire Civil Contingencies Unit (CCU), which is funded by contributions from all Staffordshire partners. The CCU financial position is not reported to the Authority with the Staffordshire Fire Management Accounts but is reported separately to the CCU Strategic Partners Board.

The MRP and PFI unitary charge within year is estimated to produce the management accounts. The true cost is included at the yearend resulting in a small adjustment.

Adjustment for capital purposes

This adjustment includes depreciation and impairment, disposal of assets and the statutory charges for capital financing (i.e. Minimum Revenue Provision).

Net Change for the Pension Adjustment

This adjustment is the net change for the removal of pension contributions made by the Authority and the replacement with the Current Service Costs as calculated by the actuarial report to comply with IAS19 Employee Benefits.

Other Differences

This adjustment represents the difference between what is chargeable under statutory regulations for Council Tax and Non-domestic Rates and the income recognised under Generally Accepted Accounting Practices. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the collection fund.

4. EXPENDITURE AND INCOME BY NATURE

2022/23	2023/24
£000	£000
Expenditure	
21,264 Pay Costs	22,879
22,468 Pension Cost (IAS 19 amended)	20,162
1,505 Other Employee Costs	1,638
4,393 Premises Costs	5,069
1,061 Transport Costs	985
5,300 Supplies & Services	5,797
2,658 Other Support Costs	2,934
1,012 Unitary Charge net of grant	1,394
4,035 Capital Charges	4,032
760 Interest Payable	752
Income	
(5,687) Income General	(6,224)
(277) Grants Released	(415)
(387) Interest Receivable	(943)
(8,672) Fire Fighter Top Up Grant	(8,238)
(44,123) Government Grants and Precepts	(46,739)
5,310 Deficit on Provision of Services	3,083

The above figures are in the format as presented in the monthly Management Accounts but reflect the statutory accounting adjustment.

5. PRIOR PERIOD RESTATEMENT

There are no prior period restatements needed.

6. MOVEMENT IN EARMARKED RESERVES

This note sets out the amounts set aside from the General Fund to provide financing for future expenditure plans.

	Balance as at 1 April 2022	Transfers		Balance as at 31 March 2023	Transfers		Balance as at 31 March 2024
	£'000	from £'000	Transfers to £'000	£'000	from £'000	Transfers to £'000	£'000
Invest to save	7,416	(1,991)	1,536	6,961	(2,226)	1,583	6,318
PF11 unitary charge reserve	5,497	(6,755)	7,044	5,786	(6,500)	7,044	6,330
Civil contingencies unit	731	(125)		606	(12)		594
Earmarked reserves PFI2	44			44			44
PF11 contingency reserve	884	(500)	128	512	(2)	184	694
	14,572	(9,371)	8,708	13,909	(8,740)	8,811	13,980
Earmarked grants:	1,539	(3,837)	4,023	1,725	(535)	472	1,662
	16,111	(13,208)	12,731	15,634	(9,275)	9,283	15,642

7. AUTHORISATION OF ACCOUNTS FOR ISSUE

The responsible financial officer is required to confirm that they are satisfied that the statement of accounts presents a true and fair view of the financial position of the authority at the end of the relevant financial year and the authority's income and expenditure for that financial year, prior to the commencement of the period for the exercise of public rights (which includes the first 10 working days in June) and to approve and publish them by 30 September.

In line with the statutory requirements the unaudited financial statement was certified by David Greensmith, Director of Finance (Staffordshire Commissioner's Office) / Section 151 Officer on 31st May 2024 and they are made available for public inspection from 3rd June 2024.

The approval of the audited financial statements is scheduled to be presented to the Ethics, Transparency and Audit Panel on 26th September 2024.

8. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

Government funding –

There is a high degree of uncertainty about future levels of funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be significantly impaired as a result of a need to close facilities and reduce levels of service provision.

Property Value –

In order to satisfy The Code of Practice, which explicitly states that revaluations must be 'sufficiently regular to ensure that the carrying amount is not materially different from the current value at the end of the reporting period', all land and buildings have undergone a desk top valuation assessment on 31st March 2024 and during the last 3 years a rolling programme of on-site visits have been performed (eleven of the properties had an on-site inspection in 2021/22, twelve in 2022/23 and the remaining properties this year). All the stations are classed as a specialised building using the Depreciated Replacement Cost (DRC) method with the exception of the Stafford Fire Station Annex building which has been separated from the Stafford Fire Station site asset and revalued at fair value.

The Trentham Lakes Workshop is also classed as a specialised building as it is a purpose built structure to accommodate the larger appliances and the Aerial Ladder Platforms including large bays, floor channels for the larger vehicles and specialist lifting gear integral to the building for the removal of the appliance equipment and strip downs. In view of this Trentham Lakes Workshop is valued under the DRC method.

PFI scheme –

The authority is deemed to control the services provided under the outsourced agreements to rebuilt and maintain 21 fire stations under the PF11 and PF12 schemes across Stoke-on-Trent and Staffordshire. The authority is also deemed to control the residual value of assets used in these arrangements at the end of the agreements. The accounting policies for PFI schemes have been applied to these arrangements and the assets are recognised as Property, Plant and Equipment on the authority's balance sheet.

9. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts sometimes contain estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made considering historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet at 31st March 2024 for which there is a risk of a material adjustment in the following financial year are:

Pension Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. The Government Actuary's Department (GAD) and Hymans Robertson provide the Authority with expert advice about the assumptions to be applied (Note 45).

The effect of the net pensions' liability of changes in individual assumptions can be measured. For instance, all other factors remaining equal, a 0.5% decrease in the discount rate assumption on the Fire fighters

Pension would result in an increase in the pension liability of £26 million, similarly a 0.1% decrease would impact the LGPS by £0.80m (see note 45).

Property, Plant & Equipment

The Authority's assets are depreciated over the useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.

If the useful life of assets is reduced, depreciation would increase and the carrying amount of the assets would fall. It is estimated that based on the current carrying value of depreciating assets of £125m at 31 March 2024 the annual depreciation charge for property plant and equipment assets would increase by c£0.5m for every year that the useful life had been reduced.

A valuation is a professional opinion on the property value formulated on the basis of the assumptions adopted by the valuer at a given time. Therefore, there is a degree of uncertainty as a given valuation reflects the market realities as well as the features of the property itself. A 1% change in the valuation of land and buildings will result in an increase or decrease of £1.2m.

However, the assets are revalued annually and the assets lives are kept under regular review.

Fair Value Measurement

When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or the Discounted Cash Flow model).

The authority used the Discounted Cash Flow Model to measure the fair value of the PFI Liabilities using observable data (i.e. PWLB borrowing rates). For the financial assets the fair value is determined by calculating the Net Present Value of future cash flows, which provides an estimate of the value of payment in the future in today's terms. The discount rate used in the calculation is equal to the current rate in relation to the same instrument from a comparable lender.

The recent market experience of higher inflation and higher interest rates affects any index-linked bonds and the likely impact will be that the fair value of outstanding long-term debt will fall.

10. OTHER OPERATING EXPENDITURE

The loss on disposal of £192,000 includes the disposal of property components and plant.

2022/23		2023/24
£,000		£,000
200	Loss/ (surplus) on disposal of fixed assets	192
200		192

11. FINANCING AND INVESTING INCOME AND EXPENDITURE

2022/23		2023/24
£,000		£,000
751	Interest payable on debt	745
9	Interest payable on finance leases	7
2,521	Interest payable on PFI1 Unitary payments	2,422
(1,607)	Grant for interest on PFI1 payments	(1,473)
1,931	Interest payable on PFI2 Unitary payments	1,874
(1,407)	Grant for interest on PFI2 payments	(1,297)
13,472	Net interest on the net defined benefit liability	17,149
(386)	Investment Interest Income	(943)
15,284		18,484

12. TAXATION AND NON-SPECIFIC GRANT INCOME

2022/23		2023/24
£,000		£,000
(639)	Recognised revenue grants and contributions	(490)
(28,818)	Council Tax	(30,751)
(8,729)	Non-domestic rates redistribution	(10,283)
(4,923)	Revenue Support Grant	(5,423)
(3,354)	Transitional funding	(3,154)
(1,013)	Non-domestic rates adjustment	(26)
(8,672)	Gain on pension grant	(8,238)
(56,148)		(58,365)

Note, at the time of publication not all the billing authorities' collection fund data was received. Therefore, the collection fund account adjustment is not included in the unaudited accounts.

13. PROPERTY, PLANT AND EQUIPMENT

Movements in 2023/24

	Land & Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Total Property, Plant and Equipment	PFI assets included in PP&E
	£000	£000	£000	£000	£000
Value at 1 April 2023	129,569	25,116	1,240	155,925	86,307
- Additions	345	1,698	1,667	3,710	
- Donated Assets				0	
- Disposals	(189)	(894)		(1,083)	
- Revaluations	(2,762)			(2,762)	(2,582)
- Impairment				0	
- Reclassification				0	
- Transfers		1,548	(1,548)	0	
Gross Book Value at 31 March 2024	126,963	27,468	1,359	155,790	83,725
Depreciation:					
- Cumulative net to 31 March 2023	0	(18,085)	0	(18,085)	
- Disposals		894		894	
- On revaluations	2,317			2,317	1,619
- For the Year	(2,317)	(1,392)		(3,709)	(1,619)
Depreciation at 31 March 2024	0	(18,583)	0	(18,583)	0
Net Book Value at 31 March 2024	126,963	8,885	1,359	137,207	83,725

Movements in 2022/23

	Land & Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Assets Under Construction £000	Total Property, Plant and Equipment £000	PFI assets included in PP&E £000
Value at 1 April 2022	124,176	25,496	216	149,888	81,942
- Additions	219	1,185	1,786	3,190	0
- Donated Assets				0	
- Disposals	(201)	(1,795)	0	(1,996)	
- Revaluations	4,888	0	0	4,888	4,365
- Impairment	0	0	0	0	
- Reclassification	0	0	(45)	(45)	
- Transfers	487	230	(717)	0	
Gross Book Value at 31 March 2023	129,569	25,116	1,240	155,925	86,307
Depreciation:					
- Cumulative net to 31 March 2022	0	(18,402)	0	(18,402)	0
- Disposals	0	1,795	0	1,795	
- On revaluations	2,207	0	0	2,207	1,494
- For the Year	(2,207)	(1,478)		(3,685)	(1,494)
Depreciation at 31 March 2023	0	(18,085)	0	(18,085)	0
Net Book Value at 31 March 2023	129,569	7,031	1,240	137,840	86,307

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Buildings – 60 years
- Components of buildings – 10-25 years
- Appliances and appliance equipment – 10-15 years
- Vehicles – 4-10 years
- Furniture, plant and equipment – 5-20 years
- IT equipment – 3-5 years

On an exceptional basis and where appropriate, a small number of assets have a useful expected life outside of the stated range of useful lives, based on specific characteristics of these assets.

Capital Commitments

At 31 March 2024 there is contractually committed capital expenditure of £1.08m; orders have been raised for two ERP vehicles and other fleet (£0.65m), building works (£0.03m), a number of IT projects (£0.06m) and operational equipment (£0.34m) all to be realised in 2024/25.

Revaluations

In 2023/24 the Authority engaged Cameron Butler BLE (Hons) MRICS, of FHP Property Consultants to value the entire land and buildings portfolio to ensure all assets held on the Balance Sheet comply with as per IAS16 by being revalued sufficiently regularly. During the revaluation exercise twelve of the property assets underwent an on-site inspection. This has resulted in a downward revaluation of £410,000.

The valuations have all been carried out in accordance with the Royal Institute of Chartered Surveyors' current Appraisal and Valuation Standards manual. The sources and assumptions made when producing the valuations are set out in the valuation certificates and reports.

14. DETAILS OF ASSETS OWNED BY THE FIRE AUTHORITY

During the year eleven vehicles were purchased and three disposed. Of the eleven vehicles, seven were fleet vans which replace a number of vehicles that have been disposed of in the new financial year.

31-Mar-23		31-Mar-24	
1	Fire Headquarters	1	
33	Fire Stations	33	
1	Workshops	1	
173	Vehicles	187	

15. INTANGIBLE ASSETS

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include both purchased licences and general software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority.

The useful lives assigned to the software are:

2022/23		2023/24	
£,000		£,000	
0	3 years	115	
205	5 years	139	
75	upto 10 years	50	
280		304	

The carrying amount of intangible assets is amortised on a straight-line basis. The movements during the year are as follows:

2022/23		2023/24	
£,000		£,000	
877	Gross Book Value at 1 April	896	
52	- Additions	126	
0	- Disposals	(73)	
(33)	- Reclassification		
(523)	- Cumulative amortisation to 31 March	(616)	
0	- Amortisation on disposals	65	
(93)	- Amortisation for the year	(94)	
280	Net Book Value at 31 March	304	

16. HERITAGE ASSETS

The Authority currently owns four heritage vehicles and a collection of memorabilia which is held around the County. The Authority also displays one heritage vehicle at Newcastle Fire Station which is owned by the Newcastle Brampton Museum;

- Leyland Ajax pump escape 1939, one of the last open topped Leyland machines to leave the production line
- Merryweather horse drawn steam pump fire engine c1894, currently being displayed at The Potteries Museum and Art Gallery, Stoke-on-Trent
- Coventry Climax with Godiva Pump 1939 which has been gifted to the Authority and restored using donations and fundraising from the local community
- Thornycroft 1954 Fire Appliance displayed at Uttoxeter Fire Station gifted by Windrush Farm, Gloucestershire

The first two assets have been independently valued by an external specialist, John Holland FRICS FAAV of Thimbleby & Shorland Ltd, Reading. The value of the vehicles has been determined as £15,000 and £30,000 respectively. The values were based on current open market sale value as at 31 March 2012. Both the Coventry Climax and the Thornycroft have not been professionally valued but similar vehicles cost in the region of £5,000.

The Authority does not seek to acquire assets of this nature, and has no intention of disposing of the assets currently held. Due to the value of the heritage assets held they have not been recognised in the Balance Sheet in accordance with the Code.

17. FINANCIAL INSTRUMENTS

Categories of financial instruments

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments:

Financial Assets

	Non-Current				Current				Total	
	Investments		Debtors		Investments		Debtors		31-Mar-23 £,000	31-Mar-24 £,000
	31-Mar-23 £,000	31-Mar-24 £,000	31-Mar-23 £,000	31-Mar-24 £,000	31-Mar-23 £,000	31-Mar-24 £,000	31-Mar-23 £,000	31-Mar-24 £,000		
Amortised costs:										
Cash held					138	77			138	77
Fixed Term Deposits					5,500	5,700			5,500	5,700
Debtors							472	97	472	97
Fair Value through profit and loss:										
Money Market Funds					11,300	10,550			11,300	10,550
Total Financial Assets	0	0	0	0	16,938	16,327	472	97	17,410	16,424

Financial Liabilities

	Non-Current				Current				Total	
	Borrowings		Creditors		Borrowings		Creditors		31-Mar-23 £,000	31-Mar-24 £,000
	31-Mar-23 £,000	31-Mar-24 £,000	31-Mar-23 £,000	31-Mar-24 £,000	31-Mar-23 £,000	31-Mar-24 £,000	31-Mar-23 £,000	31-Mar-24 £,000		
Amortised costs:										
Market loans - LOBO	1,000	1,000							1,000	1,000
PWLB loans	15,700	15,150			100	550			15,800	15,700
PWLB loans - interest					77	78			77	78
Creditors							4,490	3,937	4,490	3,937
PF11	31,214	29,546			1,559	1,669			32,773	31,215
PF12	25,153	24,148			943	1,005			26,096	25,153
Finance Lease	132	90			41	42			173	132
Total Financial Liabilities	73,199	69,934	0	0	2,720	3,344	4,490	3,937	80,409	77,215

There are no assets or liabilities classified as Fair Value through Other Comprehensive Income and Expenditure.

Fair Values of Assets and Liabilities

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost; Money Market Funds investments are carried at FVTPL. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments.

Fair value is defined as the amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price.

For financial assets the fair value is determined by calculating the Net Present Value of future cashflows, which provides an estimate of the value of payments in the future in today's terms. The discount rate used in the calculation is equal to the current rate in relation to the same instrument from a comparable lender. The

Authority's investments are all at fixed rates and have therefore been calculated using the comparable fixed deposit rates as at 31 March 2024.

The fair value of the PWLB (Public Works Loan Board) and LOBO (Lenders Option Borrowers Option) borrowings have been calculated using a discounted cash flow analysis using other market data (level 2) namely swap rates, credit spreads and option prices.

The fair value of the PFI Liabilities has been calculated using a discounted cash flow analysis and are calculated using PWLB borrowing rates. The fair value is higher than the carrying amount because the interest rate payable is higher than the rates available for similar loans at the balance sheet date. This does not affect future payments made under the PFI scheme.

The authority used valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the authority's financial statements 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 asset or liability, either directly or indirectly
- **Level 3** – unobservable inputs for the asset or liability

The valuation hierarchy of financial instruments that were carried at fair value for 2023/24:

31-Mar-24	Carrying Amount £,000	Fair Value			Total £,000
		Level 1 £,000	Level 2 £,000	Level 3 £,000	
Financial Assets:					
Cash held	77		77		77
Fixed Term Deposits	5,700		5,700		5,700
Money Market Funds	10,550	10,550			10,550
Debtors	97		97		97
Total Financial Assets	16,424	10,550	5,874	0	16,424
Financial Liabilities:					
Market loans - LOBO	1,000		807		807
PWLB loans	15,700		14,392		14,392
PWLB loans - interest	78		78		78
Creditors	3,937		3,937		3,937
PF11	31,215		42,964		42,964
PF12	25,153		37,098		37,098
Finance Lease	132		145		145
Total Financial Liabilities	77,215	0	99,421	0	99,421

The valuation hierarchy of financial instruments that were carried at fair value for 2022/23:

31-Mar-23	Carrying Amount £,000	Fair Value			Total £,000
		Level 1 £,000	Level 2 £,000	Level 3 £,000	
Financial Assets:					
Cash held	138		138		138
Fixed Term Deposits	5,500		5,500		5,500
Money Market Funds	11,300	11,300			11,300
Debtors	472		472		472
Total Financial Assets	17,410	11,300	6,110	0	17,410
Financial Liabilities:					
Market loans - LOBO	1,000		906		906
PWLB loans	15,800		15,508		15,508
PWLB loans - interest	77		78		78
Creditors	4,490		4,490		4,490
PF11	32,773		44,978		44,978
PF12	26,096		38,929		38,929
Finance Lease	173		192		192
Total Financial Liabilities	80,409	0	105,081	0	105,081

Nature and extent of risks arising from financial instruments

The authority's activities expose it to a variety of financial risks:

- **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 the funds available to meet its commitments to make payments
- **Market risk** – the possibility that financial loss might arise for the authority as a result of changes in such measures as interest rates

The risks in relation to the Fire Authority are detailed below:

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the authority's customers.

The authority does not generally allow credit for customers such that £97,000 of the £4,088,000 debtors' balance is past its due date for payment.

Of the £97,000 debtors, £18,000 is due from the Staffordshire Police for the rechargeable costs of joint services and £47,000 is due from Other Local Authorities therefore only a small debt is held for general customer charges. The debt is less than three months.

Liquidity risk

The Authority has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. As the authority has ready access to borrowings, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The Authority has the following debt liabilities on its balance sheet.

	31-Mar-23 £'000	31-Mar-24 £'000
Source of Loan		
Market Loans - LOBO	1,000	1,000
PWLB Maturity Loans	15,800	15,700
	16,800	16,700
Analysis of Maturity		
Less than one year	100	550
Between one year and two years	550	0
Between two years and five years	650	650
More than five years	15,500	15,500
	16,800	16,700

All trade and other payables are due to be paid in less than one year.

Market risk

The authority is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. However, all its long term borrowing is on fixed rate contracts.

During 2023/24, if interest rates had been 1% higher with all other variables held constant, the impact on the CIES would be an increase in interest of c.£176,000.

18. INVENTORIES

The Authority holds three areas of inventories; the main stores at headquarters, transport and engineering stores held at the Trentham workshop and fuel stock which is held at various locations across the service. The inventories included in the balance sheet for 2023/24 is £743,000 (£643,000 in 2022/23) being HQ stores £574,000 Transport £68,000 and fuel £101,000 (respectively for 2022/23 £489,000, £36,000 and £118,000).

19. AMOUNTS OWED TO THE AUTHORITY BY DEBTORS

31-Mar-23 £,000		31-Mar-24 £,000
809	General Debtors	484
625	Payments in Advance	983
355	Accrued Income	0
1,904	FF Government Top-up Grant	1,068
1,576	Council Tax Billing Authority	1,553
5,269		4,088

The general debtors' figure is net of the impairment of doubtful debts of £951 (£226 in 2022/23) is negligible. This provision ensures that sufficient resources are available should unpaid debtor accounts be deemed unrecoverable. The adequacy of this provision is reviewed annually. The general debtors figure also includes VAT at £384,000 and the Cycle Scheme at £4,400.

The Fire Fighter Government Top-up Grant of 2023/24 has a balance due from Home Office of £1,068,000 which will be settled in the grant provision of 2024/25.

In addition, the Authority also accounts for a proportionate share of the risks that the council tax and non-domestic rates collected by the billing authorities have incurred, which also includes a provision for doubtful debts and an appeal provision.

The Debtors can be further analysed as follows:

31-Mar-23 £,000		31-Mar-24 £,000
2,238	Central government bodies	1,452
2,002	Other local authorities	1,618
1,029	Other entities and individuals	1,018
5,269		4,088

20. CASH AND CASH EQUIVALENTS

31-Mar-23		31-Mar-24	
£,000		£,000	
1	Cash Account	0	
137	Bank Account	77	
11,300	Temporary Investments	10,250	
11,438		10,327	

The cash in hand represents a canteen float of a negligible amount £100 and a Princes Trust float of £500.

The cash book balance of £77,000 (£137,000 in 2022/23) takes account of cheques yet to be presented to the Authority's bank for payment at 31 March 2024 and is held in Current Assets.

The Authority holds total temporary investments of £16,250,000 at the 31st March 2024. However, this includes investments of £6,000,000 that do not satisfy the definition of cash and cash equivalents due to a combination of the maturity period and the early withdrawal penalty. This has been presented in Note 21 within Short Term Investments.

21. SHORT TERM INVESTMENTS

The short term investment of £6,000,000 are held with a combination of Money Market Funds and Debt Management Office.

31-Mar-23		31-Mar-24	
£,000		£,000	
5,500	Temporary Investments	6,000	
5,500		6,000	

22. AMOUNTS OWED BY THE AUTHORITY TO CREDITORS

31-Mar-23		31-Mar-24	
£,000		£,000	
3,486	General Creditors	2,911	
1,915	Accruals and deferred income	1,762	
960	Council Tax Billing Authority	944	
1,549	Receipts in advance	1,506	
2,501	PFI liability	2,673	
41	Finance Lease liability	42	
10,452		9,838	

The general creditors figure includes the supplier creditor accounts at £963,000 (£1,510,000 2022/23), Payroll HMRC at £736,000 (£911,000 2022/23). Of the £963,000 creditors, £81,000 is due to the Staffordshire Police for the rechargeable costs of joint services and £342,000 is due to Other Local Authorities therefore an amount of £540,000 is due to general suppliers.

Receipts in Advance includes a government transformation grant received in 2015/16 for £5,138,000. During the year £43,000 has been utilised with the balance committed in future periods; the grant remaining is £1,506,000. Due to the grant conditions it is held as a liability and not a reserve.

The Authority also accounts for a proportionate share of the rewards that the council tax and non-domestic rates collected by the billing authorities have incurred.

The creditors can be further analysed as follows:

31-Mar-23		31-Mar-24	
£,000		£,000	
2,460	Central government bodies	2,242	
2,333	Other local authorities	1,367	
5,659	Other entities and individuals	6,229	
10,452		9,838	

23. USABLE RESERVES

Movements in the Authority's usable reserves are detailed in the Movement in Reserve Statement.

31-Mar-23		31-Mar-24	
£,000		£,000	
1,906	General Fund (1)	1,906	
1	Capital grants unapplied	1	
1,726	Earmarked reserves - grants	1,661	
5,786	Earmarked reserves - PFI grant	6,330	
606	CCU Reserve	594	
7,516	Other Reserves (2)	7,057	
15,634	Earmarked Reserves	15,642	
17,541	Total Usable Reserves	17,549	

- (1) General Reserves - held to protect against any spate or emergency conditions which may arise. The level held is based on a risk assessment.
- (2) Other Reserves – held to fund transformation initiatives, invest to save and is utilised against non-recurring revenue spend. It is generated from budgeted contributions and planned efficiency savings from previous years.
- (3) The Authority has an approved reserve strategy that is updated annually.

24. UNUSABLE RESERVES

31-Mar-23		31-Mar-24	
£,000		£,000	
48,320	Revaluation Reserve	46,980	
10,696	Capital Adjustment Account	13,498	
(375,044)	Pensions Reserve	(380,154)	
583	Collection Fund Adjustment Account	609	
(315,445)		(319,067)	

Revaluation Reserve

The Revaluation Reserve contains revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated in the balance on the Capital Adjustment Account.

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment, and Intangible Assets. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The balance on the Revaluation Reserve is accounted for on an individual asset basis.

2022/23		2023/24	
£,000		£,000	£,000
42,098	Balance as at 1 April		48,320
7,151	Upward revaluation of assets	(410)	
0	Downward revaluation of assets and impairment losses not charged to the surplus/deficit on the Provision of Services	0	
7,151	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services		(410)
(819)	Different between fair value depreciation and historical cost depreciation	(826)	
(110)	Accumulated gains on assets sold or scrapped	(104)	
(929)	Amount written off to the Capital Adjustment Account		(930)
48,320	Balance as at 31 March		46,980

Capital Adjustment Account

The Capital Adjustment Account 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 is debited with the costs of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement.

The account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

As the Authority did not inherit debt from the County Council the depreciation charged to the Income and Expenditure Account is greater than the revenue provision for repayment of debt.

2022/23		2023/24	
£,000		£,000	£,000
8,204	Balance as at 1 April		10,696
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:			
(3,685)	Charges for depreciation and impairments of non-current assets	(3,709)	
(56)	Revaluation losses on Property, Plant and Equipment	(35)	
(93)	Amortisation of intangible assets	(94)	
(201)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(192)	
(4,035)		(4,030)	(4,030)
928	Adjusting amounts written out of the Revaluation Reserve		930
5,097	Net written out amount of the cost of non-current assets consumed in the year		7,596
<u>Capital financing applied in the year:</u>			
0	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	0	
1,977	Direct revenue contributions	2,042	
0	Application of grants to capital financing from the Capital Grants Unapplied Account	0	
2,400	Lease payments	2,540	
1,222	Statutory provision for the financing of capital investment charged against the General Fund	1,320	5,902
10,696	Balance at 31 March		13,498

Pension Reserves

The Pension 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 CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to the pension fund or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore 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 will have been set aside by the time the benefits come to be paid.

31-Mar-23		31-Mar-24	
£,000		£,000	
(511,309)	Balance brought forward		(375,044)
143,674	Remeasurement of the net defined benefit liability		(121)
(22,501)	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the Provision of services in the CIES		(20,154)
15,092	Employer's pensions contributions and direct payments to pensioners payable in the year	15,165	
0	LGPS deficit contribution prepayment	0	
(375,044)	Total Pension Reserve		(380,154)

The option to prepay the LGPS deficit contribution of £556,000 for 2023/24, 2024/25 and 2025/26 was exercised. The prepayment is used to offset the pension liabilities held on the balance sheet.

Collection Fund Adjustment Account

The Collection Fund Adjustment Account (CFAA) manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income & Expenditure Statement as it falls due from the council tax payers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

The following table presents the movements in the CFAA:

31-Mar-23		31-Mar-24
£,000		£,000
(429)	Balance as at 1 April	583
(62)	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	0
1,074	Amount by which non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	26
583		609

Note, at the time of publication not all the billing authorities' collection fund data was received. Therefore, the collection fund account adjustment is not included in the unaudited accounts.

25. CASH FLOW STATEMENT – INVESTING ACTIVITIES

The cash flows for investing activities include the following items:

2022/23		2023/24
£,000		£,000
3,242	Purchase of property, plant and equipment and intangible assets	3,836
4,000	Purchase of short-term and long-term investments	500
0	Proceeds of short-term and long-term investments	0
0	Proceeds from the sale of property, plant and equipment and intangible assets	0
0	Proceeds from short-term and long-term investments	0
7,242	Cash outflows from Investing Activities	4,336

26. CASH FLOW STATEMENT – FINANCING ACTIVITIES

The cash flows for financing activities include the following items:

2022/23		2023/24
£,000		£,000
39	Cash Payments for the reduction of the outstanding liabilities relating to finance leases	41
2,362	Cash Payments for the reduction of the outstanding liabilities relating to PFI contracts	2,501
250	Repayment of short and long-term borrowing	100
2,651	Cash outflows from Financing Activities	2,642

27. CASH FLOW STATEMENT – ADJUSTMENTS FOR NON-CASH MOVEMENTS

2022/23 £,000		2023/24 £,000
(3,778)	PPE movements (depreciation, impairment, amortisation)	(3,803)
(753)	Movement in current assets (debtors, creditors, stock)	(294)
(7,409)	Movement in Pension Liability	(4,989)
(201)	Carrying amount of Non current assets sold	(197)
(135)	Other non-cash movements	(35)
(12,276)	Other Non-cash movements	(9,318)

28. CASH FLOW STATEMENT – ADJUSTMENTS FOR ITEMS INCLUDED IN THE NET DEFICIT THAT ARE INVESTING OR FINANCING ACTIVITIES

2022/23 £,000		2023/24 £,000
0	Capital grants credited to Surplus or Deficit on provision of services	0
0	Proceeds from the sale of property, plant and equipment and intangible assets	0
0	Adjust for items included in the net deficit on the provision of services that are investing or financing activities	0

29. CASH FLOW STATEMENT – OPERATING ACTIVITIES INCLUDE THE FOLLOWING ITEMS

2022/23 £,000		2023/24 £,000
(386)	Interest Received	(943)
751	Interest Paid	745

30. AGENCY INCOME AND EXPENDITURE

The Authority acts as an agent for other Fire Authorities under Sections 13 and 16 of the Fire Services Act 1947. Where assistance provided is greater than that received charges are made. The following transactions have been made between the Authority and West Midlands FRA. There have been no over-border services to Derbyshire FRA during 2023/24.

2022/23 £,000		2023/24 £,000
130	Payments to West Midlands	167
130		167

Staffordshire Fire and Rescue Service administer the Staffordshire Civil Contingencies Unit (CCU) on behalf of the local authorities within the county.

The CCU funds are included in the Authority's Comprehensive Income and Expenditure Statement and the Balance Sheet. The expenditure for 2023/24 amounted to £882,000 (£650,000 in 2022/23) and income totalled £886,000 (£525,000 in 2022/23) leaving a net surplus position of £4,000 (£45,000 net deficit position in 2022/23).

The accumulated reserves balance at 31st March 2024 is £594,000 (£606,000 in 2022/23) which is held in the Authority's short-term investments.

31. MEMBERS ALLOWANCES

From 1st August 2018 the governance arrangements transferred to The Office of Police and Crime Commissioner (OPCC) therefore there is no allowances paid.

32. OFFICERS' REMUNERATION

The following table sets out the remuneration for Senior Officers whose salary is less than £150,000 but equal to or more than £50,000 per year:

For the Year of 2023/24	Salary (Including fees & allowances)	Benefits in Kind (e.g. Car Allowance)	Total Remuneration excluding pension contributions	Pensions Contributions	Total Remuneration including pension contributions	Note
	£	£	£	£	£	
Deputy Chief Fire Officer	132,538	0	132,538	38,171	170,709	2
Assistant Chief Fire Officer	122,780	0	122,780	35,361	158,141	3
Director of Finance, Assets & Resources	106,806	6,557	113,363	23,391	136,754	1, 4
Total Senior Officers between £50,000 and £150,000	362,124	6,557	368,681	96,923	465,604	

Note 1: Director of Finance, Assets & Resources 50% of the salary is recharged to Staffordshire Commissioners Office to 30th September 2023

Note 2: the salary includes a payment of back-pay. The annualised salary as at 31st March 2024 is £128,496

Note 3: the salary includes a payment of back-pay. The annualised salary as at 31st March 2024 is £120,497

Note 4: the salary includes a payment of back-pay. The annualised salary as at 31st March 2024 is £103,548

For the Year of 2022/23	Salary (Including fees & allowances)	Benefits in Kind (e.g. Car Allowance)	Total Remuneration excluding pension contributions	Pensions Contributions	Total Remuneration including pension contributions	Note
	£	£	£	£	£	
Chief Fire Officer	144,873	0	144,873	41,723	186,596	
Deputy Chief Fire Officer	115,898	0	115,898	33,379	149,277	
Assistant Chief Fire Officer	98,166	0	98,166	28,272	126,438	1 + 2
Director of Finance, Assets & Resources	93,396	8,495	101,891	15,597	117,488	3
Total Senior Officers between £50,000 and £150,000	452,333	8,495	460,828	118,971	579,799	

Note 1: Assistant Chief Fire Officer from 06/05/2022 annualised salary £108,684

Note 2: Following a re-structure of the Senior Leadership Team - the Director of Response and Director of Prevent & Protect posts have been removed and replaced by the Assistant Chief Fire Officer post.

Note 3: Director of Finance, Assets & Resources 50% of the salary is recharged to Staffordshire Commissioners Office

The following table sets out the remuneration for Senior Officers whose salary is more than £150,000:

For the Year of 2023/24	Salary (Including fees & allowances)	Benefits in Kind (e.g. Car Allowance)	Total Remuneration excluding pension contributions	Pensions Contributions	Total Remuneration including pension contributions	Note
	£	£	£	£	£	
Chief Fire Officer	165,672	0	165,672	47,714	213,386	1

Note 1: the salary includes a payment of back-pay. The annualised salary as at 31st March 2024 is £160,620

The numbers of employees whose remuneration, excluding employer's pension contribution, was £50,000 or more in bands of £5,000, were as follows. These include both Senior Officers and Other Officers.

Remuneration Band	2022/23		2023/24	
	No of Employees	No of Employees	No of Employees	No of Employees
£50,000 - £54,999	28		32	
£55,000 - £59,999	19		15	
£60,000 - £64,999	11		26	
£65,000 - £69,999	7		3	
£70,000 - £74,999	1		3	
£75,000 - £79,999	1		4	
£80,000 - £84,999	-		2	
£85,000 - £89,999	1		1	
£90,000 - £94,999	-		1	
£95,000 - £99,999	1		-	
£100,000 - £104,999	1		-	
£105,000 - £109,999	-		-	
£110,000 - £114,999	-		-	
£115,000 - £119,999	1		1	
£120,000 - £124,999	-		1	
£125,000 - £129,999	-		-	
£130,000 - £134,999	-		1	
£135,000 - £139,999	-		-	
£140,000 - £144,999	1		-	
£145,000 - £149,999	-		-	
£150,000 - £154,999	-		-	
£155,000 - £159,999	-		-	
£160,000 - £164,999	-		-	
£165,000 - £169,999	-		1	
	72		91	

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
							£	£
£0 - £20,000	-	-	1	-	1	-	17,874	-
£20,001 - £40,000	-	-	2	-	2	-	52,513	-
£40,001 - £60,000	-	0	-	1	-	1	-	47,301
£60,001 - £80,000	-	0	-	2	-	2	-	138,129
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	0	-	1	-	1	-	128,967
£150,001 - £200,000	-	-	-	-	-	-	-	-
£200,001 - £250,000	-	-	-	-	-	-	-	-
Total	0	0	3	4	3	4	70,387	314,398

33. EXTERNAL AUDIT COSTS

The Authority has paid the following amounts for external audit services during the year.

The Public Sector Audit Appointments (PSAA) awarded a contract of audit for the Authority to begin with effect from 2018/19. The fee agreed in the contract was £23,646. Since that time there have been a number of developments, particularly in relation to the revised Code and ISA's. This is reflected on the updated audit fees of £43,572 for 2022/23 and the proposed fee of £91,921 for 2023/24.

2022/23		2023/24	
£,000		£,000	
44	Fees payable to Grant Thornton for external audit services carried out by the appointed auditor		91
0	- in respect of other services		0
44	Total Audit Fees		91

34. GRANT INCOME

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2023/24

2022/23		2023/24
£,000		£,000
Credited to Net Costs of Service:		
217	HO - Fire Link	163
3	HO - Flood scheme	0
1,707	HO - Pension contribution grant	1,707
55	HO - Safe & sound	0
0	HO - NFCC Direct entry programme	23
2,207	DLUHC - PF11	2,342
1,823	DLUHC - PF12	1,932
6,012		6,167
Credited to Financial and Investment income:		
1,607	DLUHC - PF11	1,473
1,407	DLUHC - PF12	1,298
3,014		2,771
Credited to Taxation and Non-specific Grant Income & Expenditure:		
45	HO - Enhanced Logistic Support Project	74
70	HO - New Dimensions	41
19	HO - New Risks	19
48	HO - mass fatalities maintenance	48
190	HO - Brexit local resilience	190
79	COVID	0
8	MHCLG - Transparency Code set up	8
0	DLUHC - green environmental strategy	11
12	Redmond Review	0
112	HO - protection uplift and building risk	56
56	HO - FF pension remedy admin	0
0	HO - transformation	43
639	Revenue grants	490
1,742	Business Rates Relief	2,475
200	Staffordshire Business Rates Pool	200
668	Business Rates Reconciliation Grant	9
663	Special Services Grant	389
81	Local Council Tax Support	81
3,354	Transitional Funding	3,154
4,923	Revenue Support Grant	5,423
8,672	Fire Fighter Pension Top Up Grant	8,239
17,588		17,306

The Authority holds a Business Transformation Grant that have conditions attached and these are held as a liability in Grants Receipts in Advance, the income will be recognised in the year it is utilised.

2022/23		2023/24
£,000		£,000
1,604	Balance at 1 April	1,549
(55)	Released in year - Transformation Fund (revenue)	(43)
0	Released in year - Transformation Fund (capital)	
1,549	Total held in Receipts in Advance	1,506

35. 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 be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government

Central Government has effective control over the general operations of the Authority. It is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants, and prescribes the terms of many of the transactions that the Authority has with other parties.

Members

Members and Senior Officers of the Authority have direct control over its financial and operating policies and are required to disclose details of any transactions that the Authority has with any individuals with whom they may have a close relationship or any company in which they may have an interest. Members and Senior Officers are aware of the requirement of this disclosure and have declared that they have not been involved in any such related party transactions.

Outsourcing of administration services

The Authority contracts with Staffordshire County Council for the provision of various administrative support including treasury management, VAT advice, archiving and property services. In 2023/24 the amount paid is £45,000 (£39,000 in 2022/23).

The Authority contracts with Stoke on Trent City Council for the provision of payroll services of £19,800 (£19,700 in 2022/23). In addition, the fire-fighter pension administration is provided by West Yorkshire Pension Fund at a cost of £38,000 (£37,000 in 2022/23).

A recharge from the OPCC for the governance arrangements of £239,000 (£199,000 in 2022/23). A recharge of £2,485,000 for the back-office service which includes Finance, HR, Property Services, Procurement, the Communications/Media Team and JETS (2022/23 £2,260,000).

Joint Emergency Transport Service

The Joint Emergency Transport Service (JETS) delivers all aspects of fleet services for Fire and Police vehicles in Staffordshire. JETS established in April 2016 is located at the Staffordshire Fire Workshop at Trentham Lakes. Some overhead costs are shared at a 51/49 split Police/Fire respectively. Other costs are direct to each Service. All the stock is held separately with identifiable stock control. The cost to Staffordshire Fire for the transport service in 2023/24 was £1,832,000 (2022/23 £1,748,000) the pressure against budget relates to fuel and repair consumables.

36. INTEREST IN COMPANIES

The Safer communities Community Interest Company ceased trading on 28th March 2023. The Princes Trust activity transitioned over to the Service and is now fully provided by the Service.

37. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below (including value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirements (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed.

The CFR is analysed as follows:

2022/23				2023/24		
Non PFI	PFI & Lease	TOTAL		Non PFI	PFI & Lease	TOTAL
£,000	£,000	£,000		£,000	£,000	£,000
20,857	60,569	81,426	Opening Capital Financing Requirement	20,900	58,169	79,069
			<i>Capital investment</i>			
52	0	52	Intangible Assets	126		126
3,190	0	3,190	Property, Plant & Equipment	3,710		3,710
			<i>Sources of finance</i>			
0	0	0	Capital receipts			0
0	0	0	Government grants and other contributions			0
(1,977)	0	(1,977)	Direct Revenue Financing	(2,041)		(2,041)
(1,222)	(2,400)	(3,622)	Revenue Provision	(1,320)	(2,542)	(3,862)
20,900	58,169	79,069	Closing Capital Financing Requirement	21,375	55,627	77,002
			<i>Explanation of movements in the year</i>			
1,266	0	1,266	Increase in underlying need to borrow (supported by Government financial assistance)	1,795		1,795
(1,222)	(2,400)	(3,622)	Decrease in underlying need to borrow (unsupported by Government financial assistance)	(1,320)	(2,542)	(3,862)
		0	Assets acquired under finance lease			0
44	(2,400)	(2,356)	(Decrease) in Capital Financing Requirement	475	(2,542)	(2,067)

38. MINIMUM REVENUE PROVISION

There is a statutory requirement for the Authority to set aside sums from its General Fund Account in the form of a minimum revenue provision. The sum is based on a combination of either 4% of the Authority's capital financing requirement at the end of the previous financial year and a proportion of an assets value based on asset life. MRP is also charges against Private Finance Initiatives. The capital element of repayments is being used as a proxy for the PFI MRP.

The charges for this are reflected in the table below:

2022/23	2023/24
£,000	£,000
(1,222) Other Services	(1,320)
(39) Finance Lease	(41)
(1,456) PF11	(1,558)
(905) PF12	(943)
(3,622) Total MRP	(3,862)

39. OTHER LONG TERM LIABILITIES

The Other Long Term Liabilities include finance leases and the PFI Liability as disclosed in notes 40 and 41. The following schedule analyses the liability:

2022/23				2023/24		
Total Liability	Payable less than 1 year	Payable more than 1 year		Total Liability	Payable less than 1 year	Payable more than 1 year
£,000	£,000	£,000		£,000	£,000	£,000
173	40	133	Finance Lease	133	43	90
32,771	1,558	31,213	PFI 1 Liability	31,213	1,668	29,545
26,097	943	25,154	PFI 2 Liability	25,154	1,005	24,149
59,041	2,541	56,500		56,500	2,716	53,784

The liabilities payable less than one year are included in the Short Term Creditors.

40. LEASES

Finance Leases

The assets acquired under finance lease are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

2022/23		2023/24
£,000		£,000
229	Opening Net Value at 1 April	192
0	Additions	0
0	Revaluations	0
(37)	Depreciation	(38)
0	Disposals	0
192	Value at 31 March	154

The Authority is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Authority and finance costs that will be payable by the Authority in future years while liability remains outstanding.

During 2017/18 the Service expanded the Fire Behaviour Training site by developing a Training Villa which was operational from June 2017 and officially opened by The Earl of Wessex KG GCVO 8th September 2017. The Villa was acquired under a 10-year finance lease.

The minimum lease payments will be payable over the following periods:

	Minimum Lease Payments		Finance Lease Liabilities	
	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24
	£,000	£,000	£,000	£,000
Obligations payable not later than one year	48	48	40	43
Obligations payable later than one year and not later than five years	144	96	133	90
Obligations payable later than five years	0	0	0	0
	192	144	173	133

The rentals payable under these arrangements in 2023/24 were £48,000 charged to the Comprehensive Income and Expenditure Statement as £8,000 interest payable and £40,000 relating to the write-down of obligations to the lessor charged to the General Fund.

Operating Lease

The Authority currently has no operational vehicles or equipment financed under the terms of operating leases.

41. PRIVATE FINANCE INITIATIVES (PFI)

The PFI transactions are treated in the Authority's accounts in accordance with the latest recommended practice with the adaptation of IFRIC12 (Service Concession Arrangements).

The assets used to provide services at the fire stations are recognised on the Authority's Balance Sheet.

The Authority makes an agreed payment annually which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but which is otherwise fixed.

Although the payments made to the contractor are described as unitary payment, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed.

PFI 1 scheme

The contract to build ten new community fire stations in Staffordshire as part of the first PFI project was officially signed on 15 October 2009 by representatives of the Authority and the consortium delivering the project, Fire Support. The project benefited from £50 million of PFI credits from The Ministry of Housing, Communities and Local Government (MHCLG).

The project has seen seven fire stations rebuilt as well as the construction of an additional three new stations. All ten stations are operational; five being built in 2010/11 and the remaining built in 2011/12.

Payments remaining to be made under the PFI contract are as follows:

Future Unitary Payments	Operating Costs £'000	Contingent Rental/ Interest £'000	Lifecycle Replacement £'000	Capital Repayment £'000	Total Unitary Charge £'000
within 1 year	1,531	2,317	335	1,668	5,851
2-5 years	6,637	7,922	1,708	7,690	23,957
6-10 years	9,326	6,566	2,344	13,052	31,288
11-15 years	5,223	1,457	1,164	8,803	16,647
	22,717	18,262	5,551	31,213	77,743

The liability outstanding to pay the contractor's liability for capital expenditure incurred is £31,213,000 over the next 13 years, as stated in the above table.

Transactions under the scheme during 2023/24 were:

2022/23	2023/24
£'000	£'000
1,687 Fair Value of Services	1,969
2,448 Finance Costs	2,344
73 Contingent Rent	79
4,208 Revenue Unitary Payments	4,392
319 Other Revenue Expenditure	327
867 Depreciation	898
5,394 Total Expenditure	5,617
(3,814) PFI Special Grant	(3,814)
- Other Contributions	-
1,580 (Surplus)/Deficit Amount in Income & Expenditure Account	1,803
Statement of Movement on the General Fund Balance	
(867) Amounts required by statute to be Excluded - depreciation	(898)
1,456 amounts required by statute to be Included - MRP	1,558
102 Transfer to/(from) Earmarked Reserves	363
691 Net Charge to the General Fund	1,023
- Interest Earned on Balance	-
- Interest Accrued from Previous Years	-

The Net Book Value of assets held under the PFI1 scheme as at 31 March 2024 was £44,649,000.

PFI 2 scheme

The contract to build eleven new community fire stations in Staffordshire as part of the second PFI project was officially signed on 10 July 2013 by representatives of the Authority and the consortium delivering the project, Blue³. The project benefited from £45 million of PFI credits from The Ministry of Housing, Communities and Local Government (MHCLG).

The project has seen ten fire stations rebuilt as well as the construction of a new station as a replacement of a current station on a different site. All stations were operational by the end of 2015/16.

Payments remaining to be made under the PFI contract are as follows:

Future Unitary Payments	Operating Costs	Contingent Rental/ Interest	Lifecycle Replacement	Capital Repayment	Total Unitary Charge
	£'000	£'000	£'000	£'000	£'000
within 1 year	1,617	1,820	279	1,005	4,721
2-5 years	6,883	6,486	1,639	4,399	19,407
6-10 years	9,617	6,018	3,813	6,091	25,539
11-15 years	10,880	4,351	2,824	9,080	27,135
16-20 years	4,346	1,195	412	4,579	10,532
	33,343	19,870	8,967	25,154	87,334

The liability outstanding to pay the contractor's liability for capital expenditure incurred is £25,154,000 over the next 17 years, as stated in the above table.

Transactions under the scheme during 2023/24 were:

2022/23	2023/24
£'000	£'000
1,352 Fair Value of Services	1,570
1,685 Finance Costs	1,628
248 Contingent Rent	246
3,285 Revenue Unitary Payments	3,444
245 Other Revenue Expenditure	276
627 Depreciation	686
4,157 Total Expenditure	4,406
(3,230) PFI Special Grant	(3,230)
- Other Contributions	-
927 (Surplus)/Deficit Amount in Income & Expenditure Account	1,176
Statement of Movement on the General Fund Balance	
(627) Amounts required by statute to be Excluded - depreciation	(686)
905 amounts required by statute to be Included - MRP	943
186 Transfer to/(from) Earmarked Reserves	180
464 Net Charge to the General Fund	437
- Interest Earned on Balance	-
- Interest Accrued from Previous Years	-

The Net Book Value of assets held under the PFI2 scheme as at 31 March 2024 was £39,076,000.

42. CONTINGENT LIABILITIES

Special retained members (Matthews)

In November 2018 a ruling on the legal case involving part time judges (O'Brien v MoJ) has a direct impact on the equivalent firefighters (Matthews). Home Office Ministers agreed to extend the pension entitlement to eligible retained firefighters to cover service pre-July 2000. The Memorandum of Understanding signed in March 2022 sets out the intended scope and operation of the options exercise required to enact remedy in this case.

This options exercise has now commenced and will increase the pension entitlement for some current special retained members and also allow access to the scheme for additional historic retained firefighters.

The Authority have now written to all affected members and this exercise will continue into 2024/25. No members have received a remedy payment during 2023/24 and the actuary has incorporated the estimated liability as part of the actuarial valuation.

The Home Office have undertaken a detailed exercise and have estimated the distribution of eligible members between FRAs based on eligible firefighter estimates collected through the December 2023 survey of FRAs, with gaps filled using the July 2022 survey (if available) or the 2020 valuation data breakdown of overall retained active members for each FRA. The total Matthews cashflows have been split by looking at the proportion of eligible members for each FRA in this distribution. The Authority will receive a payment of £6.2m in July 2024 as part of the annual pension top-up payment as this pension liability will be fully funded by Government.

Airwaves contract

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

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

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

As a result, and on the recommendation of the NFCC Finance Committee, the Home Office will be continuing to invoice FRAs in England at the original rate and will not apply the credit notes to the invoices the Home Office sends to FRAs. Instead, it will provide the total value of the credit to Buckinghamshire Fire who have kindly agreed to hold the total credit that relates to Fire England until a final court decision is reached. Any monies remaining with Buckinghamshire Fire after the conclusion of the legal process will be shared between all FRAs in England based on their percentage share of the credit, if ultimately Motorola are unsuccessful in their court application. As at 31 March 2024 Staffordshire Commissioner's Fire and Rescue Authority's share of the credit is estimated to be £0.175m.

43. TERMINATION BENEFITS

In 2023/24 the Authority incurred liabilities of £314,000 for four compensation payments including voluntary redundancy as disclosed in Note 32.

44. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period.

45. PENSION SCHEMES

INCOME AND EXPENDITURE COSTS

Uniformed Fire-fighters

This is an unfunded scheme which means that there are no investment assets to match with the liability. Cash has to be generated to meet actual pension payments as they fall due. The fire-fighters pension scheme is a defined benefit scheme. Any annual surplus or deficit on the scheme is paid to or met by the Home Office.

Other Pensionable Employees

In 2023/24 the Authority paid an employer's contribution of £1,184,000 into the Staffordshire County Pension Fund. The fund gives members defined benefits related to pay and service. The contribution rate is determined by the fund's actuary based on the triennial actuarial valuation.

The costs of providing pensions are charged to the service revenue accounts as they are earned over the service lives of scheme members. Any variations from regular costs are spread over the remaining working life of current members using the percentage of salary method.

The triennial valuation of the Staffordshire Local Government Pension Scheme was undertaken in 2022 by the actuary Hymans Robertson LLP, to establish the contribution rates applicable for the period 1 April 2023 to 31 March 2026. For the Staffordshire Commissioner Fire and Rescue Authority the results of the modelling exercise resulted in a proposal to keep employer contribution rates payable into the scheme unchanged, however this would require a deficit repayment to cover the three year period. The Authority made a payment in advance of £556,000 to cover the triennial period, receiving a favourable discount rate for paying the deficit upfront rather than on an annual basis.

The Fire Authority participates in six schemes; the Fire Fighter Pension Schemes are administered by the West Yorkshire Pension Fund and the Local Government Pension Scheme is administered by Staffordshire County Council.

- a) Five fire-fighters' schemes are:
 - i. Pension Scheme 1992 (FF'92)

- ii. Pension Scheme 2006 (FF'06) which includes whole time and retained staff as members
- iii. Compensation Scheme 2006 (FF'CS) with non-contributory provisions covering death and injury on duty
- iv. Pension Scheme 2015
- v. Pension Modified Scheme (included in the FF'06 figures for this disclosure)

b) A Local Government Pension Scheme (LGPS) for other employees

The cost of the retirement benefits in the Cost of Services represents the cost of benefits earned during the year and past service costs, which represent the estimated liability of discretionary benefits awarded by the employer. The charge to the Council Tax is based upon employers' contribution paid in the year to the Pension Fund, so the real cost of retirement benefits is reversed out of the Comprehensive Income and Expenditure Statement after Net Operating Expenditure. The following transactions were made in the income and expenditure account during the year.

2023/24	LGPS	FF 1992 Pension Scheme	FF 2006 Pension Scheme	FF 2015 Pension Scheme	Compensation Scheme	Total Scheme
	£'000	£'000	£'000	£'000	£'000	£'000
Comprehensive Income and Expenditure Statement						
Net Cost of Services:						
- Current service costs	935			1,990	80	3,005
- Past Service Costs						0
- curtailments						0
Financing and Investment Income and Expenditure:						
- net interest on the net defined benefit liability	169	14,370	1,250	800	560	17,149
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	1,104	14,370	1,250	2,790	640	20,154
Remeasurement of the net defined benefit liability comprising:						
- Return on plan assets, excluding amounts included in net interest on the net defined benefit liability	4,432					4,432
- changes in demographic assumptions	255					255
- changes in financial assumptions	(3,249)	5,560	540	820	210	3,881
- experience gains and losses	(1,489)	(3,610)	(570)	(3,170)	150	(8,689)
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(51)	1,950	(30)	(2,350)	360	(121)
- Employers contributions	(1,177)			(4,632)		(5,809)
- Retirement benefits paid to Pensioners					(1,050)	(1,050)
- Unfunded benefits	(68)					(68)
Actual amount charged against the General fund Balance for pensions in the year	(1,245)	0	0	(4,632)	(1,050)	(6,927)

2022/23	LGPS	FF 1992 Pension Scheme	FF 2006 Pension Scheme	FF 2015 Pension Scheme	Compensation Scheme	Total Scheme
	£'000	£'000	£'000	£'000	£'000	£'000
Comprehensive Income and Expenditure Statement						
Net Cost of Services:						
- Current service costs	1,979	0	(60)	6,930	180	9,029
- Past Service Costs		9,270	1,610	(10,880)		0
- curtailments						0
Financing and Investment Income and Expenditure:						
- net interest on the net defined benefit liability	302	10,390	1,110	1,260	410	13,472
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	2,281	19,660	2,660	(2,690)	590	22,501
Remeasurement of the net defined benefit liability comprising:						
- Return on plan assets, excluding amounts included in net interest on the net defined benefit liability	(2,318)					(2,318)
- changes in demographic assumptions	183	6,900	1,610	5,060	280	14,033
- changes in financial assumptions	13,201	104,240	16,750	26,170	3,210	163,571
- experience gains and losses	(2,842)	(25,870)	(1,790)	(470)	(640)	(31,612)
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	8,224	85,270	16,570	30,760	2,850	143,674
- Employers contributions	(706)	0	(1)	(4,274)		(4,981)
- Retirement benefits paid to Pensioners	0				(1,000)	(1,000)
- Unfunded benefits	(62)					(62)
Actual amount charged against the General fund Balance for pensions in the year	(768)	0	(1)	(4,274)	(1,000)	(6,043)

The cumulative actuarial loss recognised in the Comprehensive Income and Expenditure Statement to the 31 March 2024 is £121k (2022/23 gain £143.7m). The re-measurement includes marginal changes arising from changes to the financial assumptions shown on the following page.

McCloud Judgement – Pension Age Discrimination Case:

The Firefighters' Pensions (Remediable Service) Regulations 2023 came into force on 1 October 2023. The regulations require the Authority to offer members who retire on or after 1 October 2023 a choice of which pension scheme membership (legacy scheme (1992 or 2006) or reformed (2015) scheme) they wish to have their pension benefits paid on for the remedy period (1 April 2015 – 31 March 2022).

The regulations also require the Authority to provide the same choice to members who have retired and drawn their pension benefits during the remedy period. These members must be provided with details of their options (including calculations) in the form of a Remedial Service Statement (RSS) by 1 April 2025. Implications of the remedy are reflected in the Authority's pension scheme valuations as at 31 March 2024.

The Authority's employer contribution rate has increased to 37.6% from 1 April 2024 (previously 28.8%).

THE AUTHORITY'S ASSETS AND LIABILITIES

The underlying assets and liabilities of the Authority are as follows:

2023/24	LGPS £'000	FF'92 £'000	FF'06 £'000	FF'15 £'000	FF'CS £'000	TOTAL £'000
Scheme liabilities	58,620	314,777	28,019	21,693	11,831	434,940
Unfunded liabilities	1,199	0	0	0	0	1,199
Total Liabilities	59,819	314,777	28,019	21,693	11,831	436,139
Estimated assets	56,383	0	0	0	0	56,383
Net (Assets) / Liabilities	3,436	314,777	28,019	21,693	11,831	379,756

2022/23	LGPS £'000	FF'92 £'000	FF'06 £'000	FF'15 £'000	FF'CS £'000	TOTAL £'000
Scheme liabilities	52,125	315,557	27,079	15,883	12,601	423,245
Unfunded liabilities	1,208	0	0	0	0	1,208
Total Liabilities	53,333	315,557	27,079	15,883	12,601	424,453
Estimated assets	49,439	0	0	0	0	49,439
Net (Assets) / Liabilities	3,894	315,557	27,079	15,883	12,601	375,014

The liability shows the underlying commitments the Authority has to pay as retirement benefits.

The total liability of £379m reduces the Authority's net worth significantly as shown in the Balance Sheet and results in overall negative balance of £301.5m at 31 March 2024. The Government top up grant required to balance to the Pension Fund Account of £8.2m has not been included in the net liabilities above or in the Balance Sheet.

However, a statutory arrangement for funding the deficit means the financial position of the Authority remains healthy. The LGPS deficit will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme's actuary.

BASIS FOR ESTIMATING ASSETS

The LGPS Scheme's liabilities have been valued by Hymans Robertson, an independent and professionally qualified firm of actuaries. The Unfunded Scheme's liabilities have been re-valued using the Projected Unit Method by the Government's Actuary Department.

An estimate of the pensions that will be payable in future years is dependent on assumptions about mortality rates, salary levels and other financial assumptions, see below:

2023/24					
	LGPS	FF'92	FF'06	FF'15	FF'CS
Mortality:					
Longevity at 65 for current pensioners:					
- Men	20.6	21.3	21.3	21.3	21.3
- Woman	23.9	21.3	21.3	21.3	21.3
Longevity at 65 for future pensioners:					
- Men	21.7	22.9	22.9	22.9	22.9
- Woman	25.5	22.9	22.9	22.9	22.9
Financial assumptions:					
Price Increases (CPI)	2.75%	2.60%	2.60%	2.60%	2.60%
Salary Increases	3.25%	3.85%	3.85%	3.85%	3.85%
Pension Increases	2.75%	2.60%	2.60%	2.60%	2.60%
Discount Rate	4.85%	4.75%	4.75%	4.75%	4.75%

2022/23					
	LGPS	FF'92	FF'06	FF'15	FF'CS
Mortality:					
Longevity at 65 for current pensioners:					
- Men	20.5	21.2	21.2	21.2	21.2
- Woman	24.2	21.2	21.2	21.2	21.2
Longevity at 65 for future pensioners:					
- Men	21.7	22.9	22.9	22.9	22.9
- Woman	25.9	22.9	22.9	22.9	22.9
Financial assumptions:					
Price Increases (CPI)	2.95%	2.60%	2.60%	2.60%	2.60%
Salary Increases	3.45%	3.85%	3.85%	3.85%	3.85%
Pension Increases	2.95%	2.60%	2.60%	2.60%	2.60%
Discount Rate	4.75%	4.65%	4.65%	4.65%	4.65%

For the LGPS an allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

Scheme Profile and funding liability split:

LGPS:	Active members	Deferred members	Pensioner members
Number	154	212	180
Total Salaries in membership data (pa) (£m)	3,938	517	1,195
Average Age	50	51	67

The membership data summarised in the table above is as at the most recent funding valuation date of 31st March 2022. Salaries are actual, not full-time equivalent. Deferred pensioners include undecided leavers and frozen refunds. Pensioners include dependants.

Fire Fighter Pension:	Active members	Deferred members	Pensioner members
Number	576	653	781
Total Salaries in membership data (pa) (£m)	12.72		
Total deferred pension (pa) (£m)		0.71	
Total pension (pa) (£m)			11.64

The principal membership data used for the statement is dated 31 March 2020

LGPS:	Active members	Deferred members	Pensioner members	
Liability split (£000)	12,366	9,045	21,194	42,605
Liability split (%)	29.0%	21.2%	49.7%	100%

As at 31 March 2024

Sensitivity analysis:

The estimation of the defined benefit liability is sensitive to the actuarial assumptions set out in the table previously shown. The sensitivity analyses have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes whilst all the other assumptions remain constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change from those used in previous period.

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

Change in assumptions at 31 March 2023	FF'92		FF'06		FF'15		Compensation Scheme		TOTAL	
	Approx. % increase to Employer Liability %	Approx. monetary amount £m	Approx. % increase to Employer Liability %	Approx. monetary amount £m	Approx. % increase to Employer Liability %	Approx. monetary amount £m	Approx. % increase to Employer Liability %	Approx. monetary amount £m	Approx. % increase to Employer Liability %	Approx. monetary amount £m
0.5% decrease in Real Discount Rate	6.5%	20.0	9.5%	3.0	12.5%	3.0	5.0%	1.0	7.0%	26.0
Life expectancy, pensioners assumed to be one year younger	2.5%	9.0	2.5%	1.0	2.0%	-	4.0%	-	2.0%	8.0
0.5% increase in the Salary Increase Rate	0.5%	1.0	2.5%	1.0	5.5%	1.0	0.0%	-	1.0%	3.0
0.5% increase in the Pension Increase Rate	6.5%	20.0	8.5%	2.0	9.5%	2.0	5.0%	1.0	7.0%	25.0
	LGPS									
Change in assumptions at 31 March 2023	Approx. % increase to Employer Liability %	Approx. monetary amount £m								
0.1% decrease in Real Discount Rate	2.0%	0.80								
Life expectancy, pensioners assumed to be one year younger	4.0%	1.75								
0.1% increase in the Salary Increase Rate	0.0%	0.02								
0.1% increase in the Pension Increase Rate	2.0%	0.80								

LOCAL GOVERNMENT PENSION SCHEME

Present value of the Scheme Liabilities

Year Ended:	31-Mar-23	31-Mar-24
	£'000	£'000
Opening Defined Benefit Obligation	61,846	53,333
Current Service Cost	1,979	935
Interest Cost	1,681	2,521
Contributions by scheme participants	272	289
Remeasurement gains and losses	(11,115)	4,483
Losses on Curtailments	0	0
Effect of settlements	0	0
Estimated Unfunded Benefits Paid	(62)	(68)
Estimated Benefits Paid	(1,268)	(1,674)
Closing Defined Benefits Obligation	53,333	59,819
Opening Fair Value of Employer Assets	51,241	49,439
Interest income on plan assets	1,379	2,352
Contributions by scheme participants	272	289
Contributions by the employer	706	1,545
Contributions in respect of Unfunded Benefits	62	68
Effect of settlements	0	0
Remeasurement gains and losses	(2,891)	4,432
Unfunded Benefits Paid	(62)	(68)
Benefits Paid	(1,268)	(1,674)
Closing Fair Value of Employer Assets	49,439	56,383
	(3,894)	(3,436)

The closing defined benefit obligations of £59.8m includes unfunded obligations of £1.2m.

The movement in the net pension's deficit for the LGPS for the year can be analysed as follows:

	2022/23	2023/24
	£'000	£'000
Net (deficit) at the beginning of year	(10,605)	(3,894)
<i>Movement in the year:</i>		
Current service cost	(1,979)	(935)
Contributions by the employer	706	1,545
Net return on assets (after Interest on pension liabilities)	(302)	(169)
Past Service Costs	0	0
Impact of settlements and curtailments	0	0
Unfunded Benefits	62	68
Actuarial gains/(loss)	8,224	(51)
Change in valuation of pension fund assets		
Net (deficit) at the end of year	(3,894)	(3,436)
<u>The actuarial gain/loss can be analysed as follows:</u>		
- Return on plan assets, excluding amounts included in net interest on the net defined benefit liability	(2,318)	4,432
- changes in demographic assumptions	183	255
- changes in financial assumptions	13,201	(3,249)
- other experience	(2,842)	(1,489)
Actuarial gain/(loss)	8,224	(51)

Further information can be found in the Staffordshire County Council Superannuation Fund Annual Report, which is available upon request from the County's Finance Directorate, Eastgate Street, Stafford.

Asset Ceiling Adjustment

Following the LGPS pensions valuation by the Authority's actuary, Hymans Robertson, the Authority determined that its fair value of its LGPS pension scheme assets outweighed the present value of the plan obligations as at 31 March 2024, resulting in a pension plan net asset. IAS19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:

- a) The surplus in the defined benefit plan
- b) The 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's calculation of the asset ceiling has followed the interpretation of IFRIC 14.

The results as follows:

	31-Mar-23	31-Mar-24
	£'000	£'000
Assets	49,439	56,383
Obligations	(42,321)	(42,605)
Net Asset	7,118	13,778
Asset Ceiling	(9,804)	(16,015)
Present Value of Funded Obligations	(2,686)	(2,237)
Present Value of Unfunded Obligations	(1,208)	(1,199)
Net Liability	(3,894)	(3,436)

Fair value of employers' assets:

Asset Category	Period Ended 31 March 2023				Period Ended 31 March 2023			
	Quoted prices in active markets £'000	Quoted prices not in active markets £'000	Total £'000	Percentage of Total Assets	Quoted prices in active markets £'000	Quoted prices not in active markets £'000	Total £'000	Percentage of Total Assets
Equity Securities:								
Consumer	1,664.4	-	1,664.4	3%	1,526.8	-	1,526.8	3%
Manufacturing	1,358.3	-	1,358.3	3%	760.7	-	760.7	1%
Energy and Utilities	373.1	-	373.1	1%	347.2	-	347.2	1%
Financial Institutions	1,771.7	-	1,771.7	4%	2,071.7	-	2,071.7	4%
Health and Care	1,870.8	-	1,870.8	4%	1,561.2	-	1,561.2	3%
Information Technology	2,151.6	-	2,151.6	4%	2,493.6	-	2,493.6	4%
Other	-	-	-	0%	-	-	-	0%
Debt Securities:								
Corporate bonds (investment grade)	2,904.3	-	2,904.3	6%	4,197.2	-	4,197.2	7%
Corporate bonds (non-investment grade)	-	-	-	0%	-	-	-	0%
UK government	-	-	-	0%	-	-	-	0%
Other	-	-	-	0%	-	-	-	0%
Private Equity:								
All	-	2,449.6	2,449.6	5%	-	2,967.4	2,967.4	0%
Real Estate:								
UK Property	-	3,959.1	3,959.1	8%	-	4,162.0	4,162.0	7%
Overseas Property	-	-	-	0%	-	-	-	0%
Investment funds and Unit Trusts:								
Equities	23,485.4	-	23,485.4	48%	25,549.6	-	25,549.6	45%
Bonds	3,094.2	-	3,094.2	6%	4,424.8	-	4,424.8	8%
Hedge Funds	-	18.2	18.2	0%	-	-	-	0%
Commodities	-	-	-	0%	-	-	-	0%
Infrastructure	-	131.7	131.7	0%	-	2,450.4	2,450.4	4%
Other	-	2,268.8	2,268.8	5%	-	2,953.9	2,953.9	5%
Derivatives:								
Inflation	-	-	-	0%	-	-	-	0%
Interest Rate	-	-	-	0%	-	-	-	0%
Foreign Exchange	-	-	-	0%	-	-	-	0%
Other	-	-	-	0%	-	-	-	0%
Cash and Cash Equivalents:								
All	1,937.8	-	1,937.8	4%	916.8	-	916.8	2%
Total	40,611.6	8,827.4	49,439.0	100%	43,849.6	12,533.7	56,383.3	95%

FIREFIGHTER PENSION SCHEMES

The movement in the net pension's deficit for the Unfunded Firefighters' Schemes for the year can be analysed as follows:

2023/24	FF'92 £'000	FF'06 £'000	FF'15 £'000	FF'CS £'000	TOTAL £'000
Net deficit - start of year	(315,557)	(27,079)	(15,883)	(12,601)	(371,120)
<i>Movement in the year:</i>					0
Current service cost			(1,990)	(80)	(2,070)
Contributions by scheme participants			(2,000)		(2,000)
Past service cost					0
Pension transfers-in			(100)		(100)
Pension/benefits paid	13,200	340	1,430	1,050	16,020
Interest on pension liabilities	(14,370)	(1,250)	(800)	(560)	(16,980)
Actuarial gains/(loss)	1,950	(30)	(2,350)	360	(70)
Net deficit - end of year	(314,777)	(28,019)	(21,693)	(11,831)	(376,320)
<u>The actuarial gain/loss can be analysed as follows:</u>					
changes in demographic assumptions					0
changes in financial assumptions	5,560	540	820	210	7,130
experience gains and losses	(3,610)	(570)	(3,170)	150	(7,200)
Actuarial gain/(loss)	1,950	(30)	(2,350)	360	(70)

2022/23	FF'92 £'000	FF'06 £'000	FF'15 £'000	FF'CS £'000	TOTAL £'000
Net deficit - start of year	(393,767)	(41,269)	(49,403)	(15,861)	(500,300)
<i>Movement in the year:</i>					0
Current service cost	0	60	(6,930)	(180)	(7,050)
Contributions by scheme participants	0	(60)	(1,970)	0	(2,030)
Past service cost	(9,270)	(1,610)	10,880	0	0
Pension transfers-in	0	0	(40)	0	(40)
Pension/benefits paid	12,600	340	2,080	1,000	16,020
Interest on pension liabilities	(10,390)	(1,110)	(1,260)	(410)	(13,170)
Actuarial gains/(loss)	85,270	16,570	30,760	2,850	135,450
Net deficit - end of year	(315,557)	(27,079)	(15,883)	(12,601)	(371,120)
<u>The actuarial gain/loss can be analysed as follows:</u>					
changes in demographic assumptions	6,900	1,610	5,060	280	13,850
changes in financial assumptions	104,240	16,750	26,170	3,210	150,370
experience gains and losses	(25,870)	(1,790)	(470)	(640)	(28,770)
Actuarial gain/(loss)	85,270	16,570	30,760	2,850	135,450

Firefighters' Pension Fund Account

2022/23		2023/24	
£'000		£'000	£'000
	Contributions receivable		
	From employer		
(4,125)	- normal	(4,452)	
(150)	- Ill health	(129)	
(4,275)			(4,581)
(2,032)	From members		(2,047)
	Transfers in		
(45)	- individual transfers in from other schemes	(101)	
(45)			(101)
	Benefits payable		
13,033	- pensions	14,103	
1,985	- commutations and lump sum retirement benefits	865	
0	- other benefits payable	0	
15,018			14,968
	Payments to and on account of leavers		
6	- individual transfers out to other schemes	0	
6			0
8,672	Net amount payable for the year before top-up grant receivable to sponsoring department		8,239
(8,672)	Top-up grant payable by the Government		(8,239)
0	Fund Account Balance		0

2022/23		2023/24	
£'000		£'000	
	Net Current Assets and Liabilities		
(6,768)	Top-up grant received	(7,171)	
8,672	Pension costs for the year	8,239	
(1,904)	Amount owing (to) General Fund	(1,068)	
0		0	

Statement of Accounting Policies for Firefighters' Pension Fund

1. The fund accounts have been prepared on an accruals basis.
2. An exception to the accruals basis is the transfer values which are on a cash basis. Note: transfer payments between English fire authorities were repealed by Regulation 36 of 1810/2006. Therefore, transfer payments which arise will relate to Firefighters transferring to/from Welsh and Scottish authorities or transferring out of the Firefighters Pension Scheme entirely.
3. The fund has been valued by the Government Actuary's Department using the Projected Unit Credit method. The actuarial assumptions are shown in Note 45 to the Core Financial Statements.
4. The pension fund accounts do not take account of the obligation to pay pensions and benefits which fall due after the end of the financial year.

Notes to the Pension Fund Account

1. Legal Status of the Pension Fund

The Pension Fund was established under the Firefighters Pension Fund Regulations 2006 (SI1810/2006) and from 1st July 2018 the Firefighters Pension Fund has been administered by the West Yorkshire Pension Fund, previously administered by Staffordshire County Council.

2. Management of the Fund

During the year the pension fund is managed by the Director of Finance (Staffordshire Commissioner's Office) / Section 151 Officer.

3. Pension Benefits Payable from the Fund

The pension benefits payable from the fund include:

- Fire Fighters 1992 Scheme
- Fire Fighters 2006 Scheme
- Fire Fighters 2015 Scheme
- Fire Fighters Modified Scheme

The injury benefits are payable from the main authority accounts rather than the pension fund.

4. Unfunded Scheme

The Firefighters' pension scheme is an unfunded scheme, consequently:

- the fund has no investment assets;
- benefits payable are funded by contributions from employers and employees;
- any difference between benefits payable and contributions receivable is met by top-up grant from the Home Office.

5. Statutory Restrictions

The pension fund is statutorily prevented from including interest on cashflows and administration expenses in the pension fund and that these expenses are borne by the fire authority main accounts.

6. Pension Fund Scheme Contribution Levels

Employees and employers contribution levels are set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department.

7. Government 'Top-Up' Grant

The pension fund account receives contributions from the Authority, as the employer, and from scheme members, with any deficit being funded by a 'top-up' grant from Government or by paying over the surplus to the Government sponsoring department. The Government grant balances the fund to nil.

The net assets statement shows £8.239m grant to be paid to the Authority as this is the deficit balance on the fund for 2023/24 costs.

8. IFRS

As a result of the introduction of The IFRS Code there are no material changes to the pension statements arising from the transition.

Glossary

Accrual

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

Actuarial Strain

This is a charge paid, or due to be paid to the pension fund for paying pensions early.

Capital Charge

A charge to service expenditure accounts to reflect the cost of fixed assets used in the provision of services.

Capital Expenditure

Expenditure on the acquisition of significant fixed assets that will be of use or benefit to the authority in providing its services beyond the year of account.

Capital Adjustment Account

Provides a balancing mechanism between the different rates at which assets are depreciated under accounting rules and are financed through the capital controls system.

Capital Receipts

Proceeds from the sale of an asset e.g. Land and Buildings which may be used to finance new capital expenditure or to repay outstanding loan debt as laid down within regulations set by Central Government.

CIPFA

The Chartered Institute of Public Finance and Accountancy. This is the professional organisation for accountants working in the public service.

Contingent Liabilities

A potential liability at the balance sheet date when the accounts are submitted for approval the outcome of which is uncertain. If material the liability will be disclosed as a note to the accounts.

Deferred Charges

An item in a balance sheet where there is no tangible asset. It also represents outstanding borrowing in respect of a capital asset which has been disposed of but where the proceeds have been insufficient to clear the outstanding debt.

Deferred Liabilities

Liabilities which by arrangement are payable beyond the next year at some point in the future or paid off by an annual sum over a period of time.

Financial Regulations

A written code of procedures we have approved, aimed at providing a framework for sound financial management.

IAS

International Accounting Standards

IFRIC

International Financial Reporting Interpretations Committee

IFRS

International Financial Reporting Standards

Impairment

Where an asset's value has been reduced for reasons other than normal wear and tear. The asset's value in the accounts has to be reduced to reflect this impairment.

Leasing

A method of financing capital expenditure where a rental charge is paid for a specified period of time. There are two main types of leasing arrangements:

- a) Finances leases which transfer the risks and rewards of ownership of a fixed asset to the lessee and such assets are included within the fixed assets in the balance sheet.
- b) Operating leases where the ownership of the asset remains with the leasing company and the annual rental is charged direct to the income and expenditure account

Lender Option Borrower Option (LOBO)

A longer term loan which, at set points during its term, gives the lender the option to change the interest rate and the borrower the option to continue or end the agreement.

Minimum Revenue Provision – Prudent Level

The minimum amount which must be charged to the revenue account each year to set aside for provision for credit liabilities, previously 4% of the capital financing requirement.

Non-Current Assets

Assets that give us value for more than one year.

Public Works Loan Board (PWLB)

A government agency which provides longer term loans to local authorities, at interest rates below market rate. It also acts as a lender of last resort (at a higher rate of interest).

'Prudent' Level

In this instance the term relates to amount charged to the Income and Expenditure Account for the provision for the repayment of debt. This is a more cautious approach thus linking borrowing to asset lives rather than just the standard 4% charge in previous years regardless of asset life.

Revaluation Reserve

Records unrealised revaluation gains arising (since 1 April 2007) from holding fixed assets.

Revenue Contribution to Capital Outlay / Direct Revenue Financing (RCCO) / (DRF)

A contribution to the financing of capital expenditure by a charge to the income and expenditure account, i.e. as a source of capital expenditure funding also can be used to avoid borrowing.

Virement

The transfer of resources between budget heads.

Work in Progress

The cost of work done on an uncompleted project at a specified date that has not been recharged to the appropriate account at that date.

Annual Governance Statement

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Glossary

1. Introduction



As the Police, Fire & Rescue and Crime Commissioner for Staffordshire I have the duty to ensure that we have robust Corporate Governance arrangements in place.

To comply with this duty my office is delegated the responsibility for the preparation and delivery of two Corporate Governance Frameworks, one relating to Staffordshire Police and the other relating to Staffordshire Fire & Rescue.

This Annual Governance Statement (AGS) provides the public of Staffordshire and Stoke-on-Trent an overview of how I have ensured compliance with the published Corporate Governance Frameworks for the year ending 31st March 2024.

My office, Staffordshire Police and Staffordshire Fire & Rescue Service all have a strong commitment in obtaining the best possible value for money and with the recent financial crisis, I realise it is immensely important for Staffordshire and Stoke-on-Trent residents to see we are doing this. I am assured that the services and functions within them have completed financial challenge sessions and that we have procurement processes in place to support our commitment.

The Staffordshire Commissioner first became responsible for the governance of Staffordshire Fire and Rescue Service, in addition to the existing role overseeing Staffordshire Police, from August 1, 2018. Whilst the Staffordshire Commissioner has responsibility for the governance of both Police and Fire, Staffordshire Police and Staffordshire Fire and Rescue Service remain separate organisations with separate budgets, staff and governance processes.

As Commissioner it is my responsibility for delivering the strategic vision and holding the Chief Fire Officer to account in delivering that vision. It is important that I have oversight and apply scrutiny and in turn the Police, Fire and Crime Panel scrutinises publicly my decisions – an important check and balance in the system.

In order to support effective decision making and to drive continuous improvement across Staffordshire Police and Staffordshire Fire and Rescue Service, as Commissioner a number of boards have been established. These boards provide the required support and ensure that proper guidance, support and advice from the right people is available when important decisions need to be made.

Public Performance meetings are also held during the year which provides important scrutiny of the performance of the Fire and Rescue Service and its most senior officers'. These meetings can be attended by members of the public in person and are also made available to listen to via a podcast.

As required within his statute, the strategic vision, priorities and objectives are published within the Fire and Rescue Plan which sets out the basis on which the Service is held to account.

In January 2022 my Police and Crime Plan and Fire and Rescue Plan were published and are accessible via this link:

[Reports - Staffordshire Commissioner \(staffordshire-pfcc.gov.uk\)](https://staffordshire-pfcc.gov.uk/reports)

Ben Adams
Staffordshire Commissioner: Police, Fire & Rescue, Crime.

2. Scope of Responsibility

The Staffordshire Commissioner is responsible for ensuring that business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

The Staffordshire Commissioner has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which the functions of the Authority are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging these overall responsibilities, the Commissioner 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 Authority has approved and adopted the Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE framework “Delivering Good Governance in Local Government”. Copies of the Code can be obtained from the Monitoring Officer and Chief Executive for the Staffordshire Commissioner’s Office.

This statement explains how the Staffordshire Commissioner Fire and Rescue Authority has complied with The Code and meets the requirements of Regulation 6(1)(a) of the Accounts and Audit (England) Regulations 2015 that requires the Staffordshire Commissioner to conduct a review at least once a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published statement of accounts. Regulation 6(1)(b) requires that the statement is an Annual Governance Statement.

3. Implementation

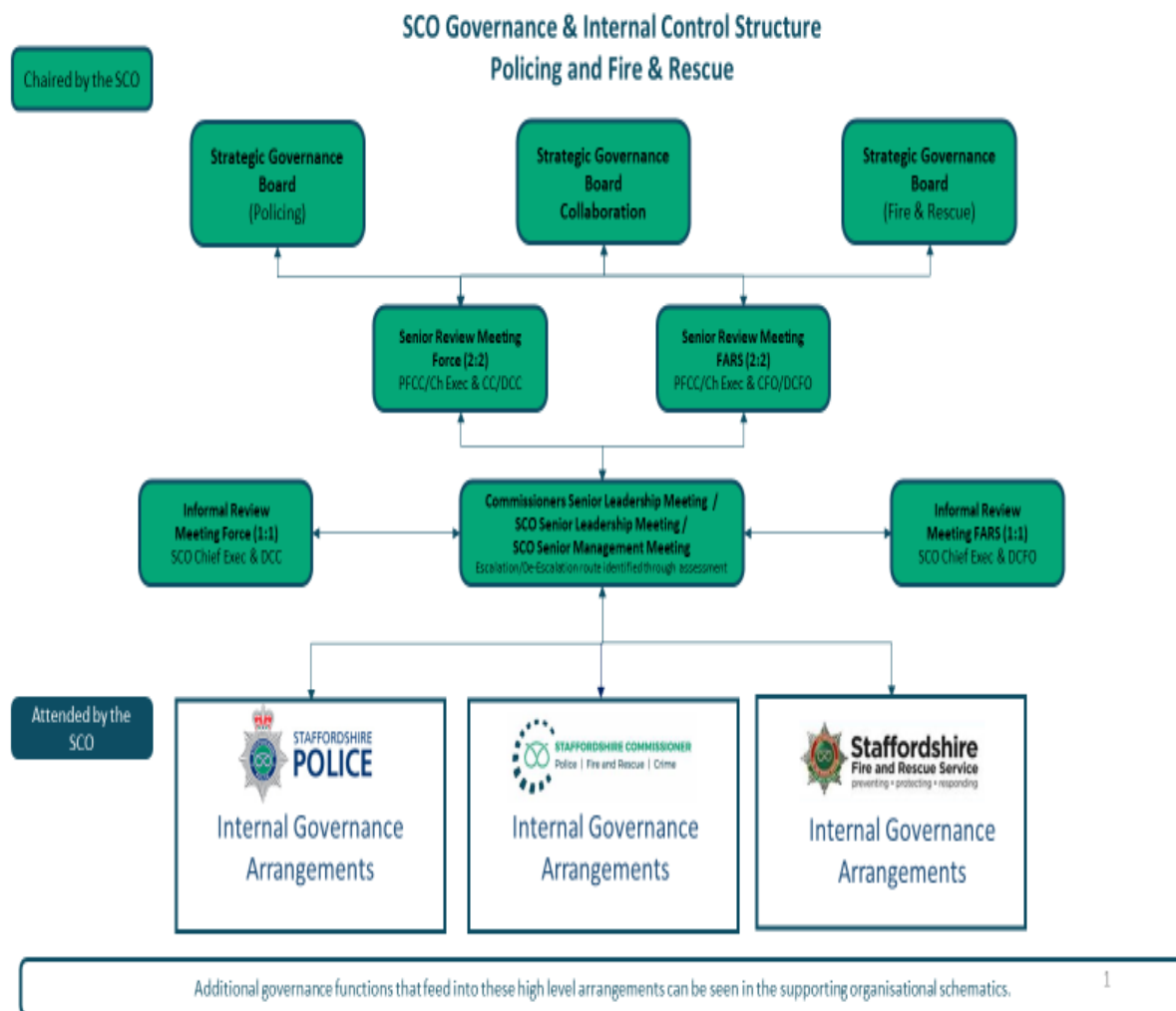
The Governance Framework comprises of the systems and processes, culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives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

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

The system of internal control is based on an ongoing process designed to identify and prioritise the potential 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 Corporate Governance Framework has been in place at Staffordshire Commissioner Fire and Rescue Authority for the year ended 31st March 2024 and up to the date of approval of the 2023/24 Statement of Accounts.

A new Corporate Governance Framework was introduced on 1 August 2018 following the change in governance arrangements. The key elements of the Governance Framework in place during 2023/24 are as follows:



Framework

The framework for Governance of the Fire and Rescue Authority is embodied in various statutes, standing orders, financial regulations and scheme of delegation. These are regularly reviewed and induction and training is provided where appropriate. Terms of Reference are in place for Authority meetings which are reviewed annually by the Strategic Governance Board. There are a range of policies including anti-fraud and corruption, anti-money laundering and a confidential reporting code (whistle-blowing) which are all reviewed and updated as appropriate. A robust process for risk management and business continuity is in place across the Service with strategic risks that are linked into corporate objectives. These processes are regularly tested and reviewed.

The Statement of Assurance for 2022/23 has also been published, a document that supports and sets out the financial, governance and response arrangements that the Staffordshire Commissioner Fire and Rescue Authority had in place for the period 1 April 2022 to 31 March 2023. It was written in accordance with the guidance published by the Ministry of Housing, Communities and Local Government on statements of assurance for fire and rescue authorities in England.

The Staffordshire Commissioner has well established methods of communication in place with various stakeholders ensuring that key messages are received by both staff and the communities that we serve.

Contained within the Governance Frameworks is the Code of Corporate Governance which sets out 7 principles of good governance which are taken from the international framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014), with the aim of encouraging better service delivery, improved accountability ensuring that organisations achieve their intended outcomes whilst operating in the public interest at all times.

The 7 principles are as follows:

- A** Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B** Ensuring openness and comprehensive stakeholder engagement
- C** Defining outcomes in terms of sustainable economic, social and environmental benefits
- D** Determining the interventions necessary to optimise the achievement of the intended outcomes
- E** Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F** Managing risks and performance through robust internal control and strong public financial management
- G** Implementing good practices in transparency, reporting and audit to deliver effective accountability.

This AGS will address each one of the seven principles, demonstrating areas of consistent compliance and additional work undertaken in the last year by Staffordshire Fire and Rescue Service.

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

The Staffordshire Commissioner Fire and Rescue Authority is compliant with the CIPFA Statement on the Role of the Chief Financial Officer in Local Government. A Service Level Agreement was in place between the Authority and the Staffordshire Commissioners Office as the Director of Finance performed the Statutory Role for the Police Fire and Crime Commissioner in addition to the Fire and Rescue Authority up to 31 October 2023. From 1 November 2023 the SLA/secondment agreement ceased and the Director of Finance returned solely to the Fire and Rescue Service and he has continued to perform the duties of the S151 Officer for the SCFRA only. The SC has appointed a new Director of Finance for the SCO also performing the duty of S151 Officer for the statutory responsibilities of the SC as Police and Crime Commissioner.

In accordance with CIPFA guidance, the Chief Financial Officer (CFO) is:-

- a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest;
- is actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority's financial strategy;
- leading on the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

The finance function for the Authority is provided through a shared service arrangement with Staffordshire Police and includes both the Deputy Chief Finance Officer and Deputy S151 Officer and also a dedicated Head of Finance. These two posts are both undertaken by highly competent and professionally qualified individuals.

The SCO Chief Executive is the designated Monitoring Officer as well as the 'Head of Paid Service' for the purposes of the Local Government and Housing Act 1989, as amended by the Police Reform and Social Responsibility Act 2011. The 'Head of Paid Service' aspect of the Chief Executive means taking responsibility for the coordination and discharge of the SC's functions and managing the SCO and the staff within it. This also includes the role of Monitoring Officer for the Staffordshire Commissioner Fire and Rescue Authority.

The Fire Service locally and nationally through the National Fire Chiefs' Council has adopted the Core Code of Ethics which consists of five ethical principles. The code, which is closely aligned to the Service's original Cultural Framework and its values, reflects best practice principles and has been designed to underpin the commitment to serving the communities of Staffordshire and Stoke on Trent. The five ethical principles are as follows:

- **Putting our communities first** – the Service put the interest of the public, the community and service users first.
- **Integrity** – the Service act with integrity including being open, honest and consistent in everything we do.
- **Dignity and respect** - making decisions objectively based on evidence, without discrimination or bias.
- **Leadership** – for all staff to be positive role models, always demonstrating flexibility and resilient leadership. We are all accountable for everything we do and challenge all behaviours that falls short of the highest standards.
- **Equality, diversity and inclusion (EDI)** – to continually recognise and promote the value of EDI both within the FRSs and the wider communities in which we serve. We stand against all forms of discrimination, create equal opportunities, promote equality, foster good relations and celebrate difference.

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) carries out its own independent inspections of all 44 Fire and Rescue Services in England in addition to carrying out all national policing assessments. The inspection assesses how effectively and efficiently Fire and Rescue Services' prevents, protects the public against and responds to fires and other emergencies. They also assess how well the Service looks after its people.

These inspections focus upon three key themes:

1. Effectiveness (how effective we are at keeping people safe and secure from fire and other risks).
2. Efficiency (how efficient we are at keeping people safe and secure from fire and other risks).
3. People (how well we look after our people).

The Service was inspected in the Autumn of 2021 with the inspection report released in July 2022. The Service was rated as good for effectiveness, requires improvement for efficiency, and requires improvement for people.

The inspection noted how the Service has responded positively and proactively to learning from the Grenfell Tower tragedy and have improved the safety of residents in Staffordshire who live in high-rise buildings through our sprinkler scheme. A 'Good' in how for how we make the Service affordable now and in the future was also included. The Service continuously looks for ways to improve effectiveness and efficiency and in doing so embrace the best use of new technologies to transform the services provided. The inspectors rated the Service 'Good' at getting the right people with the right skills, managing performance and developing leaders as well as looking after the health, safety and wellbeing of its staff.

HMICFRS recognised that following their inspection carried out in 2021 there were 20 Areas for Improvement (AFI) identified by the Inspectorate and good progress has been made by the Service. The Service developed a tracker system to maintain oversight of progress against each AFI identified within that report, with all priority areas monitored regularly and reported through robust governance arrangements.

In January 2023 HMICFRS started the third full programme of inspection of fire and rescue services (FRSs) in England. The Inspectorate use inspection findings, analysis and professional judgment to assess how effective and efficient FRSs are at fire safety, firefighting, and responding to road traffic collisions and other emergencies. HMICFRS also assess how well the service looks after its people. Each of the areas are then graded, using a revised system, as; outstanding, good, adequate, requires improvement or inadequate

The Inspectorate commenced the inspection of Staffordshire Fire and Rescue Service in February 2024 and concluded in May 2024, with the full report due for publication later in the year.

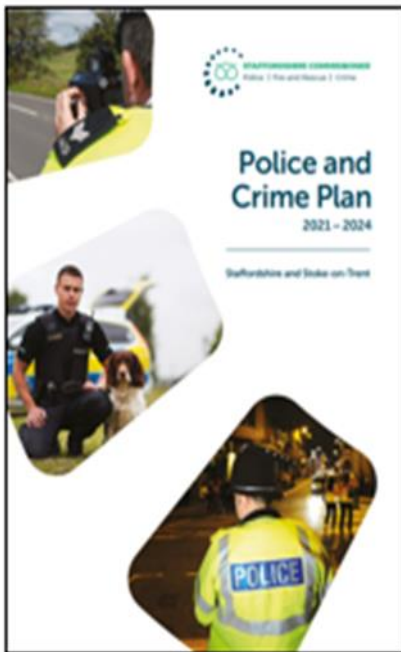
In addition, HMICFRS also undertook a thematic inspection of the Service in Autumn of 2023 with a terms of reference set following a Home Secretary's commission for a thematic inspection of the handling of

misconduct in fire and rescue services. The inspection was undertaken across a number of FRS's and a generic report is expected to be published in July 2024 covering these inspections findings.

B

Ensuring openness and comprehensive stakeholder engagement

As the elected representative of the public the SC has made a commitment for policing and crime and Fire and Rescue clear in the election manifesto and embedded this with development and publication of a Police and Crime Plan 2021-24. In addition, the SC through responsibility for the governance of Staffordshire Fire & Rescue Service has developed and published a Fire and Rescue Plan 2021-24.



The SCFRA and FARS is committed to ensuring openness, transparency and accountability and can be demonstrated by: -

- The FARS have signed up to a published Core Code of Ethics which is underpinned by the Nolan Principles of public life;
- The Community Risk Management Plan (Our Safety Plan) (FARS) and other published documents, including the Annual Report, the budget report, the statement of accounts;
- Information provided through the FARS website, social media and other routes that provide local people with relevant information on performance and outcomes and the SCs intentions;
- Appropriate use of the press and media by FARS;
- The live webcasts of the Public Performance Meetings and the Police, Fire and Crime Panel Meetings;
- Decision forms relating to significant public interest, made available online for public scrutiny;
- Information available on the FARS website as part of the Publication Scheme
- Publication of information on remuneration and expenses;
- The establishment of a number of forums independent of the SC, comprised of members of the public, in particular ETAP. The panel scrutinise a number of areas within the SCO, the Force and FARS;
- ETAP hold regular public meetings, meeting papers and minutes are published on the SCO website;

The commitment to stakeholder involvement is demonstrated by: -

- Consultation and engagement activity through FARS. This includes a number of Open Day events held locally at Community Fire Stations within the Service Delivery Groups; events that have attracted thousands of visitors from our local communities;
- Reports to the Police, Fire and Crime Panel and attendance at other democratically led forums;
- The establishment of a number of forums independent of FARS including ETAP.
- Working closely with a wide range of partners; local authorities, Criminal Justice agencies, NHS bodies, private and voluntary sector organisations etc.;
- Utilising a number of channels of communications for the public and other stakeholders. FARS engages with various groups, organisations and people throughout the year, organises community lunch engagement events updating them on the work of the Service, hearing their questions and views and providing answers that meet their needs.

C

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

The strategic priorities are set out in the SCFRA Fire and Rescue Plan 2021-24 and within the Service's Community Risk Management Plan (formerly Community Safety Plan). These documents underpin the overarching ambitions for delivering positive and sustainable economic, social and environmental outcomes for Staffordshire and Stoke-on-Trent. The SC has an established office that works beyond governance and scrutiny to ensure that there is a longer term strategic direction around all aspects of policing, fire and community safety and that when put into practical terms enables or influences delivery against the priorities.

Each of the priorities are reflected within the SC's performance arrangements which inform how effectively the outcomes are being delivered. The SC can then hold to account Chief Officers' for that performance. There are three levels of accountability which each include multiple functions for obtaining information on desired outcomes that are linked to the priorities, these being:

Public Accountability

Ensures that the SC demonstrates the primary role of holding the Chief Officers' to account and ensuring value for money whilst meeting the priorities and needs of the people of Staffordshire and Stoke-on-Trent. Examples of this function would be the regular Public Performance Meetings, ETAP Meetings and Thematic Reviews, SNP Meetings and Scrutiny Reports and the performance information available on the SC's and FARS websites.

SCO Level Accountability

Examination of key activity at a strategic level allowing the SC to take a detailed, searching approach with consideration of all relevant issues. Examples of this function would be the, various joint management meetings and boards, and SC & Chief Officer's informal and formal review meetings.

Operational Level Accountability

Generates a detailed understanding of operational areas where there are matters of concern affecting the effective and efficient operation FARS or partner agencies. Examples of this function would be operational working groups, ETAP dip sampling and multi-agency workgroups.

All parties are committed to continuous improvement in managing performance as demonstrated by the commitment to have agreed Performance & Accountability Framework's in place.

FARS and the SC are committed to improving outcomes for the people of Staffordshire and Stoke-on-Trent through partnership working with other agencies who are responsible for economic, social and environmental benefits. To ensure this happens the SC has strategic overview and regular operational updates on the delivery plans owned by each team within the SCO.

Through the Local Business Case for Joint Governance of the Police Service and Fire and Rescue Service in Staffordshire and Stoke-on-Trent in the last year, there have been new collaborations between the fire and rescue service and police service which has already seen buildings shared in Hanley, Tamworth, Chase

Terrace and more recently at Kinver and Penkridge, as well as some support and administration services. The aim being to achieve economy, efficiency and effectiveness in both services for the people of Staffordshire and Stoke-on-Trent. This has helped to make sure that more of the money available can be spent by both services on the frontline keeping people and communities safer.

The SC's commitment to protecting frontline resources requires that budgets are managed effectively and are sustainable in the medium to long term. Financial reports including the Medium Term Financial Strategies are presented to both ETAP and the Police, Fire and Crime Panel in addition to the Strategic Governance Board. These link to the delivery of the Fire and Rescue Plan: and the Community Risk Management Plan 2020 - 2024 for which progress is also reported to the panel.

The formal decision making process for expenditure and changes to programmes, policies and procedures requires that an Equality Impact Assessment is completed as part of the process. This assesses the impact of any changes that may affect staff, stakeholders and the public.

D

Determining the interventions necessary to optimise the achievement of the intended outcomes

Community Risk Management Plan 2020-2024

As required by the government's Fire and Rescue National Framework for England, every fire and rescue service must produce a high-level Integrated Risk Management Plan (IRMP) which explains how they use their resources to respond to and reduce the risks they have identified in their local area.

The Authority consolidated the IRMP and the Strategic Plan into one document called the Corporate Safety Plan that established the Corporate Aims and Objectives for the four years to 2024.

This document sets out the priorities, which support the vision of making Staffordshire 'the safest place to be' and are driven by an assessment of the risks across the county and City. Ensuring that the communities served are protected by a first-class fire and rescue service is at the heart of everything. The Service recognises that delivering these priorities will depend on collaboration, co-operation and effective communication.

The Staffordshire Commissioner's Office has developed and published a Fire and Rescue Plan that sits alongside the published Corporate Safety Plan and has been actively involved in the development of the updated Corporate Safety Plan document.

Whilst the current Corporate Safety Plan was in place until 2024, the Service reviewed and updated the existing document. This document, Community Risk Management Plan (Our Safety Plan), has now been updated and extended to the end of 2024 to align with the timescales following the Police Fire and Crime Commissioner elections held in May 2024

A new Community Risk Management Plan for the Service and the Commissioner's updated Fire and Rescue Plan will be published towards the end of 2024.

Monitoring Arrangements

There are formal arrangements in place to monitor against outcomes associated with decision making, performance and financial management across the SCO Police and Fire & Rescue services. Monitoring methods and frequencies are contained within the relevant Performance Management Frameworks and meetings are held separately for each service to enable detailed scrutiny and challenge where exceptions occur. Where the response to agreed actions does not deliver expected outcomes, escalation to the Strategic Governance Board allows for robust challenge and necessary interventions by the Commissioner.

Collaboration

A Strategic Governance Board for Collaboration oversee progress in developing collaborative arrangements and shared facilities between the two services to maximise efficiency and effectiveness.

Shared sites are currently in place at Hanley, Tamworth Belgrave, Chase Terrace with both Penkridge and Kinver operating as shared sites from May 2024. Work is also underway at Uttoxeter, Biddulph and Stone as part of the joint estate strategy. Sharing of sites has already delivered significant recurring revenue savings for both Police and Fire as well as capital receipts generated through the disposal of older Police buildings.

Community use also remains an important part of the offer at a number of Fire Stations where community groups meet and receive fire safety advice. This is in addition to support for the NHS where stations have been utilised to support the Covid vaccination programme.

The Service has also continued to build on existing collaboration and partnerships which includes the Fire and Health Partnership activities where we work with the Integrate Care Board (ICB) and Midland Partnership Foundation Trust (MPFT) in providing a Falls Response Service and in December 2023 a new Home from Hospital (HfH) service was launched. These two initiatives are providing improved outcomes to some of the most vulnerable people within our communities. The Falls Response and HfH are both excellent examples of how the Service can add real value and support the communities we serve, but in different ways helping the local health economy to manage the increasing demands being placed upon the NHS.

E

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

Officers within the FARS have access to continuous professional development through the support mechanisms that are available at a national level (NFCC). In addition, regular seminars are available that provide for more specific development needs. All staff have access to learning and development opportunities supported by line management and team meetings.

The Service has proudly continued to fully support the launch of the national Core Code of Ethics, which has been formally adopted across the Fire and Rescue sector and Staffordshire Fire and Rescue. The code, which is closely aligned to the existing Cultural Framework and its values, reflects best practice principles and has been designed to underpin the way the Service serves our communities and carries out its role and supports all parties to work together.

Anecdotal evidence has shown that where a service has an established ethical framework, and where these are well embedded, the culture has improved compared with those services that do not have such a framework.

The Code of Ethics is easy to understand and is broken down into five ethical principles.

The five Fire and Rescue Service ethical principles:

- **Putting our communities first** – we put the interest of the public, the community and service users first.
- **Integrity** – we act with integrity including being open, honest and consistent in everything we do.
- **Dignity and respect** - making decisions objectively based on evidence, without discrimination or bias.
- **Leadership** – we are all positive role models, always demonstrating flexibility and resilient leadership. We are all accountable for everything we do and challenge all behaviour that falls short of the highest standards.
- **Equality, diversity and inclusion (EDI)** – We continually recognise and promote the value of EDI both within the FRSs and the wider communities in which we serve. We stand against all forms of discrimination, create equal opportunities, promote equality, foster good relations and celebrate difference.



The fire and rescue sector have recently been under increasing scrutiny following a number of disturbing reports focusing on poor behaviours within a number of Services. The Service have acknowledged these report findings and during the year all staff attended a short Active Bystander training session - which aimed to help staff to challenge poor behaviours which may have become normalised over time. The session included self-coaching techniques to help keep a cool head when faced with a challenging situation.

Inappropriate behaviors have no place with the Service and a confidential reporting line “Say-So” has been introduced and provides a trusted and impartial facility where any member of staff can report workplace concerns and call-out inappropriate behaviours.

F Managing risks and performance through robust internal control and strong public financial management

A well-established and robust performance management system is in place internally throughout the Fire and Rescue Service with regular performance monitoring being carried out by Principal Management and reported through to the Service Delivery Board and Strategic Governance Board.

The Chief Fire Officer holds the Senior team to account on a monthly basis where performance monitoring is presented, review and scrutinised to ensure that directionally the Service is moving the right way, achieving targets and delivering the objects set out within the updated Community Risk Management Plan.

A detailed Finance Report is published internally on a monthly basis and incorporates all of the key information expected as part of a professional, commercially focused, set of Management Accounts; including revenue and capital spend and a cash flow management with performance comparison to budget. The Finance Report Report closely monitors the performance of the Authority and achievement of actual savings realised against targets. This report continues to be developed to ensure that it contains clear, relevant and timely information at all times.

The review of the effectiveness of internal control is informed by the work of Principal Managers who have responsibility for the development and maintenance of the internal control environment, as well as the Monitoring Officer, Internal Audit and Managers who have day to day responsibility for ensuring the Governance Framework is functioning properly. Additional comments are made by external audit, internal audit and the Ethics Transparency and Audit Panel and other review agencies and of course HMICFRS.

The Service Delivery Board, the Service Management Board, and the Staffordshire Commissioner’s Office have maintained their governance by setting the budget for 2023/24 and approving the Medium Term Financial Strategy which is supported by the Capital, Reserve and Treasury Management Strategies. During the financial year they have received, reviewed and scrutinised reports. Performance delivery and budget management have been kept under regular review and where appropriate remedial action and resource reallocation has been instigated.

Detailed financial reports are presented to, and scrutinised by the Strategic Governance Board on a quarterly basis. The reports include full details of performance against budget for the key reporting areas namely; revenue, capital, cash and delivery of efficiencies and savings.

Under the governance arrangements the Audit Committee arrangements are undertaken by the Ethics, Transparency and Audit Panel (ETAP), which also has a separate Finance Panel that receives bi monthly finance and audit reports from both internal and external audit. The Finance Panel includes a number of

qualified accountants who are able to provide detailed scrutiny to the monthly Finance Report, Internal and External Audit Reports and also the Annual Statement of Accounts.

There is a robust process in place within the Service in order to ensure that strategic risks are reviewed on a quarterly basis ensuring that the level of risk exposure is monitored regularly against a rapidly changing environment. It includes those risks that could have significant impact on the Services' ability to deliver services and objectives.

A Strategic Risk report is presented to the Service Delivery Board to review and approve the current Strategic Risk Register, to provide organisational assurance that the Service's current risk exposure is being managed and suitable controls and mitigations are in place. This report is also considered by the Commissioner at the Strategic Governance Board as part of the robust governance process.

The strategic risks and associated action plans identified within the Strategic Risk Register are reviewed as part of this process taking into consideration changes to the operating environment, political and funding constraints and local and national intelligence. The Service is a Category 1 responder as designated by the Civil Contingencies Act 2004 and has a statutory duty to support a multi-agency response to any 'malicious risks' within Staffordshire. The Strategic Risk report provides assurance that risks are considered that are not only faced internally but those that could have an impact on the ability to provide a multi-agency response and duties under both the Civil Contingency Act 2004 and the Fire and Rescue Services Act 2004.

As part of its corporate planning the Authority sets out the key performance indicators both quantitative and qualitative that measure the delivery of its strategic objectives. Achievements against these key performance indicators are reported regularly to the Service Delivery Board.

G

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

RSM Risk Assurance Services LLP were appointed to undertake the internal audit work for the year 2023/24 with RSM undertaking the internal audit work and delivery of the Internal Audit Plan for the Staffordshire Commissioner's Office, Staffordshire Police and Staffordshire Fire and Rescue Service.

This importantly has provided the opportunity to undertake combined audits across both Police and Fire ensuring a more efficient and effective internal audit strategy can be developed and delivered.

Throughout the year internal audit has carried out a range of planned reviews of systems and internal controls across the Service. Six audit reviews were undertaken during the year, this included; Risk Management, Whistleblowing and Driver Training in addition to the key financial control audits.

The opinions for the reviews completed have been positive for five audits in that substantial assurance has been given to 3 audits and reasonable assurance for 2 audits and minimal assurance to 1 audit on Driver Training. The audit for driver training was not part of the original strategy but was introduced following some concerns by management. A follow-up audit for driver training has been incorporated into the internal audit programme of work for 2024/25 to ensure that the recommendations have all been actioned and the control environment improved in this area.

In relation to internal audit work in 2023/24, five high priority recommendations have been made during the year of which four were part of the Driver Training audit.

This has been the fourth annual opinion for Staffordshire Fire & Rescue Service provided by RSM and as such the annual report has been discussed with the Director of Finance to further explain the rationale and context behind the annual opinion that has been provided.

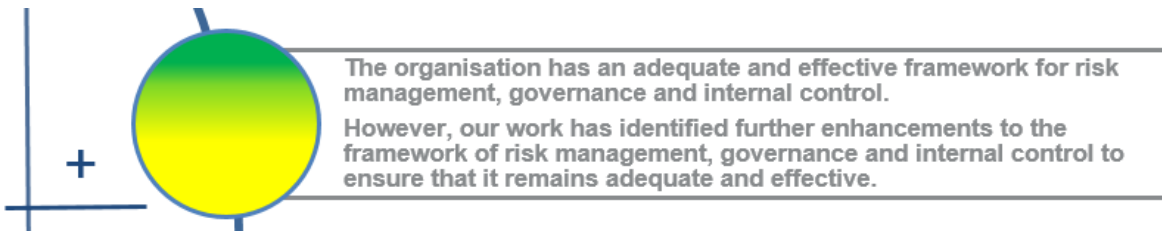
It is important that internal audit resource continues to be effectively directed to those areas of the business where management have identified risks, are aware of weaknesses, or where new system are being implemented. Consequently, management actions and themes have been agreed for the organisation to implement and embed across the control frameworks.

The UK PSIAS requires that the Head of Internal Audit must deliver an annual internal audit opinion on the overall internal control environment of the Authority. The methodology for formulating this opinion is set out within the Internal Audit Strategy and Plan each year.

RSM has stated that Staffordshire Commissioner Fire and Rescue Authority has an **adequate and effective framework for risk management, governance and internal control in place**. However, the work undertaken by RSM has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

To ensure that RSM remains compliant with the PSIAS framework a dedicated internal Quality Assurance Team who undertake a programme of reviews is in place to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs for the audit teams.

For the 12 months ended 31 March 2024, the head of internal audit opinion for Staffordshire Commissioner Fire and Rescue Authority is as follows:



External Audit discharge a statutory function because of the special accountabilities attached to public money and how public business is conducted. External Audit are appointed independently from the Authority and the scope of the auditor's work is to not only give opinion of the financial statements but to also include governance arrangements that secure the economic, efficient and effective use of resources. This is reported separately by the external auditor as the value for money arrangements being achieved by the organisation.

The appointed external auditor for 2023/24 is Azets (replacing Grant Thornton) and this will be the first audit conducted following the procurement exercise undertaken by PSAA. The external auditor provides regular reports at ETAP's formal meetings. ETAP members due to their independence have the opportunity to consider the audit findings, to challenge and ask for further clarification where necessary and also to make recommendations on their findings.

4. Significant Governance Issues

To consider the impact of the government's white paper for Fire and Rescue and the associated implications for Governance of the FRS

To consider the findings of the 2024 inspection report when it is released by HMICFRS later in the year.

To further develop the Annual Governance Statement in accordance with the CIPFA Standard

5. Overall levels of Assurance

The details given within this statement represents a clear approach to ensuring that appropriate and proper governance arrangements are in place for Staffordshire Commissioner Fire and Rescue Authority.

Glossary

AGS	Annual Governance Statement
CFO	Chief Fire Officer of Staffordshire Fire and Rescue
ETAP*	Ethics Transparency & audit Panel
FARS	Staffordshire Fire & Rescue Service
HMICFRS	Her Majesty's Inspectorate of constabularies and Fire and Rescue Services
NFCC	National Fire Chiefs Council
PFCP	Police, Fire and Crime Panel
PSIAS	Public Sector Internal Audit Standards
PSAA	Public Sector Audit Appointments Limited
SC	Staffordshire Commissioner
SLA	Service Level Agreement
SCO	Staffordshire Commissioners Office

- These functions are made up of members of the public