

# **BEDFORDSHIRE FIRE AND RESCUE AUTHORITY**



## **PRE AUDITED STATEMENT OF ACCOUNTS 2024/25**

# **STATEMENT OF ACCOUNTS 2024/25**

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## **AUTHORITY MEMBERSHIP 2024/25**

### **Chair**

Councillor J Burnett (Luton Borough Council)

### **Vice-Chair**

Councillor M Headley (Bedford Borough Council)

### **Councillors**

#### **Bedford Borough Council**

G Coombes  
M Headley  
A Sultan

#### **Central Bedfordshire Council**

R Goodchild (to 29.11.24)  
N Carnell (from 30.01.25)  
K Gurney  
S Owen (to 17.07.24)  
Pashby (from 22.08.24)  
M Versallion  
R Wenham

#### **Luton Borough Council**

A Ali  
J Burnett  
M Hussain  
S Hussain

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

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

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

Emergency Response	Cllr Goodchild / Cllr Sultan (17.12.2024)
Prevention and Protection	Cllr Sultan / Cllr Wenham (14.10.2024)
People and Culture	Cllr S Hussain
Physical and Digital Assets	Cllr Burnett (Chair)
Finance, Productivity and Efficiency	Cllr Headley

Members of the Audit and Standards Committee were:

Cllr Ali (Chair)  
Cllr Coombes  
Cllr Gurney  
Cllr M Hussain  
Cllr Owen / Cllr Pashby (Sept 2024)  
Cllr Versallion  
Cllr Wenham

# NARRATIVE STATEMENT

## Background Information

### Population

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

### Travel and Transport

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

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

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

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



The county is set for unprecedented change over the coming years, with Universal Studios set to open in 2031, the expansion of Luton airport, the new town of Tempsford and the east/west rail link. The Service/Authority will continue to keep abreast of these developments and their impact on service delivery.

## **Our Mission and Strategic Commitments**

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

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

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

We will focus our resources on:

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

We will achieve this by:

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

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

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

## **The Service's Values**

The Service values are:

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

## **Organisational Statistics and Structure**

BFRS employs around 600 staff consisting of:

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

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

### **Other Local FRS**

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

### **Management and the Authority**

Structure of the Service comprises a Chief Fire Officer and the following Principal Officers (during 2024/25, these have since changed):

- Deputy Chief Fire Officer
  - Fleet and Assets
  - ICT and Business Improvement
  - Project Management Office
- Assistant Chief Fire Officer
  - Training
  - Human Resources
  - Payroll and EDI
- Assistant Chief Officer
  - Treasurer to the FRA
  - Finance and Procurement
  - Transformation and Change
- Assistant Chief Fire Officer
  - Prevention, Protection and Response

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

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

### **BFRS activities**

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

The following table summarises the incidents and activities attended during 2024/25.

Incident type	Attended incidents in Bedfordshire in 2024/25
Total incidents	8,534
Fires	1,604
Flooding and water rescues	214
Road traffic collisions	513
Medical responder	1,109
False alarms	3,219
Other incidents	1,875

With the breakdown of staff numbers directly employed (as at 31 March 2025) being:

	Number of staff
Total staff	598
Wholetime firefighters	278
On-call firefighters	104
Control staff	26
Support staff	185
Principal officers	5

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

## Performance

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

There is also an annual overarching performance report presented to the Fire and Rescue Authority. This report is aligned to the Service's strategic objectives and strategies and can be viewed via the link below. The 2024/25 report was presented to the FRA in July 2025. This can be viewed via the link below:

[Browse meetings - Fire and Rescue Authority | Bedfordshire Fire and Rescue Service](#)

# **TREASURER'S REPORT**

## **1. Introduction**

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

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

## **2. 2024/25 – A Financial Commentary**

### **Revenue Budget**

For 2024/25 the FRA on 13 February 2024 approved a net revenue budget requirement of £39.834m. After adjustments, including the treatment of £1.726m Pension Fund grant, this changed to £38.105m – as summarised in paragraph 4 below.

This was felt to be the minimum required to maintain the level of service referred to above.

### **Capital Budget**

What the FRA spends on capital expenditure and how that expenditure is financed is governed by a Prudential Code, which has been adopted by the Authority. The FRA each year considers and determines what can be afforded taking into account Service needs and the effect of the cost of financing the expenditure at local council taxpayer level. The FRA approves prudential indicators to control this activity and receives regular monitoring reports throughout the year. For 2024/25 the FRA determined that capital expenditure be approved at £1.015m. Each year, the capital programme is primarily financed from direct revenue contributions.

Capital expenditure details appear on Note 10 and 11 to the accounts.

### **Pensions Liability**

The combined pension net liability has seen a reduction from £271.7m at the end of 2023/24 to £244.9m at the end of 2024/25. Changes in actuarial deficits or surpluses can arise as a result of events that have not coincided with the actuarial assumptions made for the last valuation or because the actuarial assumptions have changed. Further details on pension funds are provided in Note 28.

### **Reserves**

These are detailed in Note 23, with the Usable reserves at 31 March 2025 being:

	<b>£'000</b>
Corporate Earmarked Reserves	4,441
Capital Reserves	4,084
Budget Managers' Earmarked Reserves	411
Collaboration Reserve *	2,378
Pay and Pension Reserve	392
Vehicle Appliance Reserve	48
<b>Total</b>	<b>11,754</b>

\* Includes the year-end revenue budget underspend of £198k.



### 3. Statement of Accounts

The FRA's Statement of Accounts for the year ending 31 March 2025 is set out in the following pages. The Statement includes:

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

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

### 4. 2024/25 Year End Position

#### Revenue income and expenditure

The Authority ended the year with an underspend of £198k, as set out in the table below.

<b>Summary of Expenditure by Category 2024/25</b>	<b>Budget £</b>	<b>Actual £</b>	<b>Variance £</b>
Employees - Operational		21,229,414	
Employees - Non Operational		8,355,396	
Employees - Other		2,279,687	
<b>Employees - Total</b>	<b>32,052,736</b>	<b>31,864,496</b>	<b>-188,240</b>
Premises	1,476,000	1,713,402	237,402
Transport	945,450	922,785	-22,665
Supplies & Services	4,189,714	3,919,182	-270,533
Capital Charges & Technical Adjustments	1,661,600	1,285,894	-375,706
Income	-2,219,800	-2,408,597	-188,797
<b>Net Expenditure</b>	<b>38,105,700</b>	<b>37,297,163</b>	<b>-808,537</b>
Government Grants, Precepts and Reserves	-38,105,700	-37,098,967	1,006,733
<b>Year End Contributions to Reserves</b>	<b>0</b>	<b>-198,196</b>	<b>-198,196</b>

## Variances

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

### Employees

The outturn figure for employees is an overall underspend £188k which is largely due to various vacancies across the Service.

### Premises

The overspend in premises of £237k is mainly a result of repairs and maintenance work across various properties.

### Supplies and Services

The underspend within supplies and services of £270k is mainly as a result of some strategic developments and decarbonisation works not taking place in year.

### Income

The underspend of (£189k) in income is mainly as a result of income relating to Community Welfare Officers.

### Government Grants and Precepts (incl Collection Fund)

The difference of £808k is mainly due to differences in actual receipts relating to the Collection Fund and transfers to reserves.

## 2024/25 Capital Programme

In 2024/25 the FRA spent £974k on capital projects, of which £502k was spent on vehicles, £106k property spend and £365k on ICT assets under construction. The programme was financed directly through revenue.

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

	<b>Brought Forward £'000</b>	<b>Contributed to in year £'000</b>	<b>Used in year £'000</b>	<b>Carried forward £'000</b>
Usable Capital Receipts	242	0	0	242
Grants and Other Contributions	159	0	0	159
Vehicle Appliance Reserve	48	0	0	48
Capital Reserve	3,842	1,215	974	4,084
	<b>4,291</b>	<b>1,215</b>	<b>974</b>	<b>4,532</b>

## **Statement on Disclaimed accounts in 2023/24 and impact on 2024/25**

Following well documented issues with auditing of Local Government accounts – for the year ended 31 March 2023, the Auditors (Ernst & Young LLP) determined that they couldn't meet the objectives of the ISAs(UK) and issued a disclaimed audit report on the Statement of Accounts for 2022/23.

This 'disclaimed' opinion was a reflection on wider issues facing auditors across local government, rather than the quality of the accounts produced. The EY Audit report for 2022/23 noted (page 7):

"The main reasons for the Authority's financial statements not being audited and signed to date include:

- The post pandemic timelines resulted in audit teams trying to move delayed audits on to completion, whilst finance teams were trying to catch up, deal with current priorities and plan for the future. This used a significant amount of our finite audit resource, leading to a lack of capacity to move on to the 2022/23 audit year.
- Due to audit resource constraints, we were unable to schedule the 2021/22 audit to meet the reporting timeline of 30 September 2022. In addition, there were a number of new technical issues and challenges to address during this period, including taking into account the updated pension fund valuations, which led to delays to the 2021/22 audit being completed with the audit opinion not being issued until August 2023.
- Due to these delays, we then did not have the audit resource necessary to perform the 2022/23 audit for the Authority before the backstop date of 13 December 2024."

In the following year's Statement of Accounts 2023/24, there were no significant issues identified during the audit (by KPMG LLP), but because the 2022/23 accounts were 'Disclaimed', this has meant that KPMG were not able to place sufficient reliance on the opening balances or comparative year figures, meaning that the 2023/24 accounts are also 'Disclaimed'.

The Finance team has liaised with KPMG as part of the review of 2023/24 audit and planning for 2024/25 audit to see what can be done to improve on this opinion for the 2024/25 and 2025/26 accounts.

Regarding the opinion for the 2024/25 Statement of Accounts, KPMG follow guidance from the PSAA, FRC and NAO, which means there is a risk that the accounts will not receive an 'unqualified' opinion due to on-going uncertainty on prior year balances.

# **STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**

## **The Fire Authority's Responsibilities**

The Authority is required to:

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

## **The Treasurer's Responsibilities**

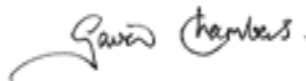
The Treasurer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing this Statement of Accounts, the Treasurer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgments and estimates that were reasonable and prudent;
- Complied with the local authority Code;
- Kept proper accounting records which were up-to-date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

## **Certificate of the Treasurer**

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



Gavin Chambers CPFA  
Treasurer to Bedfordshire Fire and Rescue Authority

## **Signed on behalf of the Fire Authority**

I confirm that these accounts were approved at the post-audit stage, by the Bedfordshire Fire and Rescue Authority Audit & Standards Committee Chair on dd mmm yyyy.

[to be added following audit completion]

Councillor Amjid Ali  
Chair of the Audit & Standards Committee

# **ANNUAL GOVERNANCE STATEMENT FOR THE YEAR 2024/25**

## **Including the Operational Assurance Statement**

### **Executive Summary**

The Annual Governance Statement (AGS) below, summarises the governance arrangements that were in place for the 2024/25 financial year.

This is the second year that the Operational Assurance Statement (OAS) has been included within the AGS. This is to reduce duplication, as numerous areas were previously repeated in the OAS and the AGS documents.

An internal audit was undertaken during 2024/25 on Fire Authority Governance. As per the table in section 4d below, this received a “Reasonable Assurance” rating with two low and one medium recommendations.

Section 5 in the AGS covers the 2023/24 action plan for 2024/25 and also now the 2024/25 action plan for completion in 2025/26.

It is the Service’s and Authority’s view, that the governance arrangements in place are fit for purpose.

A forward look for impacts on governance draws out the potential changes from Local Government Reorganisation. However, at this early stage there are no planned changes to note or progress made in terms of reorganisation impacting on the Authority.

The external audit of the AGS and the statement of accounts will commence in late July 2025. This AGS includes the requirements in the latest addendum for CIPFA/SOLACE that was released in May 2025.

### **1. Scope of Responsibility**

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

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

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

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

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

## **2. The Purpose of the Governance Framework**

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

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

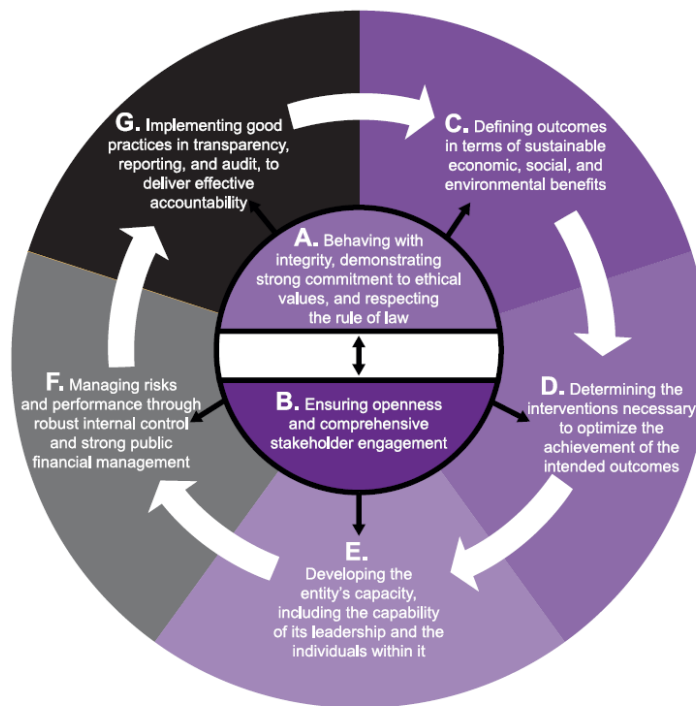
The governance framework for the Authority has been in place for the whole of the financial year 2024/25.

## **3. The Governance Framework**

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

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

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



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

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

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

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

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

- Discharging the Authority's duty under the Localism Act 2011 to ensure that its Members (and any co-opted Members) maintain high standards of conduct.
- Advising the Authority on the operation of its Code of Conduct and any changes to the Code (including its register of interests) that may be necessary or desirable.
- Monitoring the operation of the Authority's arrangements for dealing with standards allegations against Members under the Localism Act 2011 and making any changes that may be necessary or desirable.

- Receiving regular reports on any standards allegations against Members.
- Authorising the Monitoring Officer to take action on the advice of the Committee Chair where it is necessary to appoint a Panel of Members to advise whether to investigate a complaint; or an Adjudication Committee to adjudicate upon a complaint following a finding of breach of the Code by a Member; or any other action in relation to the preparation for, or the hearing of, a matter by the Adjudication Committee.

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

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

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

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

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

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

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

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

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

The Authority has policies to safeguard both itself and its staff when making decisions. Both an Anti-Fraud, Bribery and Corruption Strategy and a Whistle Blowing Policy have been developed and are communicated to staff as part of the employee induction process and on an annual basis. The Whistle Blowing Policy and the Anti-Fraud, Bribery and Corruption Strategy (including the National Fraud Initiative) were reviewed and approved by the Audit and Standards Committee in September 2024.

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

The Authority's overall financial arrangements are governed by its Medium-Term Financial Strategy, which sets out the financial framework for the delivery of the Authority's strategies and plans. In determining the revenue and capital financial framework, a number of factors are taken into account



including the national context, the distribution of local government funding from central government along with other local and external funding sources.

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

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

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

#### **b. Ensuring openness and comprehensive stakeholder engagement**

Bedfordshire Fire and Rescue Authority recognises communicating and engaging with our public, our people and our partners is essential in the successful delivery of high-quality, cost-effective services.

The Service is constantly striving to improve its communication performance and ensure it is open, transparent and accessible to the community and colleagues. In 2024/25 the Service has:

- Adhered to the Transparency Code and GDPR requirements, with relevant information published on the Authority's website
- Undertaken work to ensure the website adheres to Government Digital Service guidelines and complies with Web Content Accessibility Guidelines
- Evolved the Service's brand and continued to maximise opportunities for promotion to ensure the public recognise the services BFRS provide
- Supported a wide range of national safety weeks and other events to promote fire, road, water and other home and outdoor safety messages to local communities and supporting the national fire safety agenda in line with the NFCC
- Complied with duties under the Civil Contingencies Act (2004) to warn and inform the public and provided strategic and tactical communication support for high profile and major incidents to ensure stakeholders were informed and managed
- Produced the 2024-25 electronic precept leaflet setting out the annual budget and expenditure
- Created a new look version of Shout – an external publication that is sent to local authorities in Bedfordshire and FRA members to share key decisions made by the Authority and latest Service news.
- Developed and delivered a new creative on-call recruitment campaign, resulting in an increase in successful applicants.

- Implemented a new internal engagement plan that has seen a range of leader forums and staff listening events introduced, increased opportunities for colleagues to communicate with senior leaders and learn more about the strategic direction of the organisation.
- Run a People Survey for colleagues to share their opinion about how engaged they are in BFRS, which received the highest ever completion rate of 57 per cent.
- Undertook a restructure of the Communication and Engagement and former Secretariat functions to bring them under one head of department, focused on efficiency and effectiveness, and delivering a saving.

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

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

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

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

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

The Senior Leadership Team over 2024/25 reviewed the progress of the major change projects and individual projects are managed by way of project boards. This process was strengthened during 2021/22 by the introduction of a dedicated Programme and Project Officer and in 2023/24 a Corporate Projects and Programme Board was established. Performance outcomes and overall performance and achievements of the Authority are contained within a section of the Community Risk Management Plan.

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

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

Performance against targets is monitored on a quarterly basis by Areas/Functions, the Senior Leadership Teams and Elected Members at the FRA Meetings. The Performance Management arrangements of the Service have again been enhanced over 2024/25 through improved data quality and performance information systems. An overarching performance summary is now produced publishing results for different functional groups in one report to the full Authority.

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

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

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

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

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

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

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

The Senior Leadership Team (SLT), which is chaired by the Chief Fire Officer, met on a at least a monthly basis during 2024/25, with Functional Heads attending and provides the ongoing management of the implementation of the Service strategy. It also considers other internal control issues, including risk management, performance management, compliance, efficiency, value for money and financial management. Strategic direction is provided by the Strategic Command Team comprising during 2024/25 of the Service's Principal Officers. The Service has reviewed the terms of reference for each of these management teams and has also aligned performance and project management reporting between these teams and the Fire and Rescue Authority meetings.

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

During 2024/25 the Authority had a Treasurer and Monitoring Officer. Between them, they ensure that the Authority complies with relevant laws and regulations, internal policies and procedures and that expenditure is lawful. They act as independent advisors to the Authority.

The Treasurer will ensure that appropriate financial advice is given on all financial matters, that proper financial records and accounts are maintained and that there is an effective system of internal

financial control. The Monitoring Officer ensures that agreed procedures are followed and that all applicable statutes and regulations are complied with.

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

There is a robust budget and policy framework and detailed financial regulations, which are monitored by the Treasurer and the Monitoring Officer. The financial regulations were updated and approved by the Audit and Standards Committee on 26<sup>th</sup> September 2024. The Constitution is updated continually to reflect any changes in structure and as noted above, has received a thorough review and refresh by the new Monitoring Officer during 2023/24.

### **ICT Shared Service**

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

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

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

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

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

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

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

The Authority's Chair and Chief Fire Officer over 2024/25 had a good working relationship and held regular meetings to discuss any emerging issues. There were regular formal meetings between Members and Senior Officers through the Audit and Standards Committee and the FRA. At each

meeting there is also a review of the work programme for the year ahead. A formal member and employee protocol has been developed and adopted by the Authority.

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

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

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

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

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

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

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

In addition to the development of risk management and business continuity processes the Service's Corporate Risk Register has undergone further refinements. As noted above, a review took place again with RSM during 2023/24 and this was combined with the NFCC national risk register template.

The identification and management of corporate risk remains a priority for the Service with it being a standard agenda item for strategic meetings, cascaded across the Service through managerial chains and reported to the Fire and Rescue Authority through the Audit and Standards committee. All identified risks within the Service have an owner assigned from the Senior Leadership Team who is responsible for the development of an appropriate action plan. The action plan is used as the

basis to mitigate risk and is regularly reported to members of the Senior Leadership Team for progress and amendments including changes to levels of risk and associated actions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[Effectiveness, efficiency and people 2023/25 – Bedfordshire Fire and Rescue Service - His Majesty's Inspectorate of Constabulary and Fire & Rescue Services \(justiceinspectorates.gov.uk\)](https://www.justiceinspectorates.gov.uk/hmicfrs/publications/covid-19-inspection-bedfordshire-fire-and-rescue-service/)

The next inspection will be over the autumn of 2025.

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

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

#### **4. Review of Effectiveness of System of Internal Control**

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

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

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

##### ***a. The Authority***

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

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

- Standing Orders
- Procurement Policy and Procedures

- The Financial Regulations;
- Code of Conduct
- Information Security

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

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

As mentioned at Section a) *Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law*, the Authority paused its annual Review of the Authority's Effectiveness in 2021/22 and during 2022 the review of governance and effectiveness was undertaken externally by the LGA. An action plan was presented to the FRA in October 2022 and has been monitored since. A paper on the next steps regarding the review of effectiveness will be taken to the FRA during 2025. A Record of Members Attendance is available on request.

#### **b. Standards**

There have been no complaints against Members during 2024/25.

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

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

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

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

#### **c. Audit Committee**

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

- Audit activity
- Regulatory Framework



- Accounts
- Standards

#### **d. Internal Audit**

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

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

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

The reporting process for internal audit requires a report of each audit to be submitted to the relevant Senior Leadership Team member and other relevant Service Managers. The Treasurer also receives a report of all audits completed.

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

The work contained within the 2024/25 Audit Plan is shown in the Table below. Where applicable, management action plans have been agreed to address issues raised.

The table below shows the evaluation received for each area of work. There are four levels of assessment – No Assurance, Partial, Reasonable and Substantial. There was one high recommendation made in the ICT Assets audit. This was on ensuring that there is a procedure for undertaking periodic physical checks of equipment. This action will be completed by September 2025. Most of the medium recommendations in the audit have now been completed.

The level of recommendations made is also identified below:

Assignments	Assurance Level	Actions agreed		
		L	M	H
Management of IT assets	Partial	1	5	1
Risk Management	Reasonable	3	4	0
Succession Planning	Reasonable	0	3	0
Governance – Fire Authority	Reasonable	2	1	0
Key Financial Controls - Payroll	Substantial Assurance	0	0	0
Follow Up	Good Progress	0	0	0

The Annual Internal Audit report for 2024/25 by RSM, advises that “The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective”.

**e. *External Audit***

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

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

**Value for Money**

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

For 2024/25 this is based on the overall evaluation criterion:

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

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

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

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

For the 2024/25 financial year, the review has yet to take place and is currently being scheduled.

**f. *2024/25 Operational Assurance Statement***

**Identifying and Assessing Local Risks**

We continuously assess risks across Bedfordshire to ensure our resources are effectively allocated across prevention, protection, and emergency response activities. By using risk and community modelling, we’ve developed tailored plans for each fire station, reflecting the specific needs of their local areas. These plans are regularly reviewed and updated to track progress and adapt to changing circumstances.

The insights gained from these assessments inform our **Community Risk Management Plan (CRMP)**. This strategic document outlines our priorities for the year ahead and reinforces our commitment to continually improving the services we provide to the public

## **Prevention**

Bedfordshire Fire and Rescue Service (BFRS) continues to make significant strides in enhancing its Home Fire Safety Visit (HFSV) Programme, with a focused approach on identifying and supporting individuals most vulnerable to fire risk. Our end-of-year HFSV data for 2024 demonstrates a notable improvement, with 76.8% of visits targeted at individuals over the age of 65 and/or those with disabilities. This progress is directly attributed to strengthened partnerships, particularly with the Primary Care Network (PCN), which contributed to a 32% rise in referrals.

In early 2025, BFRS published the findings of its inaugural HFSV Quality Assurance Programme. This initiative comprehensively reviewed the entire HFSV process—from referral prioritisation to visit execution—enabling the identification of key areas for improvement. The insights gained have been instrumental in providing constructive feedback and support to our staff, reinforcing best practices for future service delivery.

Our established Prevention Reporting Schedule continues to play a pivotal role in shaping the Pan Bedfordshire strategy. By consistently sharing data and outcomes with our partners, we ensure a collaborative and informed approach to community safety. Additionally, our suite of bespoke behavioural change surveys provides valuable insights into the effectiveness and impact of our campaigns and public engagement events.

BFRS remains committed to broadening its reach through collaborative educational initiatives in Road Safety, Water Safety, and Youth Intervention. Notably, the “Vision” programme—jointly funded by BFRS and the Police and Crime Commissioner (PCC)—proved to be a highly effective tool in engaging and educating young road users throughout 2024.

Significant enhancements have also been made to our safeguarding training framework. This includes updated eLearning modules for both adult and child safeguarding, bespoke managerial training, and advanced safeguarding training delivered in partnership with the NSPCC and Bond Solon. These efforts have strengthened our capacity to identify and respond to instances of abuse or neglect, while also promoting reflective practice and continuous improvement. As a result, BFRS staff generated 31% more safeguarding referrals compared to the previous year.

Finally, BFRS continues to align its practices with the Fire Standards Board, ensuring compliance with national standards in Prevention, Safeguarding, and Fire Investigation. This alignment reinforces our commitment to mitigating risk and upholding the highest professional standards in service to the communities of Bedfordshire.

## **Protection**

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

We have developed an intelligent risk stratification process using our premises database called the ‘Fire Data Risk Warehouse’. We utilise 13 factors from nine data sources to produce a risk score for all commercial premises in Bedfordshire. This combined with our Community Risk Analysis

(CRA) allows us to develop our risk-based interventions programme and target our finite resources to premises that present the highest risk to people in the event of a fire.

Our fire safety specialists will carry out proactive audits of higher risk premises in line with the Regulator's Code to support those we regulate in a straightforward way to help them comply and grow. Additionally, in an effort to maximise capacity we will use non-specialist operational crews to carry out basic fire safety checks of premises, these premises are selected based on data from local and national enforcement trends.

We will establish an enforcement debriefing process to identify areas of good practice and where we can improve. This will ensure that we continually make improvements to ensure we take a fair and proportionate approach to enforcement and prosecution under the Fire Safety Order. We will maintain working relationships with the three local authorities to share information about premises to work together to ensure that responsible persons of premises understand and comply with the relevant legislation to make those buildings safer from fire and other hazards.

The Protection department works closely with the Communications & Engagement team to develop a 12-month plan of business engagement activity that complements the NFCC national campaign calendar and uses a data led approach to target the education of businesses using face to face, social media, mailshots and interactive engagement methods. This will help ensure business stay abreast of changes to legislation and guidance.

We continue to train our specialist staff to the standard prescribed in the national fire safety competence framework and undertake effective succession planning to ensure we can maintain the required fire safety activities to keep people safe. This includes training and committing a fire safety inspector to the Building Safety Regulator to ensure the safety of high-rise residential buildings.

To ensure continuous improvement and to monitor the standard of our service delivery we will ensure all activities are sampled for quality assurance and customer feedback is proactively gathered. This will help us gather issues and help us understand where we can improve.

The Fire Standards Board oversees and maintains professional standards of fire & rescue services in England. BFRS continues to implement our action plan to ensure we align with the Protection Fire Standard. Aligning to this standard assures that we will make the built environment safe for the people of Bedfordshire.

## **Response**

The service continues to plan its response on a risk-based model, we have worked hard to address gaps identified by HMICFRS:

*The service's response strategy is linked to the risks it has identified in its CRMP. The principles of the response strategy are sound in theory: the service's fire engines, response staff, and working patterns are designed and positioned to respond flexibly to fires and other emergencies with the appropriate resources.*

*However, the service applies the strategy inconsistently.*

We set about a light touch review of the response strategy document, whilst at the same time creating the new Service Delivery plan. We had been critical of our existing process for producing the strategy so wanted to try and flatten the structure as much as we could, and really hear from all

leadership levels in the wider structure, the aim of this to give permission to challenge the status quo being created and the conditions for innovative ideas to response delivery.

Key to maintaining our new response standards. We went for an evolution and not a revolution approach, so whilst the meetings names and frequencies of SDB and ODT/OCT remained the ethos and feel was different. The ability to hold onto two approaches which allowed for managing day to day targets, whilst at the same time allowing new ideas to emerge can seem paradoxical if not built on trust. Ideas created included;

- Capability review heavy rescue
- Control enhancement team and creation of the crewing office
- Overtime targeted at specific points in the day based on demand curves
- Strategic reserve targeted at priority stations
- States of readiness documents
- Continued development of On Call Firefighters to maintain On Call appliance availability

The additional Service Delivery engagement days were used to create conversation, updating teams on the draft plans and areas of focus but more importantly creating opportunities for bottom-up solutions, whilst traditional meetings managed BAU, the Crewing office were key contributors to this process.

A good example of this is the inception of the states of readiness document which has been built with both data from historic incidents, pump trial results and ideas from across the Service Delivery team. This document is the enabler for a lot of the freedom required for agile crewing and continued efficiency in capability delivery such as the heavy rescue review and removal of the RSU.

Delivered objectives for Response include;

1. We finished the On Call project to improve BFRS on-call appliance availability in line with service strategic priorities, as part of this we completed the annualised hours for On Call Firefighters.
2. On Call Support Watch Commanders are in place and are the back bone of the crewing office, helping to maintain 69% front pump availability at On Call stations.
3. We have produced a states of readiness document allowing us to invest in maximising operational appliances linked to specific triggers. This document bridges the gap between the day-to-day activities which happen between stations, the crewing office and fire control to achieve the maximum number of fire engines
4. We have workshopped and identified efficiency savings in conjunction with Transformation team and created a priority matrix for delivery.
5. We delivered three pump trials as required as part of the ECR.
6. We have signed contracts and will shortly roll out training for (MAIT (Multi Agency Incident Transfer)
7. We have delivered significant changes to the way we deliver heavy rescue in the South of the County. This will be a more efficient and effective way of delivering the capability allowing revenue savings.

8. We have supported improvements in Station End equipment, to ensure the best mobilisation of the Service fleet. Ensuring turnout times are at or below 90 seconds for Wholetime stations
9. We have successfully worked with Protection to establish a new way of meeting our Firefighting water provision responsibilities including location of Hydrant team.
10. We have worked with stakeholders to produce a station end dashboard which is now available to all Station Commanders.
11. We have welcomed the Local Resilience team into Response and continue to work to host them, working together to ensure our teams are integrated where appropriate and we facilitate response to incidents which require a 'team Bedfordshire response'

## Collaboration

We maintain strong collaborative relationships with neighbouring fire and rescue services, enabling us to share resources during times of increased demand. This mutual support ensures that Bedfordshire Fire and Rescue Service (BFRS) can call on external assistance when needed—and likewise, our teams respond to incidents outside the county when required. We regularly review incident data to assess the impact of this collaboration on our service delivery.

As the host of the **Bedfordshire Local Resilience Forum (BLRF)**, we play a central role in county-wide emergency preparedness. This position strengthens our partnerships with local agencies and emergency responders. Each year, we coordinate at least 10 joint exercises with local partners, ensuring our incident commanders at all levels are well-prepared to manage emergencies collaboratively.

We have also formalised our command and control arrangements for the BLRF, enabling our staff to lead and coordinate joint responses during emergencies or potential threats. Our communications team works closely with partner organisations to ensure consistent and coordinated public messaging during such events.

Nationally, BFRS contributes to resilience efforts by:

- Providing a **water rescue team** for deployment to flooding incidents across the UK
- Hosting a **mass decontamination unit** on behalf of UK National Resilience
- Maintaining readiness through regular multi-agency exercises, including the recent successful test of a strategic holding area

We also operate a **specialist response team** trained to support rescue operations in the event of a marauding terrorist attack.

Locally, we've built strong operational ties with the **East of England Ambulance Service Trust (EEAST)**. Our teams support daily operations through co-responding, gaining entry to properties, and assisting with bariatric patient care. We took part in an ambitious trial of joint ambulance and fire responders in the Community wellbeing officer pilot. This offered valuable data and lessons on how better services could be delivered in future, safeguarding resources and communities.

Looking ahead, we are committed to deepening these partnerships. Our **Leading Beyond Boundaries** training programme brings together our managers and health sector colleagues to foster stronger, more effective collaboration across services

## **Investing in Our People**

We are committed to building a skilled, efficient, and well-supported workforce through effective workforce planning. This ensures we have the right people, with the right skills, in the right roles at the right time. Our planning informs recruitment, talent development, and promotion strategies.

We understand that health and well-being are essential, not optional. Supporting our staff's physical and mental health is not only a legal and organisational responsibility, but also a moral one. Our people work tirelessly to protect our communities, and we are dedicated to supporting them in return.

To promote healthy lifestyles, we offer a wide range of support services, including:

- A comprehensive Occupational Health Service
- A Multi-Faith Chaplaincy
- An Employee Assistance Programme
- Access to The Fire Fighters Charity
- Specialist and additional mental health services across the county's three local authority areas
- A targeted health scheme for fast-tracked diagnostics and physiotherapy for musculoskeletal conditions

Our Workforce Support Group, made up of neurodiverse employees, plays a key role in shaping better support for neurodiverse colleagues.

Our Wellbeing Steering Group, with representatives from across the Service, helps guide our wellbeing initiatives. This includes members of our Trauma Risk Incident Management Team, who are trained in peer support to assist colleagues exposed to traumatic incidents.

We also maintain a robust fitness policy. All operational firefighters undergo annual fitness testing, with results monitored by the Corporate Management Team and Fire Authority.

## **Equality, Diversity, and Inclusion (EDI)**

As a public authority, we are legally bound by the Equality Act 2010 to uphold the Public Sector Equality Duty. This includes:

- Eliminating unlawful discrimination, harassment, and victimisation
- Advancing equality of opportunity
- Fostering good relations between people with and without protected characteristics
- 

We meet these obligations by:

- Publishing annual diversity data
- Setting and reporting on measurable equality objectives

We are deeply committed to embedding EDI in both our service delivery and employment practices. Our goal is to build a workforce that reflects the diverse communities we serve. A diverse team helps us deliver better, more inclusive services and enhances community safety.

To support this, we run a range of positive action initiatives aimed at attracting and retaining talent from underrepresented groups. We also collect and analyse equality data to better understand our workforce and communities. Our Annual Equality Report and gender pay gap data are publicly available on our website.

We use People Impact Assessments (PIAs) to evaluate the effects of our policies and decisions on people with protected characteristics. These assessments help us identify and mitigate negative impacts while promoting fairness and inclusion. All community-facing events are planned with PIAs to ensure they meet the specific needs of our communities from the outset.

As part of our People Strategy, we will continue to prioritise EDI and seek new ways to understand and serve our communities, fostering a culture that is inclusive, respectful, and diverse.

## **Values and Culture**

Following the independent culture review of the London Fire Brigade and the HMICFRS spotlight report, which highlighted sector-wide issues of discrimination, harassment, and bullying, we took proactive steps to address any gaps in our own practices. An action plan was developed to align with recommendations not already covered in our People Strategy 2023–2027.

We regularly review our Grievance, Disciplinary, and Bullying & Harassment policies to ensure they reflect best practice and organisational learning. Our Cultural Action Plan includes:

- Enhanced training
- Structured feedback mechanisms
- A confidential, independent reporting line for concerns

Our values, developed in collaboration with staff, align with the National Fire Chiefs Council (NFCC) Core Code of Ethics and our Service's professional behaviours. These values are embedded in our annual appraisal process, ensuring accountability and alignment with our cultural expectations.

## **Fitness**

We recognise the critical importance of physical fitness for operational staff. All stations are equipped with fitness facilities, and all operational personnel are required to complete an annual fitness test. Support is available for anyone needing help to meet the required standards. We also recognise the fundamental linkage between physical fitness and mental wellbeing and offer support to all our staff to remain fit, healthy, active and supported.

### ***(end of Operational Assurance Statement)***

## **Assurance Statements**

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

### ***g. Internal Performance Management Framework***

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



## 5. Governance Issues

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

Following further discussions on governance and as reflected in the action point below for 2024/25, a full review of the FRA governance arrangements was undertaken by the Local Government Association (LGA) in late 2022.

### FRA Meetings during 2024/25

During 2024/25, there are no governance issues to raise in this AGS. The dates of the meetings are available on the Authority's website via the link below:

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

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

### ***Review of Issues and Actions identified within 2023/24 Annual Governance Statement***

The following Table briefly summarises the issues identified through the 2023/24 review of effectiveness process and the improvement actions that have been taken to address them during 2024/25:

<b>Issue/Area for improvement</b>	<b>Improvement Action Planned</b>	<b>Actions Completed</b>
Medium Term Budget/CRMP.	An updated medium-term budget position will be presented to the FRA during 2024/25 and in February 2025 the budget for 2025/26 will be presented for approval.	The budget was presented and set at the FRA on 13th February 2025, for the 2025/26 budget. This included the latest assumptions and medium-term financial plans.
Identification of areas of productivity, efficiency and savings/income needs progressing through the year leading up to the budget setting period.	To set up a Transformation Board, resourcing, monitoring and a Member Task and Finish Group.	A Transformation/Change Board has been set up and meetings have commenced.  The FRA Member Task and Finish Group was also set up, with meetings taking place too.
Completion of action points from the Governance Review	Complete any remaining actions, such as the review of any outstanding Member Handbook documents.	In the main completed, with the Procurement Policy delayed following the implementation of the postponed new Act.

### ***Issues and Improvement Actions identified by 2024/25 Annual Governance Statement***

The following Table summarises the issues and improvement actions identified through the 2024/25 review of effectiveness process, to address over 2025/26. As in previous years, a summary review of their implementation will be included within the next Annual Governance Statement.

<b>Issue/Area for improvement</b>	<b>Source</b>	<b>Improvement Action Planned</b>
Medium Term Budget/CRMP.	Assurance Statements.	An updated medium-term budget position will be presented to the FRA during 2025/26 and in February 2026 the budget for 2026/27 will be presented for approval.
Identification of areas of productivity, efficiency and savings/income needs progressing through the year leading up to the budget setting period.	FRA and SLT	Continuation of Transformation/Change Board. Continuation of the Member Task and Finish Group, overseeing the work and progress of the savings/efficiencies to meet the forecast budget gap.

### **Approval of the Annual Governance Statement**

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

**Cllr Jacqueline Burnett**  
Chair - Bedfordshire  
Bedfordshire FRA

**ANDREW HOPKINSON**  
Chief Fire Officer  
Bedfordshire FRS

# **STATEMENT OF ACCOUNTING POLICIES**

## **1. General Principles**

The Statement of Accounts summarises the Authority's transactions for the 2024/25 financial year and its position at the year end of 31 March 2025. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS).

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

## **2. Property, Plant and Equipment**

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

### **Recognition**

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

### **Measurement**

Assets are initially measured at cost, comprising:

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

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

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

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

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

- assets under construction — historical cost

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

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

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

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

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

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

### **Impairment**

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

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

### **Disposals**

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

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

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

### **Depreciation**

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

Depreciation is calculated on the following bases

#### **Buildings**

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

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

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

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

#### **Vehicles, Plant, Furniture and Equipment**

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

### **3. Heritage Assets**

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

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

### **4. Intangible Assets**

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

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

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

## **5. Charges to Revenue for Non-current Assets**

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

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

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

## **6. Financial Instruments – Borrowing**

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

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

## **7. Financial Instruments – Investments**

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

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

## **8. Debtors and Creditors**

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

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

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

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

## **9. Inventories**

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

## **10. Employee Benefits**

### **Post-Employment Benefits – Pensions**

The FRA participates in two Pension Schemes:

1) Firefighters' Pension Scheme

This is an unfunded, defined benefit scheme which is available to firefighters.

2) Local Government Pension Scheme (LGPS)

This is a funded, defined benefit scheme which is available to control and non-uniformed staff. The Scheme's assets are valued annually as at 31 March.

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

Interest cost of liabilities and any actuarial gains or losses on assets are also charged to the Comprehensive Income and Expenditure Statement. International Accounting Standard 19 (IAS 19) accounting entries are then reversed out from the General Fund Balance in the Movement in Reserves Statement in order that they do not represent a charge to the council tax payer. The pension information provided by the actuary is included within Note 28.

### **Termination Benefits**

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

### **Benefits Payable during Employment**

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

## **11. Leases**

### **Authority as Lessee**

These are accounted for in accordance with IFRS 16 Leases, which was adopted for the first time in 2024/25. This differs from the previous policy in the following main ways:



- Previously leases were separated into 'Finance Leases' and 'Operating Leases', with the former appearing in the balance sheet, and the latter being expensed directly through the CIES. Now all leases appear on the balance sheet as 'Right of Use' assets (other than those deemed to be of low value).
- There are differences in the treatment of interest on leases, leading to differences the charges to the CIES and consequently that the lease liability is written down at a different rate.

In line with the Code, the prior year balances have not been restated.

New leases will be accounted for under IFRS16, with existing leases to follow previous practice until their termination. The changes are not material.

In line with the Code, assets leased in by the authority are now shown on the balance sheet as Right of Use assets.

### **Authority as Lessor**

In line with IFRS16, the Authority will determine whether these leases meet the definition of 'finance lease' or 'operating lease'.

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

The Authority has no finance leases.

## **12. Provisions, Contingent Liabilities and Contingent Assets**

### **Provisions**

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

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

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

### **Contingent Liabilities**

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

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

## **Contingent Assets**

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

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

## **13. Reserves**

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

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

## **14. Support Services Allocation**

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

## **15. Government Grants and Contributions**

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

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

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

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

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

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

## **16. VAT**

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

## **17. Cash and Cash Equivalents**

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

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

## **18. Events after the Balance Sheet Date**

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

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

## **19. Prior period adjustments, changes in accounting policies and estimates and errors**

### **2024/25 presentational changes to the statement of accounts**

There are no prior year adjustments or changes in estimates and errors within the 2024/25 financial year. There was no accounting policy change other than that required under the Code. The change required under the Code impacting on these statements are:

- a) IFRS 16 *Leases*
  - This came into effect on 1 April 2024

- Under transition arrangements, existing finance leases have continued to operate under the previous accounting arrangements.
- Under IFRS16, the lease liability on the balance sheet brought forward would have been higher, as prior year accounting entries would have charged more to the CIES in interest payments, and less to reducing the outstanding lease liability.
- This prior year impact is estimated to be c£119k in total over two former finance leases.

### **Critical Judgements in Applying Accounting Policies**

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

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

There are no Standards that have been issued but not yet adopted.

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

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

The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are on the pension liabilities for both the Firefighters Pension Scheme and the Local Government Pension Scheme. The estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected return on pension fund assets (LGPS Scheme only). The actuaries have been appointed to provide the Authority with expert advice about both assumptions made in the pension calculations and about sensitivities to these assumptions.

Depreciation — the remaining useful lives of all assets are estimated. The Authority relies on the expertise of an external valuer to determine the lives of all building assets. The lives of vehicles, plant and equipment and intangible assets are based on historical experience and professional estimates. If the estimates were to differ from the actuals this would affect the level of depreciation and amortisation charged to the Comprehensive Income and Expenditure Statement, as well as the carrying amounts of non-current assets in the Balance Sheet. The carrying amounts of Property, Plant and Equipment as at 31 March 2025 was £46.3m, and total depreciation for the year was £2.2m. A 1% variation in these equates to £463,000 and £22,000 respectively.

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

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

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.

Sensitivities regarding principal assumptions regarding scheme liabilities are set out below:

<b>Sensitivity Analysis</b>	<b>Firefighter Pension Scheme £'000</b>	<b>Local Govt Pension Scheme £'000</b>
Increase to the discount rate of 0.5% Decrease on Present Value of total scheme liabilities	-17,000	-2,471
Increase in salary increase rate of 0.5% Increase on Present Value of total scheme liabilities	3,000	220
Increase in the Pensions Increase Rate (CPI) of 0.5% Increase on Present Value of total scheme liabilities	16,000	2,657
Increase in life expectancy of one (1) year Increase on Present Value of total scheme liabilities	6,000	933

## **Going Concern Statement**

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on the going concern basis.

In carrying out its assessment that this basis is appropriate, made for the going concern period to 31 March 2027, management of the Service have undertaken forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting. Scenario planning has also been undertaken and a prudent position included as the standard budget, most recently approved at the Fire & Rescue Authority meeting on 13 February 2025 for the 2025/26 budget and council tax setting. Some of the scenarios are captured in the Medium-Term Financial Strategy. The various budget documents can be viewed via the 2025/26 Budget agenda item via the agenda link below:

<https://bedsfireresauth.moderngov.co.uk/ieListDocuments.aspx?CId=134&MId=559&Ver=4>

The Authority, as detailed in note 23 to the accounts, is in a good reserves position and this is forecast to be the case over the medium term. The below summarises the position as in the summer of 2025, following the setting of the 2025/26 budget.

### **Existing Reserves as at 31/03/25 with 2025/26 budget updates:**

- General fund £2.400m - continues to be held to meet unforeseen costs
- Earmarked £4.671m (Including transformation and other budget manager reserves)
- Capital £4.084m – adjusts between years depending on slippage
- Budget managers' earmarked reserve £0.411m – rolls between years
- Estates £2.378m – to be utilised for significant estates works
- Pensions/pay reserve £0.392m – to be utilised as part of 2025/26 budget
- Vehicle appliance reserve £0.048m – to be utilised as part of 2025/26 budget
- Capital receipts reserve £0.242m – to be utilised as part of 2025/26 budget

Our cash flow forecasting and assessment of the adequacy of our liquidity position demonstrates positive cash balances throughout the going concern period. The 2025/26 medium term budget included the potential borrowing of £10m, as an indicative amount for the significant estate works that is likely to be approved over the coming year.

The Authority set a balanced 2025/26 budget in February 2024, following a further one-year Government Funding settlement despite a three-year CSR. The Authority opted to build in realistic pay awards at 3 per cent for both operational and non-operational staff in the 2025/26 budget, so the financial planning incorporated these key pressures. The firefighters pay award for 2025 was finally been agreed at 3.2 per and the same for non-operational staff. These will add circa £70k annual pressures. Pay awards, pensions and the council tax referendum limit are three key uncertainties facing our Authority and the wider public sector. The Authority as noted above had set aside a realistic pay budget and also earmarked reserve for pay and pensions. The council tax flexibility of up to £5, the first time for the Service, was a welcome addition to the budget process for 2023/24 and more recently for 2025/26. Inflationary pressures continue and were built into the 2022/23 to 2024/25 budgets and will be managed over the 2025/26 financial year.

Positively, grant income from Government continues, with grants received during 2024/25 for New Burdens, Prevention & Protection, external audit and Tariff/Top adjustments. Some of these are

expected in 2025/26 too. There was overall a Collection Fund deficit forecast for 2024/25 that was built into the 2025/26 budget.

The link to the 2025/26 budget and associated supporting papers is included above. The General Reserve balance as at 31 March 2024 and also 2025 is £2.4m and the earmarked reserves continue in a strong funded position. The reserves strategy contains the full detail via the link below:

<https://bedsfireresauth.moderngov.co.uk/documents/s6709/Item%2009e%20Appendix%205%20-%20Reserve%20Strategy.pdf>

There is uncertainty if the £5 council tax flexibility will be reintroduced in 2026/27, and the continuation of grants such as the Services Grant. The funding guarantee grant did cease in 20-25/26.

The Home Office have confirmed that the previous employers pension grant will continue as part of the overall settlement rather than a specific grant as in years 2023/24 and prior. A new pensions employer grant was introduced for the 2024/25 budget following the more recent actuarial review. Based on these uncertainties, different planning scenarios will be worked on again for 2026/27, as it was for the 2025/26 budget. This will include additional savings and efficiencies, linked in with the work from the Transformation workstreams. If the £5 council tax referendum limit is again permissible for 2026/27 for the Fire Sector, this will significantly change our financial forecasts (the impact between a 3% and £5 referendum limit is circa £400k per annum).

Within the budgeted scenarios, a key financial impact may be from the Business Rates reset and if this does proceed, whether there will be a transitional period. In summary, the 2025/26 is a robust one, with realistic pay awards budgeted and also prudently the inclusion of reduced income from the business rates reset. Over 2025, work is progressing well on identifying savings and efficiencies that could be called upon based on the level of the budget gap.

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

## **MOVEMENT IN RESERVES STATEMENT**

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

### **Usable Reserves**

	<b>General Fund Balance</b>	<b>Earmarked Reserves</b>	<b>Capital Grants &amp; Other Contrib Unapplied</b>	<b>Capital Receipts Reserve</b>	<b>Total Usable Reserves</b>	<b>Unusable Reserves (see below)</b>	<b>Total Authority Reserves</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance at 31 March 2023</b>	<b>2,400</b>	<b>12,438</b>	<b>159</b>	<b>548</b>	<b>15,545</b>	<b>-226,262</b>	<b>-210,717</b>
<b>Movement in Reserves 2023/24</b>							
Surplus or (deficit) on provision of service (accounting basis)	-5,440	0	0	0	-5,440	0	-5,440
Other Comprehensive Income and Expenditure	0	0	0	0	0	-424	-424
<b>Total Comprehensive Income and Expenditure</b>	<b>-5,440</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-5,440</b>	<b>-424</b>	<b>-5,864</b>
Adjustment between accounting basis and funding basis under regulations	4,041	0	0	-306	3,735	-3,735	0
<b>Net Increase/Decrease before Transfers to Earmarked Reserves</b>	<b>-1,399</b>	<b>0</b>	<b>0</b>	<b>-306</b>	<b>-1,705</b>	<b>-4,159</b>	<b>-5,864</b>
Transfers to/from Earmarked Reserves	1,399	-1,399	0	0	0	0	0
<b>Increase/Decrease in Year</b>	<b>0</b>	<b>-1,399</b>	<b>0</b>	<b>-306</b>	<b>-1,705</b>	<b>-4,160</b>	<b>-5,864</b>
<b>Balance at 31 March 2024</b>	<b>2,400</b>	<b>11,039</b>	<b>159</b>	<b>242</b>	<b>13,840</b>	<b>-230,421</b>	<b>-216,581</b>
<b>Movement in Reserves 2024/25</b>							
Surplus or (deficit) on provision of service (accounting basis)	-3,027	0	0	0	-3,027	0	-3,027
Other Comprehensive Income and Expenditure	0	0	0	0	0	33,182	33,182
<b>Total Comprehensive Income and Expenditure</b>	<b>-3,027</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3,027</b>	<b>33,182</b>	<b>30,155</b>
Adjustment between accounting basis and funding basis under regulations	3,741	0	0	0	3,741	-3,741	0
<b>Net Increase/Decrease before Transfers to Earmarked Reserves</b>	<b>714</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>714</b>	<b>29,441</b>	<b>30,155</b>
Transfers to/from Earmarked Reserves	-714	714	0	0	0	0	0
<b>Increase/Decrease in Year</b>	<b>0</b>	<b>714</b>	<b>0</b>	<b>0</b>	<b>714</b>	<b>29,441</b>	<b>30,155</b>
<b>Balance at 31 March 2025</b>	<b>2,400</b>	<b>11,753</b>	<b>159</b>	<b>242</b>	<b>14,554</b>	<b>-205,858</b>	<b>-191,304</b>



## Unusable Reserves

	Revaluation Reserve	Capital Adjustment Account	LGPS Pension Reserve	Firefighters Pension Reserve	Collection Fund Adjustment Account	Accumulated Absences Account	Total Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2023</b>	<b>19,534</b>	<b>17,056</b>	<b>-1,526</b>	<b>-260,450</b>	<b>-261</b>	<b>-615</b>	<b>-226,262</b>
<b>Movement in Reserves 2023/24</b>							
Surplus or (deficit) on provision of service (accounting basis)	0	0	0	0	0	0	0
Other Comprehensive Expenditure and Income	-709	0	-543	-4,050	0	0	-5,302
<b>Total Comprehensive Expenditure and Income</b>	<b>-709</b>	<b>0</b>	<b>-543</b>	<b>-4,050</b>	<b>0</b>	<b>0</b>	<b>-5,302</b>
Adjustment between accounting basis and funding basis under regulations	312	841	308	-5400	144	61	-3,735
<b>Net Increase/Decrease before Transfers to Earmarked Reserves</b>	<b>-397</b>	<b>841</b>	<b>-235</b>	<b>-9,450</b>	<b>144</b>	<b>61</b>	<b>-9,037</b>
Transfers to/from Earmarked Reserves	0	0	0	0	0	0	0
<b>Increase/Decrease in Year</b>	<b>-397</b>	<b>841</b>	<b>-235</b>	<b>-9,450</b>	<b>144</b>	<b>61</b>	<b>-9,037</b>
<b>Balance at 31 March 2024</b>	<b>19,137</b>	<b>17,897</b>	<b>-1,761</b>	<b>-269,900</b>	<b>-117</b>	<b>-554</b>	<b>-235,299</b>
<b>Movement in Reserves 2024/25</b>							
Surplus or (deficit) on provision of service (accounting basis)	0	0	0	0	0	0	0
Other Comprehensive Expenditure and Income	3,182	0	-280	30,280	0	0	33,182
<b>Total Comprehensive Expenditure and Income</b>	<b>3,182</b>	<b>0</b>	<b>-280</b>	<b>30,280</b>	<b>0</b>	<b>0</b>	<b>33,182</b>
Adjustment between accounting basis and funding basis under regulations	-437	-457	375	-3,594	419	-47	-3,741
<b>Net Increase/Decrease before Transfers to Earmarked Reserves</b>	<b>2,745</b>	<b>-457</b>	<b>95</b>	<b>26,686</b>	<b>419</b>	<b>-47</b>	<b>29,441</b>
Transfers to/from Earmarked Reserves	0	0	0	0	0	0	0
<b>Increase/Decrease in Year</b>	<b>2,745</b>	<b>-457</b>	<b>95</b>	<b>26,686</b>	<b>419</b>	<b>-47</b>	<b>29,441</b>
<b>Balance at 31 March 2025</b>	<b>21,882</b>	<b>17,440</b>	<b>-1,666</b>	<b>-243,214</b>	<b>301</b>	<b>-601</b>	<b>-205,858</b>

# COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

For the year ended 31 March 2025

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

2023/24				2024/25		
Gross Expend £'000	Income £'000	Net Expend £'000	By Service	Gross Expend £'000	Income £'000	Net Expend £'000
1,304	-4	<b>1,300</b>	Strategic Management	1,295	-11	<b>1,284</b>
-5,752	-468	<b>-6,220</b>	Assistant Chief Officer * / **	-7,292	-711	<b>-8,003</b>
19,718	-191	<b>19,527</b>	Head of Response	21,913	-458	<b>21,455</b>
4,595	-431	<b>4,164</b>	Head of Strategic Support and Assurance	5,497	-446	<b>5,051</b>
2,608	-132	<b>2,476</b>	Head of Training and Asset Management *	2,874	-132	<b>2,742</b>
3,960	-203	<b>3,757</b>	Head of Information Communications	3,581	-134	<b>3,447</b>
2,975	-401	<b>2,574</b>	Head of Protection and Prevention	2,946	-194	<b>2,752</b>
1,441	-36	<b>1,405</b>	Head of Human Resources	1,581	-35	<b>1,546</b>
400	0	<b>400</b>	Head of Communications	333	0	<b>333</b>
<b>31,249</b>	<b>-1,866</b>	<b>29,383</b>	<b>Net Cost of Services</b>	<b>32,728</b>	<b>-2,121</b>	<b>30,607</b>
			<b>Other Operating Expenditure</b>			
18	-16	2	(Gains) / Losses on Disposal of Fixed Assets	0	0	0
			<b>Financing and Investment</b>			
422		422	Interest Payable and Similar Charges	447		447
	-965	-965	Interest and Investment Income		-956	-956
11,996		11,996	Net Interest on net defined benefit / liability (asset)	12,655		12,655
			<b>Taxation and Non-Specific Grant Income:</b>			
	-24,970	-24,970	Council Tax income		-26,549	-26,549
	-2,507	-2,507	Business Rate income		-3,012	-3,012
	-7,921	-7,921	Non-specific Government Grants		-10,165	-10,165
<b>43,685</b>	<b>-38,245</b>	<b>5,440</b>	<b>(Surplus) / Deficit on Provision of Service</b>			<b>3,027</b>
		710	(Surplus) or Deficit of Non-Current Assets			3,183
		4,593	Re-measurement of the net defined benefit / liability			30,000
		<b>10,743</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>36,210</b>

Notes:

\* The 2023/24 comparator figures have been restated to allow for a like-for-like comparison following a minor change in responsibilities during 2024/25.

\*\* The negative gross expenditure figure is due to the actuarial assessment of current pension cost being less than the actual cost

# **BALANCE SHEET**

As at 31 March 2025

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

31 March 2024 £'000		31 March 2025 £'000	See Note
	<b>Non-Current Assets</b>		
37,071	Land and Buildings	39,649	10
7,183	Vehicles, Plant and Equipment	5,781	10
	Right of Use Assets	487	10
	<b>Non-Operational Assets</b>		
113	Assets Under Construction	366	10
<b>44,367</b>	<b>Total Property, Plant and Equipment</b>	<b>46,283</b>	
30	Heritage Assets	30	10
12	Intangible Assets	0	11
22	Long term Debtors	12	13
<b>44,431</b>	<b>Total Long Term Assets</b>	<b>46,325</b>	
	<b>Current Assets</b>		
324	Inventories	285	12
3,322	Short Term Debtors	2,816	13
1,738	Prepayments	1,782	14
13,875	Short Term Investments	15,287	19
2,994	Cash and Cash Equivalents	4,429	20
<b>22,253</b>	<b>Total Current Assets</b>	<b>24,599</b>	
<b>66,684</b>	<b>Total Assets</b>	<b>70,924</b>	
	<b>Current Liabilities</b>		
0	Short Term Borrowing		
-4,541	Short Term Creditors	-4,565	15
-1,217	Other Creditors	-2,180	16
-159	Lease Creditors	-166	9
<b>-5,917</b>	<b>Total Current Liabilities</b>	<b>-6,911</b>	
	<b>Non-Current Liabilities</b>		
-9,987	Long Term Borrowing	-9,987	18
-405	Lease Creditors	-239	9
-172	Provisions	-210	22
-271,661	Defined Benefit Pension Scheme	-244,880	28
<b>-282,225</b>	<b>Total Non-Current Liabilities</b>	<b>-255,316</b>	
<b>-288,142</b>	<b>Total Liabilities</b>	<b>-262,227</b>	
<b>-221,458</b>	<b>Net Assets/Liabilities</b>	<b>-191,303</b>	
	<b>Unusable Reserves</b>		
19,136	Revaluation Reserve	21,882	24
17,897	Capital Adjustment Account	17,440	24
-117	Collection Fund Adjustment Account	301	17
-554	Accumulated Absences Account	-601	24
-271,661	Pension Reserve	-244,880	24
<b>-235,299</b>	<b>Total Unusable Reserves</b>	<b>-205,858</b>	
	<b>Usable Reserves</b>		
242	Capital Receipts Reserve	242	23
159	Grants and Other Contributions Unapplied	159	23
11,040	Earmarked Reserves	11,754	23
2,400	General Reserves	2,400	23
<b>13,841</b>	<b>Total Usable Reserves</b>	<b>14,555</b>	
<b>-221,458</b>	<b>Total Tax Payers Equity</b>	<b>-191,303</b>	

These accounts were approved on 30 June 2025.  
by G Chambers (CPFA)

## **CASH FLOW STATEMENT**

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

<b>2023/24 £'000</b>		<b>2024/25 £'000</b>
	<b>Operating Activities</b>	
	<b>Cash Outflows:</b>	
31,931	Cash paid to and on behalf of Employees	32,371
6,291	Cash Paid to Suppliers of Goods and Service	6,515
211	Interest Paid	422
<b>38,433</b>	<b>Cash Outflows Generated from Operating Activities</b>	<b>39,308</b>
	<b>Cash Inflows:</b>	
-25,102	Council Tax Receipts	-26,109
-7,396	National Non-Domestic Rates	-3,012
-2,649	Revenue Support Grant	-4,549
-948	Other Grants	-7,743
-891	Sales of Goods and Rendering of Services	-956
0	Other Operating Cash Receipts	0
-772	Interest Received	-1,037
<b>-37,758</b>	<b>Cash Inflows Generated from Operating Activities</b>	<b>-43,406</b>
<b>675</b>	<b>Net Cash Outflow/ (Inflow) on Operating Activities:</b>	<b>-4,098</b>
	<b>Investing Activities</b>	
	<b>Cash Outflows:</b>	
2,036	Purchase of Property, Plant and Equipment	979
24,500	Purchase of Long term and Short Term Investments	34,000
	<b>Cash Flows:</b>	
-16	Sale of Property, Plant and Equipment	0
-25,000	Sale of Long Term and Short Term Investments	-32,500
<b>1,520</b>	<b>Net Cash Outflow/ (Inflow) from Investing Activities</b>	<b>2,479</b>
	<b>Financing Activities</b>	
	<b>Cash Outflows:</b>	
167	Cash Payments for the Reduction of the Outstanding Lease Liabilities	184
	<b>Cash Inflows:</b>	
0	Cash outflow from financing	0
<b>167</b>	<b>Net Cash Outflow/ (Inflow) from Financing:</b>	<b>184</b>
<b>2,362</b>	<b>Net (Increase)/Decrease in Cash and Cash Equivalents</b>	<b>-1,435</b>
-5,356	Cash and Cash Equivalents at the beginning of the reporting year	-2,994
-2,994	Cash and Cash equivalents at the end of the reporting year	-4,429
<b>2,362</b>	<b>Net Change in Cash and Cash equivalents in the Year</b>	<b>-1,435</b>

# NOTES TO THE CORE FINANCIAL STATEMENTS

## 1. Expenditure and Funding Analysis

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

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

2023/24			By Service	2024/25		
Net Expenditure chargeable to the General Fund	Adjustments between Funding and Accounting Basis	Net Expenditure in the CIES		Net Expenditure chargeable to the General Fund	Adjustments between Funding and Accounting Basis	Net Expenditure in the CIES
£'000	£'000	£'000		£'000	£'000	£'000
1,276	24	1,300	Head of Strategic Management	1,263	21	1,284
-6,153	-67	-6,220	Assistant Chief Officer	-7,992	-11	-8,003
19,060	467	19,527	Head of Response	20,488	967	21,455
3,916	248	4,164	Head of Strategic Support and Assurance	4,336	715	5,051
2,453	23	2,476	Head of Training and Asset Management	2,666	76	2,742
3,588	169	3,757	Head of Information Communications	3,357	90	3,447
2,608	-34	2,574	Head of Prevention and Protection	2,775	-23	2,752
1,433	-28	1,405	Head of Human Resources	1,585	-39	1,546
408	-8	400	Head of Communications	338	-5	333
<b>28,589</b>	<b>794</b>	<b>29,383</b>	<b>Net Cost of Services</b>	<b>28,816</b>	<b>1,791</b>	<b>30,607</b>
-27,190	3,247	-23,943	Other Income & Expenditure	-29,530	1,950	-27,580
<b>1,399</b>	<b>4,041</b>	<b>5,440</b>	<b>(Surplus)/Deficit on provision of Services</b>	<b>-714</b>	<b>3,741</b>	<b>3,027</b>
-2,400			Opening General Fund Balance	-2,400		
-1,398			Add surplus on General Fund	-198		
1,398			Less Transfer to Earmarked Reserves	198		
<b>-2,400</b>			<b>Closing General Fund Balance at 31 March</b>	<b>-2,400</b>		

Notes:

\* The 2023/24 comparator figures have been restated to allow for a like-for-like comparison following a minor change in responsibilities during 2024/25.

## 1.a. Segmental Income

For information regarding income please see CIES.

## 1.b. Adjustments between Funding and Accounting Basis

### 2024/25

Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes £'000	Net Change for Pension Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Head of Strategic Management	29	-8	0	21
Assistant Chief Officer	171	-182	0	-11
Head of Response	1,027	-60	0	967
Head of Strategic Support and Assurance	766	-51	0	715
Head of Training and Asset Management	93	-17	0	76
Head of Information Communications	137	-47	0	90
Head of Prevention and Protection	30	-53	0	-23
Head of Human Resources	0	-39	0	-39
Head of Communications	0	-5	0	-5
<b>Net Cost of Services</b>	<b>2,253</b>	<b>-462</b>	<b>0</b>	<b>1,791</b>
Other Income & Expenditure from the EFA Analysis	-1,359	3,681	-372	1,950
<b>Differences between the General Fund Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services</b>	<b>894</b>	<b>3,219</b>	<b>-372</b>	<b>3,741</b>

### 2023/24

Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes £'000	Net Change for Pension Adjustments £'000	Other Differences £'000	Total Adjustments £'000
Head of Strategic Management	29	-5		24
Assistant Chief Officer	101	-168		-67
Head of Response	510	-43		467
Head of Strategic Support and Assurance	288	-40		248
Head of Training and Asset Management	38	-15		23
Head of Information Communications	206	-37		169
Head of Prevention and Protection	8	-42		-34
Head of Human Resources	0	-28		-28
Head of Communications	0	-8		-8
<b>Net Cost of Services</b>	<b>1,180</b>	<b>-386</b>	<b>0</b>	<b>794</b>
Other Income & Expenditure from the EFA Analysis	-2,027	5,478	-204	3,247
<b>Differences between the General Fund Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services</b>	<b>-847</b>	<b>5,092</b>	<b>-204</b>	<b>4,041</b>

Notes:

\* The 2023/24 comparator figures have been restated to allow for a like-for-like comparison following a minor change in responsibilities during 2024/25.

\*\* The negative gross expenditure figure is due to the actuarial assessment of current pension cost being less than the actual cost

## **i. Adjustments for Capital Purposes**

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

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

## **ii. Net Change for the Pensions Adjustments**

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

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

## **iii. Other Differences**

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

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

### 1.c. Expenditure and Income Analysed By Nature

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

<b>Expenditure / Income Service Analysis</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>
Fees, Charges and Other Service Income	-1,031	-1,145
Interest and Investment Income	-965	-956
Income from Council Tax	-24,970	-26,549
Income from Business Rates	-2,506	-3,012
Government Grants and Contributions	-8,776	-11,137
Disposal on non-current assets	-16	0
<b>Total Income</b>	<b>-38,264</b>	<b>-42,799</b>
Employee Expenses	23,270	23,966
Employee Absence Accrual	-61	47
Other Operating Expenses	6,880	6,460
Depreciation, Amortisation and Impairment	1,179	2,252
Interest Payments	422	447
Pensions Interest Cost and Return on Pension Fund Assets	11,996	12,654
Disposal on non-current assets	18	0
<b>Total Operating Expenses</b>	<b>43,704</b>	<b>45,826</b>
<b>Surplus (-) or deficit on the provision of Services</b>	<b>5,440</b>	<b>3,027</b>



## 2. Adjustments between accounting basis and funding basis under regulations

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

**2024/25**

### **Usable Reserves**

	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants & Contrib	Total Useable Reserves	Total Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily Involving the Capital Adjustment Account:</b>							
Charges for depreciation and impairment of non-current assets	-2,252				-2,252	2,252	0
Difference between historic cost and current cost depreciation					0	0	0
Amount by which finance costs calculated in accordance with the Code are different from the amount of finance costs calculated in accordance with statutory requirements	159				159	-159	0
Statutory provision for the financing of Capital investment	225				225	-225	0
Write out on disposal of fixed assets	0				0	0	0
Capital expenditure charged to the General Fund Balance	974				974	-974	0
<b>Adjustments Primarily Involving the Pensions Reserve:</b>							
Amount by which pension costs calculated in accordance with the Code (i.e. IAS 19) are different from the contributions due under Local Government pension Scheme regulations	375				375	-375	0
Amount by which pension costs calculated in accordance with the Code (i.e. IAS 19) are different the contributions due under Firefighter pension scheme regulations	-3,594				-3,594	3,594	0
<b>Adjustments Primarily Involving the Capital Receipts Reserve:</b>							
Transfer of cash sale proceeds credited as part of the gain/loss on disposals to the CIES					0	0	0
Capital receipts applied					0	0	0
<b>Adjustments Primarily Involving the Capital Grants Unapplied Account:</b>							
Capital Grants Received in prior years applied					0	0	0
<b>Adjustments Primarily Involving the Accumulated Absences Account:</b>							
Amounts by which officer remuneration included in the CIES is different from the amount taken to the General Fund in accordance with regulations	-47				-47	47	0
<b>Adjustments Primarily Involving the Collection Fund Adjustment Account:</b>							
Amount by which council tax and non-domestic rating account income included in the CIES is different from the amount taken to the General Fund in accordance with regulations	419				419	-419	0
	<b>-3,741</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3,741</b>	<b>3,741</b>	<b>0</b>

**2024/25**  
**Unusable Reserves**

	Revaluation Reserve	Capital Adjustment Account	LGPS Pension Reserve	Firefighters Pension Reserve	Collection Fund Adjustment Account	Accum Absences Account	Total Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily Involving the Capital Adjustment Account:</b>							
Charges for depreciation and impairment of non-current assets		2,252					2,252
Difference between historic cost and current cost depreciation	437	-437					0
Amount by which finance costs calculated in accordance with the Code are different from the amount of finance costs calculated in accordance with statutory requirements		-159					-159
Statutory provision for the financing of Capital investment		-225					-225
Write out on disposal of fixed assets		0					0
Capital expenditure charged to the General Fund Balance		-974					-974
<b>Adjustments Primarily Involving the Pensions Reserve:</b>							
Amount by which pension costs calculated in accordance with the Code (i.e. IAS 19) are different from the contributions due under Local Government pension Scheme regulations			-375				-375
Amount by which pension costs calculated in accordance with the Code (i.e. IAS 19) are different the contributions due under Firefighter pension scheme regulations				3,594			3,594
<b>Adjustments Primarily Involving the Capital Receipts Reserve:</b>							
Transfer of cash sale proceeds credited as part of the gain/loss on disposals to the CIES							0
Capital receipts applied							0
<b>Adjustments Primarily Involving the Capital Grants Unapplied Account:</b>							
Capital Grants Received in prior years applied							0
<b>Adjustments Primarily Involving the Accumulated Absences Account:</b>							
Amounts by which officer remuneration included in the CIES is different from the amount taken to the General Fund in accordance with regulations						47	47
<b>Adjustments Primarily Involving the Collection Fund Adjustment Account:</b>							
Amount by which council tax and non-domestic rating account income included in the CIES is different from the amount taken to the General Fund in accordance with regulations					-419		-419
	437	457	-375	3,594	-419	47	3,741

**2023/24**  
**Usable Reserves**

	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants & Contrib	Total Useable Reserves	Total Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily Involving the Capital Adjustment Account:</b>							
Charges for depreciation and impairment of non-current assets	-1,179				-1,179	1,179	0
Difference between historic cost and current cost depreciation					0	0	0
Amount by which finance costs calculated in accordance with the Code are different from the amount of finance costs calculated in accordance with statutory requirements	167				167	-167	0
Statutory provision for the financing of Capital investment	229				229	-229	0
Write out on disposal of fixed assets	-18				-18	18	0
Capital expenditure charged to the General Fund Balance	1,633				1,633	-1,633	0
<b>Adjustments Primarily Involving the Pensions Reserve:</b>							
Amount by which pension costs calculated in accordance with the Code (i.e. IAS 19) are different from the contributions due under Local Government pension Scheme regulations	308				308	-308	0
Amount by which pension costs calculated in accordance with the Code (i.e. IAS 19) are different the contributions due under Firefighter pension scheme regulations	-5,400				-5,400	5,400	0
<b>Adjustments Primarily Involving the Capital Receipts Reserve:</b>					0		
Transfer of cash sale proceeds credited as part of the gain/loss on disposals to the CIES	16		-16		0	0	0
Capital receipts applied			322		322	-322	0
<b>Adjustments Primarily Involving the Capital Grants Unapplied Account:</b>							
Capital Grants Received in prior years applied					0	0	0
<b>Adjustments Primarily Involving the Accumulated Absences Account:</b>							
Amounts by which officer remuneration included in the CIES is different from the amount taken to the General Fund in accordance with regulations	61				61	-61	0
<b>Adjustments Primarily Involving the Collection Fund Adjustment Account:</b>							
Amount by which council tax and non-domestic rating account income included in the CIES is different from the amount taken to the General Fund in accordance with regulations	143				143	-143	0
	<b>-4,040</b>	<b>0</b>	<b>306</b>	<b>0</b>	<b>-3,734</b>	<b>3,734</b>	<b>0</b>

**2023/24**  
**Unusable Reserves**

	Revaluation Reserve	Capital Adjustment Account	LGPS Pension Reserve	Firefighters Pension Reserve	Collection Fund Adjustment Account	Accum Absences Account	Total Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily Involving the Capital Adjustment Account:</b>							
Charges for depreciation and impairment of non-current assets		1,179					1,179
Difference between historic cost and current cost depreciation	-313	313					0
Amount by which finance costs calculated in accordance with the Code are different from the amount of finance costs calculated in accordance with statutory requirements		-167					-167
Statutory provision for the financing of Capital investment		-229					-229
Write out on disposal of fixed assets		18					18
Capital expenditure charged to the General Fund Balance		-1,633					-1,633
<b>Adjustments Primarily Involving the Pensions Reserve:</b>							
Amount by which pension costs calculated in accordance with the Code (i.e. IAS 19) are different from the contributions due under Local Government pension Scheme regulations			-308				-308
Amount by which pension costs calculated in accordance with the Code (i.e. IAS 19) are different the contributions due under Firefighter pension scheme regulations				5,400			5,400
<b>Adjustments Primarily Involving the Capital Receipts Reserve:</b>							
Transfer of cash sale proceeds credited as part of the gain/loss on disposals to the CIES							0
Capital receipts applied		-322					-322
<b>Adjustments Primarily Involving the Capital Grants Unapplied Account:</b>							
Capital Grants Received in prior years applied							0
<b>Adjustments Primarily Involving the Accumulated Absences Account:</b>							
Amounts by which officer remuneration included in the CIES is different from the amount taken to the General Fund in accordance with regulations						-61	-61
<b>Adjustments Primarily Involving the Collection Fund Adjustment Account:</b>							
Amount by which council tax and non-domestic rating account income included in the CIES is different from the amount taken to the General Fund in accordance with regulations					-143		-143
	-313	-841	-308	5,400	-143	-61	3,734

### 3. Members' Allowances

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

	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>
Allowances	59	69
Expenses	0	2
<b>Total</b>	<b>59</b>	<b>71</b>

### 4. Officers' Remuneration

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

<b>2023/24 No. of Employees</b>	<b>Remuneration Band £</b>	<b>2024/25 No. of Employees</b>
9	50,000 to 54,999	11
7	55,000 to 59,999	3
8	60,000 to 64,999	12
9	65,000 to 69,999	8
3	70,000 to 74,999	2
2	75,000 to 79,999	7
2	80,000 to 84,999	1
1	85,000 to 89,999	1
1	90,000 to 94,999	3
1	105,000 to 109,999	2
1	110,000 to 114,999	0
1	115,000 to 119,999	0
0	120,000 to 124,999	1
1	125,000 to 129,999	1
0	130,000 to 134,999	1
0	145,000 to 149,999	1
1	155,000 to 159,999	0
1	175,000 to 179,999	1
<b>48</b>	<b>Total</b>	<b>55</b>

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

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

## 2024/25

	Notes	Salary (excluding fees & allowances) £	Expenses & Allowances £	Benefits in Kind £	Total Remuneration (excluding) Pension contributions) £	Employer's Pension Contributions £	Total Remuneration (including pension contributions) £
Chief Fire Officer		177,726			177,726	66,825	244,551
Deputy Chief Fire Officer		145,734			145,734	54,796	200,530
Assistant Chief Fire Officer	1	122,185			122,185	45,942	168,127
Assistant Chief Fire Officer		133,293			133,293	50,118	183,411
Assistant Chief Officer		124,407	5,021		129,428	25,628	155,056
		<b>703,345</b>	<b>5,021</b>	<b>0</b>	<b>708,367</b>	<b>243,308</b>	<b>951,675</b>

### Notes

1 – Started 1/5/2024

## 2023/24

	Notes	Salary (excluding fees & allowances) £	Expenses & Allowances £	Benefits in Kind £	Total Remuneration (excluding) Pension contributions) £	Employer's Pension Contributions £	Total Remuneration (including pension contributions) £
Chief Fire Officer		184,137	0	0	184,137	53,031	<b>237,168</b>
Deputy Chief Fire Officer		151,277	0	0	151,277	43,568	<b>194,845</b>
Assistant Chief Officer		134,056	5,090	0	139,146	26,585	<b>165,731</b>
Assistant Chief Fire Officer	1	157,658	0	0	157,658	41,006	<b>198,664</b>
Deputy Asst Chief Fire Officer Director of Transformation		46,636	0	0	46,636	11,674	<b>58,310</b>
		<b>673,764</b>	<b>5,090</b>	<b>0</b>	<b>678,854</b>	<b>175,864</b>	<b>854,718</b>

### Notes

2023/24 pay includes back-dated pay awards

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

## Termination Benefits/Exit Packages

In 2024/25 there were 3 termination benefit/ exit packages totalling £22.9k.

In 2023/24 there were 5 termination benefit/exit packages totalling £9.6k.

## 5. Related Party Transactions

### Introduction

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

### Declarations

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

During 2023/24, works and services to the value of £89.7k were commissioned from the National Fire Chiefs Council. These are all entities of which an officer had an interest. This officer has declared their interest in accordance with IAS24.

### The Fire and Rescue Indemnity Company

Until 31 October 2015 insurances for the Authority were arranged as part of a consortium of nine Fire and Rescue Authorities. These Fire and Rescue Authorities, including Bedfordshire, are now members of the Fire and Rescue Indemnity Company Limited. The company commenced trading in November 2015. The Authority's risk protection arrangements are provided through the pooled funds of the company. During 2024/25 the Authority made a contribution of £371k to the company for the year to 31 October 2025 with £154k of this treated as an expense in 2024/25.

## 6. Disclosure of Audit Costs

<b>2023/24 £'000</b>		<b>2024/25 £'000</b>
93	Fees payable with regard to External Audit services carried out by the appointed auditor.	104
0	Fees payable in respect of other services provided by the appointed auditor.	0
<b>93</b>	<b>Total</b>	<b>104</b>

KMPG are our External Auditors (started financial year 2023/24).

This note reflects the audit fees expected to be incurred in relation to financial years disclosed.

## 7. Capital Expenditure and Financing

	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>
Opening Capital Financing Requirement	7,771	7,376
Capital Investment:		
Property, Plant and Equipment	1,955	974
Intangible Assets	0	0
Revenue Expenditure Funded from Capital Under Statute	0	0
Sources of Finance:		
Capital receipts	-322	
Government Grants and Other Contributions	0	0
Sums Set Aside from Revenue:		
Direct Revenue Contributions	-1,633	-974
MRP and Finance Lease repayment	-395	-384
<b>Closing Capital Financing Requirement</b>	<b>7,376</b>	<b>6,992</b>
Explanation of Movements in Year:		
Assets acquired under finance leases	0	0
Increase/(Decrease) in underlying need to borrowing (unsupported by Government financial assistance)	-395	-384
<b>Increase/(decrease) in Capital Financing Requirement</b>	<b>-395</b>	<b>-384</b>

## 8. Leases – as lessee

Accounting for lease falls under IFRS17, as amended by the Code.

### Right of Use (RoU) Assets

There are three leases that result in RoU assets:

- Personal protective equipment (PPE) - entered into in 2019/20
- Local Area Network (LAN) ICT equipment – entered into in 2022/23.
- Firelink Radios under the Airwave contract – entered into in 2011/12. This ceased at 31 March 2017, however the radios continue to be in use, so are included in the gross value.

The accounting arrangement for lease in existence prior to 1 April 2024 will continue under the old arrangements. Any new leases from 1 April 2024 onwards will be accounted for under IFRS16.

Details of the lease values held on the balance sheet are:

	<b>Gross Value £'000</b>	<b>Accumulated Depreciation £'000</b>	<b>Net Value £'000</b>
<b>As at 1 April 2024</b>	<b>1,156</b>	<b>-506</b>	<b>650</b>
Write Outs in the Year (adjustments)	0	0	0
Additions	0	0	0
Disposals	0	0	0
Depreciation		-163	-162
<b>As at 31 March 2025</b>	<b>1,156</b>	<b>-669</b>	<b>487</b>



<b>Comprised of:</b>			
PPE	747	-467	280
LAN	345	-138	207
Firelink radios	64	-64	0
	<b>1,156</b>	<b>-669</b>	<b>487</b>

Cashflow payments for these leases (rental payments) are set out below:

	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>Future years £'000</b>
PPE	105	105	228
LAN	79	79	210
Firelink radios	0	0	0
<b>Total</b>	<b>184</b>	<b>184</b>	<b>438</b>

The Authority also has some leases previously accounted for as Operating leases. As these are low value leases, they have not been treated as Right of Use assets.

Payments on these low value leases is:

	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>
Low value lease payments	11	0

## **9. Leases – as lessor**

In 2024/25, it was determined that there some embedded leases for renting out parts of various fire stations to the East of England Ambulance Service, Bedfordshire Police and St John's Ambulance.

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

	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>
Income Receivable	50	53

## 10. Property, Plant and Equipment and Heritage Assets

### Movements 2024/25

	Land and Buildings	Vehicles, Plant and Equip	Right of Use Assets	Assets Under Constructn	Total Property, Plant and Equip	Heritage Assets
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Gross Book Value At 1 April 2024</b>	<b>37,071</b>	<b>17,225</b>	<b>1,156</b>	<b>113</b>	<b>55,566</b>	<b>30</b>
Additions	106	502	0	366	974	0
Donations	0	0	0	0	0	0
Revaluation increases /(decreases) recognised in the Revaluation Reserve	3,183	0	0	0	3,183	0
Revaluation increases /(decreases) recognised in the CIES	0	0	0	0	0	0
Disposals/Write Outs	0	-842	0	0	-842	0
Reclassifications	42	71	0	(113)	0	0
<b>At 31 March 2025</b>	<b>40,402</b>	<b>16,956</b>	<b>1,156</b>	<b>366</b>	<b>58,880</b>	<b>30</b>
<b>Depreciation and Impairments At 1 April 2024</b>	<b>0</b>	<b>-10,691</b>	<b>-507</b>	<b>0</b>	<b>-11,198</b>	<b>0</b>
Depreciation Charge for year	-753	-1,325	-162	0	-2,240	0
Depreciation written out to the Revaluation Reserve	0	0	0	0	0	0
Disposals/Write Outs	0	841	0	0	841	0
Reclassifications	0	0	0	0	0	0
<b>At 31 March 2025</b>	<b>-753</b>	<b>-11,175</b>	<b>-669</b>	<b>0</b>	<b>-12,597</b>	<b>0</b>
<b>Balance as at 31 March 2025</b>	<b>39,649</b>	<b>5,781</b>	<b>487</b>	<b>366</b>	<b>46,283</b>	<b>30</b>
<b>Balance as at 31 March 2024</b>	<b>37,071</b>	<b>6,533</b>	<b>650</b>	<b>113</b>	<b>44,367</b>	<b>30</b>

## Movements 2023/24

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

### Valuation information — Non-Current Assets

A desktop valuation as at 31 March 2025 was carried out on all on land and buildings by NPS Group and have been signed by Grant Brewer MRICS, an external valuations expert. This valuation included consideration of all property works carried out in the year, space utilisation across all sites and collaboration occupancy at relevant sites for buildings and land, including vehicle parking spaces.

#### **Land value approach:**

A fire station is a purpose-built, non-income generating use and not all locations would be suitable. Many of the sites are small, so are not directly comparable with large industrial sites. A

residential site would be unlikely to obtain planning permission today and location on an out of town industrial or retail park would not be suitable.

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

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

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

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

### **Capital Commitments**

There are outstanding capital commitments as at 31 March 2025 of £0k (£0k as at 31 March 2024)

## **11. Intangible Assets — Movement on Balances**

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

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

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

<b>2023/24 £'000</b>	<b>Intangible Assets</b>	<b>2024/25 £'000</b>
368	Gross carrying amounts b/f	368
-344	Accumulated amortisation b/f	-356
<b>24</b>	<b>Net carrying amount at start of year</b>	<b>12</b>
0	Additions	0
-12	Amortisation for the period	-12
<b>12</b>	<b>Net carrying amount at the end of the year</b>	<b>0</b>
	<b>Comprising:</b>	
368	Gross Carrying amounts c/f	368
-356	Accumulated amortisation c/f	-368
<b>12</b>	<b>Net carrying amount at the end of the year</b>	<b>0</b>

## 12. Inventories

<b>2023/24 £'000</b>	<b>Inventories</b>	<b>2024/25 £'000</b>
87	Technical	67
98	Smoke Alarms	93
32	Uniforms & protective Clothing	18
60	Workshops	61
28	Fuel	31
19	Other	15
<b>324</b>	<b>Total</b>	<b>285</b>

## 13. Debtors

<b>2023/24 £'000</b>	<b>Debtors</b>	<b>2024/25 £'000</b>
260	H M Revenues and Customs (re-VAT)	194
1,079	Pension Fund Account	356
0	Employees	0
1,709	Collection Fund	1,607
284	Accounts Rendered	653
11	Investment Income	18
1	General	0
<b>3,344</b>	<b>Total</b>	<b>2,828</b>

The figures above contain Long Term and Short Term Debtors with the figures for Long Term Debtors being £12k in 2024/25 (£21k in 2023/24).

Bad Debts - The general bad debt provision brought forward from 2023/24 was nil. A provision of £7K has been included for 2024/25.

## 14. Payments in Advance

<b>2023/24 £'000</b>	<b>Payments in Advance</b>	<b>2024/25 £'000</b>
520	IT	582
21	Car Leasing Scheme	22
268	Insurance	217
844	Firefighting pension Payments	878
85	General	83
<b>1,738</b>	<b>Total</b>	<b>1,782</b>

## 15. Short Term Creditors

<b>2023/24 £'000</b>	<b>Short Term Creditors</b>	<b>2024/25 £'000</b>
15	Capital	10
658	Employees	974
0	Pension Fund Account	0
52	Public Utilities	29
412	Other Local Authorities	263
224	IT/Communications	613
691	Third Party Payments	720
824	General	1,123
1,665	Collection Fund – Taxpayers	833
<b>4,541</b>	<b>Total</b>	<b>4,565</b>

## 16. Other Creditors

<b>2023/24 £'000</b>	<b>Other Creditors</b>	<b>2024/25 £'000</b>
1,071	Government Grants	2,094
146	Other Grants	86
<b>1,217</b>	<b>Total</b>	<b>2,180</b>

## 17. Collection Fund

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

<b>2023/24 Total £'000</b>		<b>Bedford Borough £'000</b>	<b>Central Beds £'000</b>	<b>Luton Borough £'000</b>	<b>2024/25 Total £'000</b>
5,506	Council tax Arrears	1,054	42	3,874	<b>4,970</b>
0	Appeals Provisions	0	-8	0	<b>-8</b>
-923	Impairment for doubtful debts	-525	-62	-1,888	<b>-2,475</b>
-425	Overpayments and prepayments	-194	-12	-491	<b>-697</b>
-180	Collection Fund (surplus)/deficit	-92	180	-282	<b>-194</b>
-3,978	Cash (Balancing Item)	-243	-140	-1,213	<b>-1,596</b>
<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>2023/24 Total £'000</b>		<b>Bedford Borough £'000</b>	<b>Central Beds £'000</b>	<b>Luton Borough £'000</b>	<b>2024/25 Total £'000</b>
362	NNDR Arrears	42	43	286	<b>371</b>
-162	Appeals Provisions	-60	-62	-52	<b>-174</b>
-69	Impairment for doubtful debts	-32	-8	-145	<b>-185</b>
-158	Overpayments and prepayments	-16	-12	-79	<b>-107</b>
298	Collection Fund (surplus)/deficit	7	219	-333	<b>-107</b>
-271	Cash (Balancing Item)	59	-180	323	<b>-202</b>
<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>2023/24 Total £'000</b>	<b>Collection Fund Adjustment Account</b>	<b>Bedford Borough £'000</b>	<b>Central Beds £'000</b>	<b>Luton Borough £'000</b>	<b>2024/25 Total £'000</b>
-181	Council Tax	-92	180	-282	<b>-194</b>
298	NNDR	6	220	-333	<b>-107</b>
<b>117</b>	<b>Total</b>	<b>-86</b>	<b>400</b>	<b>-615</b>	<b>-301</b>

## **18. Long Term Borrowing**

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

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

A summary of maturity set out below:

<b>31 March 2024 £'000</b>	<b>Date of Maturity</b>	<b>31 March 2025 £'000</b>
9,987	30 – 35 years	9,987
<b>9,987</b>	<b>Total</b>	<b>9,987</b>

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

At 31 March 2025 the Fair Values of the above loans were £7.503m as detailed below:

Original principal £	Interest Rate %	Current Principal £	Discount Rate %	Discount £	Market Value £	Accrued Interest £	Fair Value £
6,300,000	4.1000	6,300,000	5.980	1,671,017	4,628,983	706	4,629,689
3,687,000	4.4300	3,687,000	5.970	814,562	2,872,438	446	2,872,884
<b>9,987,000</b>		<b>9,987,000</b>		<b>2,485,579</b>	<b>7,501,421</b>	<b>1,152</b>	<b>7,502,573</b>

## 19. Short Term Investments

31 March 2024 £'000		31 March 2025 £'000
13,875	Short Term Investments	15,287
<b>13,875</b>	<b>Total</b>	<b>15,287</b>

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

The table below shows the investments held at 31 March 2025.

Loan To:	Issue Date	Maturity Date	Nominal Amount £	Issue Rate %	Accrued Interest £	Fair Value £
Qatar National Bank	19/07/24	18/07/25	2,500,000	5.41	94,860	2,594,860
First Abu Dhabi Bank	19/07/24	18/07/25	2,000,000	5.14	72,101	2,072,101
Qatar National Bank	08/11/24	08/05/25	2,500,000	5.03	49,611	2,549,611
First Abu Dhabi Bank	22/11/24	21/11/25	2,000,000	4.72	33,622	2,033,622
Lloyds Corporate Markets	10/02/25	12/05/25	5,000,000	4.53	31,027	5,031,027
SMBC International Bank	10/02/25	12/05/25	1,000,000	4.57	6,260	1,006,260
			<b>15,000,000</b>		<b>287,481</b>	<b>15,287,481</b>

## 20. Cash and Cash Equivalents

2023/24 £'000		2024/25 £'000
4	Cash	3
2,990	Bank Current Accounts	4,426
<b>2,994</b>	<b>Total</b>	<b>4,429</b>



## **21. Nature and Extent of Risks Arising from Financial Instruments**

### **Credit Risk**

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

- Minimum Credit Ratings Required: AA-
- Maximum amount of £5m per Bank (limited to £7m per group)

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

### **Liquidity Risk**

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

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

Any long-term borrowing is through PWLB thereby minimising the potential liquidity risks. The maturity analysis of the Authority's borrowings is shown in the table under Note 18.

### **Market Risk**

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

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

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

Cash flow forecasts are regularly monitored to ensure the Authority's financing targets are met. Loans and short-term investment balances shown in the Balance Sheet are at fixed rates and therefore not effected by market fluctuations as at 31 March 2025.

### **Price and Foreign Currency Risk**

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

## **22. Provisions**

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

<b>2023/24 £'000</b>		<b>2024/25 £'000</b>
162	Collection Fund Appeals – see Note 17	182
10	Insurance	28
<b>172</b>	<b>Total at 31 March</b>	<b>210</b>

## 23. Details of Movements on Usable Reserves

	2024/25				
	Earmarked Reserves	Capital Receipts Reserve	Capital Grants/ Other Contributions Unapplied	General Reserve	Total
	£'000	£'000	£'000	£'000	£'000
Surplus/ (Deficit) for the year	0	0	0	0	0
Appropriations to/from Revenue	714	0	0	0	714
New Receipts/ Grant received	0	0	0	0	0
Financing of Capital Expenditure	0	0	0	0	0
<b>Total</b>	<b>714</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>714</b>
Balance b/f at 1 April 2024	<b>11,040</b>	<b>242</b>	<b>159</b>	<b>2,400</b>	<b>13,841</b>
<b>Balance c/f at 31 March 2025</b>	<b>11,754</b>	<b>242</b>	<b>159</b>	<b>2,400</b>	<b>14,555</b>

### Earmarked Reserves

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

Earmarked Reserves	Balance at 31 March 2024 £'000	Movement in year £'000	Balance at 31 March 2025 £'000
Corporate Earmarked Reserves	4,057	384	4,441
Capital Reserves	3,842	242	4,084
Budget Managers' Earmarked Reserves	323	88	411
Estates Reserve (was Collaboration Reserve)	2,378	0	2,378
Pay and Pension Reserve	392	0	392
Vehicle Appliance Reserve	48	0	48
<b>Total</b>	<b>11,040</b>	<b>714</b>	<b>11,754</b>

### Capital Receipts Reserve

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

### Capital Grants and Other Contributions Unapplied

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

### General Fund Reserve

General Reserves are those revenue reserves which have been created and are not specifically earmarked for expenditure. The table below details General Fund reserve during 2024/25:

General Fund reserve	£'000
Balance brought forward from 1 April 2024	2,400
In Year surplus	198
Funding to other reserves during 2024/25	-198
<b>Total at 31 March 2025</b>	<b>2,400</b>

## 24. Details of Movements on Unusable Reserves

Balance at 31 March 2024 £'000		Balance at 31 March 2025 £'000
19,136	Revaluation Reserve	21,882
17,897	Capital Adjustment Account	17,440
-117	Collection Fund Adjustment Account	301
-554	Accumulated Absences	-601
-1,761	LGPS Pension Reserve	-1,666
-269,900	Firefighters' Pension Reserve	-243,214
<b>-235,299</b>	<b>Total</b>	<b>-205,858</b>

### Revaluation Reserve

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

	2023/24 £'000	2024/25 £'000
<b>Balance at 1 April</b>	19,533	19,136
Upward revaluation of assets	146	3,690
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-856	-507
<b>Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services</b>	<b>-710</b>	<b>-3,183</b>
Difference between fair value depreciation and historical cost depreciation	313	437
<b>Balance at 31 March</b>	<b>19,136</b>	<b>21,882</b>

### Collection Fund Adjustment Account

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

### Accumulated Absences Account

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

	2023/24 £'000	2024/25 £'000
<b>Balance at 1 April</b>	<b>-615</b>	<b>-554</b>
Settlement or cancellation of accrual made in prior year	615	554
Amounts accrued at the end of the current year	-554	-601
Amount by which officer remuneration charged to the CIES on an accruals basis is different from statutory requirements.	61	-47
<b>Balance at 31 March</b>	<b>-554</b>	<b>-601</b>

## Capital Adjustment Account

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

	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>
<b>Balance at 1 April</b>	<b>17,057</b>	<b>17,897</b>
Reversal of items relating to capital expenditure debited or credited to the CIES:		
Charges for depreciation and impairment of non-current assets	-1,179	-2,252
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	-18	0
	<b>-1,197</b>	<b>-2,252</b>
Adjusting amounts written out of the Revaluation Reserve	-313	437
<b>Net written out amount of the cost of non-current assets consumed in the year</b>	<b>15,547</b>	<b>16,082</b>
Capital financing applied in the year:		
Capital grants and contributions credited to the CIES that have been applied to capital expenditure	0	0
Application of capital receipts	322	0
Application of grants to capital financing from the Capital Grants reserve	0	0
Unapplied Account:		
Statutory provision for the financing of capital investment charged against the General Fund	395	384
Capital expenditure charged against the General Fund or Reserves	1,633	974
<b>Balance at 31 March</b>	<b>17,897</b>	<b>17,440</b>

## Pension Reserves

The Pensions Reserves are maintained in order that the IAS 19 accounting adjustments are reversed out of the Comprehensive Income and Expenditure Statement and do not impact on the amount to be met from local taxation, see Note 28 for further details.

	<b>LGPS Pension Reserve</b>		<b>Firefighters' Pension Reserve</b>	
	<b>2023/24</b>	<b>2024/25</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance at 1 April</b>	<b>-1,526</b>	<b>-1,761</b>	<b>-260,450</b>	<b>-269,900</b>
Remeasurement of the net defined benefit liability/ (assets)	-543	-280	-4,050	30,280
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	-1,279	-1,306	-13,540	-14,120
Employer's pension contributions and direct payments to pensioners payable in the year	1,587	1,681	8,140	10,526
<b>Balance at 31 March</b>	<b>-1,761</b>	<b>-1,666</b>	<b>-269,900</b>	<b>-243,214</b>

## **25. Contingent Liabilities**

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

1. The Service is one of a number of FRAs with employment tribunal claims lodged as part of a group action by On-Call employees regarding the Part Time Workers Regulations and their respective terms and conditions of employment and pension eligibility/ entitlement. The Terms and Conditions element of the claims has been settled however the pension elements remain unresolved. The Regulations were received in late 2023. Implementation is ongoing. It is still unclear at this stage what the potential liabilities are given the options exercise with in-scope former and existing employees is underway.
2. Following the legal dispute between the FBU and Central Government (McCloud judgment) it has been determined that the transitional protections associated with the new 2015 Fire pension scheme are discriminatory. Remedy (to put pension members back into the position they would have been but for the discrimination) Regulations were published in order for Remedy to commence in October 2023. The eventual outcome is highly likely to have significant financial implications, but these cannot be estimated at this time.
3. The Service currently has three live Employment Tribunal Cases; the outcomes of which are of course unknown at time of writing; however, if the claimants are successful then costs will be incurred. Costs are currently unknown but are unlikely to be significant based on current legal advice.
4. The FRA determination in relation to a successful Internal Disputes Resolution Procedures (IDRP) pension claim, and subsequent claim to The Pensions Ombudsman may give rise to additional costs in respect of addressing underpayments to the pension fund and in turn, the pension fund to employees. This is ongoing work, hence the estimated pension obligations from this matter have not been captured within the pension liability estimates in these accounts.

## **26. Contingent Assets**

The Service has applied to the Ministry of Housing, Communities and Local Government (MHCLG) for Bellwin scheme support due to the additional costs associated with the protracted incident at Cleat Hill, Bedford. This incident commenced on 19th October 2024. The potential reimbursement of additional costs is only above the service's set Bellwin spend limit (set % of budget). Communications continue with the MHCLG on this application.

## **27. Authorisation of Accounts**

These pre-audited accounts were approved by G Chambers on 30 June 2025.

## **28. Pension Arrangements**

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

The Authority participates in two Pension Schemes:

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

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

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

	Firefighters' Pension Scheme £'000		Local Government Pension Scheme £'000		Total £'000	
	2023/24	2024/25	2023/24	2024/25	2022/23	2024/25
<b>Net Cost of Service:</b>						
Current Service Cost	-1,580	-1,510	-1,201	-1,220	-2,781	-2,730
Past Service (Cost)/Gain	0	0	0	0	0	0
Administration Fee	0	0	-42	-41	-42	-41
<b>Net Operating Expenditure:</b>						
Net interest expense	-11,960	-12,610	-36	-45	-11,996	-12,655
<b>Surplus or Deficit on the Provision of Service</b>	<b>-13,540)</b>	<b>-14,120</b>	<b>-1,279</b>	<b>-1,306</b>	<b>-14,819</b>	<b>-15,426</b>
<b>Remeasurement of the net defined benefit liability:</b>						
Return on Plan assets excluding amounts included in interest	0	0	3,104	-609	3,104	-609
Actuarial gains and losses arising on changes in:						
• demographic assumptions	0	670	369	80	369	750
• financial assumptions	5,470	28,300	981	4,932	6,451	33,232
• impact of the asset ceiling	-9,520	1,310	-119	67	-9,639	1,377
• other			-4,878	-4,750		-4,750
<b>Total Charge to the CIES</b>	<b>-17,590</b>	<b>16,160</b>	<b>-1,822</b>	<b>-1,586)</b>	<b>-14,534</b>	<b>14,574</b>
<b>Movement in Reserves Statement</b>						
Reversal of Net Charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the code	13,540	-14,120	1,279	1,306	14,819	-12,814
<b>Amount charged against Council Tax for pensions in the year:</b>						
Employer's contributions payable to the Scheme	7,193	9,579	1,587	1,681	8,780	11,260
Retirement benefits payable to Pensioners	947	947	0	0	947	947

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

	Firefighters' Pension Scheme £'000		Local Government Pension Scheme £'000		Total £'000	
	2023/24	2024/25	2023/24	2024/25	2022/23	2024/25
Estimated Liabilities in Scheme	-269,900	-243,214	-35,061	-31,897	-304,961	-275,111
Estimated Assets in Scheme			33,300	30,231	33,300	30,231
<b>Net Liability</b>	<b>-269,900</b>	<b>-243,214</b>	<b>-1,761</b>	<b>-1,666</b>	<b>-271,661</b>	<b>-244,880</b>

The liabilities show the underlying commitments that the Authority has in the long-run to pay retirement benefits. The total net liability of £244.9m has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet, resulting in a negative overall balance on the Authority's Balance Sheet of £191.3m. Statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy:

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

Liabilities have been assessed on an Actuarial Basis using the projected unit credit method: an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Firefighters' Pension Scheme liabilities have been assessed by Government Actuarial Department and the Local Government Pension Scheme liabilities have been assessed by Barnett Waddingham, an independent firm of Actuaries; estimates for the Firefighters' Pension Scheme and the Local Government Pension Scheme being based on the Actuarial Valuation (IAS 19) of the scheme as at 31 March 2025.

The significant assumptions used by the Actuary have been:

<b>Assumptions</b>	<b>Firefighter Scheme 2023/24</b>	<b>Firefighter Scheme 2024/25</b>	<b>LGPS 2023/24</b>	<b>LGPS 2024/25</b>
<b>Longevity at 65 for current pensioners:</b>				
Men	21.3 years	21.3 years	21.1 years	21.1 years
Women	21.3 years	21.3 years	23.9 years	24.0 years
<b>Longevity at 65 for future pensioners:</b>				
Men	22.9 years	22.7 years	22.2 years	22.2 years
Women	22.9 years	22.7 years	25.5 years	25.5 years
<b>Rate of Inflation:</b>				
Rate of Inflation	2.60%	2.70%	3.15%	3.20%
Rate of Increase in Salaries	3.85%	3.45%	3.85%	3.95%
Rate of Increase in Pensions	2.60%	2.70%	2.85%	2.95%
Rate for discounting scheme liabilities	4.75%	5.65%	4.95%	5.85%
Take up option to convert annual pension into retirement lump sum			50%	50%

The Local government Pension Scheme permits employees retiring on or after 6 April 2006 to take an increase in their lump sum payment on retirement in exchange for a reduction in their future pension. For 2024/25 the LGPS Actuary has assumed that all retirees will exchange half their commutable pension for cash at retirement.

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

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

<b>Asset category</b>	<b>2023/24 £000's</b>	<b>2023/24 %</b>	<b>2024/25 £000's</b>	<b>2024/25 %</b>
Equities	23,383	62%	<b>24,742</b>	<b>62%</b>
Bonds	6,935	18%	<b>7,573</b>	<b>19%</b>
Property	5,452	14%	<b>6,467</b>	<b>16%</b>
Cash	2,408	6%	<b>1,318</b>	<b>3%</b>
<b>Total</b>	<b>38,178</b>	<b>100%</b>	<b>40,100</b>	<b>100%</b>



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

As is required by the pensions and (where relevant) investment regulation, the suitability of various types of investments have been considered, as the need to diversify investments to reduce risk of investment in too narrow range. The risk associated with the investments is controlled through the diversification of asset classes and investment managers. A small cash balance is also maintained to meet the liquid requirements of the Fund. A large proportion of the assets relate to equities (62 per cent of scheme assets) and UK Government bonds (19 per cent). The Bedfordshire Pension Funding Strategy is monitored annually or more frequently if necessary.

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

	<b>Unfunded Liabilities Firefighters Scheme</b>		<b>Funded Liabilities LGPS</b>	
	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>
<b>Opening Defined Benefit Obligation</b>	<b>260,450</b>	<b>269,900</b>	<b>33,879</b>	<b>35,061</b>
Current Service Costs	1,580	1,510	1,201	1,220
Interest Costs	11,960	12,610	1,617	1,710
Contributions from Scheme Participants	1,620	1,680	471	521
Transfers in/(out)	46	190	0	0
Experience loss / (gain) on defined benefit obligation	9,520	-1,310	119	-67
Actuarial losses/(Gains) due to changes in demographic assumptions	0	-670	-369	-80
Actuarial losses/(Gains) due to changes in financial assumptions	-5,470	-28,300	-981	-4,932
Other	0	0	0	0
Past Service Cost	0	0	0	0
Past Service Cost as a result of McCloud Judgement	0		0	0
Benefits Paid	-8,859	-11,314	-867	-1,527
Injury Award Expenditure	-947	-1,082	0	0
Backdated Commutation Payments	0		0	0
Estimated unfunded benefits paid	0		-9	-9
<b>Closing Defined Benefit Obligation</b>	<b>269,900</b>	<b>243,214</b>	<b>35,061</b>	<b>31,897</b>

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

The last full valuation was at 31/03/2022 for the Local Government Pension Scheme and was as at 31/03/2020 for the Firefighters' Pension Scheme.

The table below shows the membership details of the respective pension schemes in relation to the number of pensioner members for 2024/25.

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

### **Notes**

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

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

	Firefighters' Pension Schemes		Local Government Pension Scheme	
	2023/24	2024/25	2023/24	2024/25
	£'000	£'000	£'000	£'000
<b>Opening Fair Value of Employer Assets</b>	<b>0</b>	<b>0</b>	<b>32,353</b>	<b>38,178</b>
Opening Fair Value of Employer Assets			1,581	1,906
Interest - Income			3,104	-609)
Return on Plan Assets			1,587	1,681
Employer Contributions	7,193	9,444	471	521
Contributions by Scheme Participants	1,620	1,680	-876	-1,536
Benefits Paid	-8,859	-11,314		
Other Actuarial Gains / (Losses)			-9	-9
Unfunded Benefits Paid	-947	-1,082	9	9
Contributions in respect of Unfunded Benefits	947	1,082		
Transfers in/(out)	46	190		
Admin Expenses			-42	-41
Closing Fair Value of Employer Assets	<b>0</b>	<b>0</b>	<b>38,178</b>	<b>40,100</b>
Impact of asset ceiling			-4,878	-9,869

The table below shows the change in the Asset Ceiling:

	Firefighters' Pension Schemes		Local Government Pension Scheme	
	2023/24	2024/25	2023/24	2024/25
	£'000	£'000	£'000	£'000
<b>Opening impact of asset ceiling</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,878</b>
Interest on impact of asset ceiling	0	0	0	241
Actuarial losses / (gains)	0	0	4,878	4,750
<b>Closing impact of asset ceiling</b>	<b>0</b>	<b>0</b>	<b>4,878</b>	<b>9,869</b>

The asset ceiling is the present value of any economic benefit available in the form of refunds or reduced future employer contributions. The asset ceiling has been calculated in line with IFRIC14. This assumes:

- There is no prospect of the Employer having an unconditional right to a refund of surplus on the basis that such a payment would be at the discretion of the Fund.
- The Employer is a scheduled body and assumed to participate indefinitely.
- Primary contributions are considered to be a minimum funding requirement (MFR).
- The MFR exceeds the current cost of accrual and so the potential economic benefit from future contribution reductions is nil.
- An additional liability is recognisable in respect of the Employer's obligation to pay future deficit contributions, thereby increasing or generating an irrecoverable surplus.

### Matthews option

An employment tribunal case known as Matthews was brought against the Government in relation to On-Call firefighters (part-time) not being eligible to join a fire service pension scheme provided solely to full-time firefighters. This case resulted in On-Call firefighters being given access to a modified scheme where they were employed between the 1 July 2000 and 5 April 2006, known as the Matthews first exercise. There then followed another case which ruled On-Call firefighters should be allowed to buy back 2006 scheme membership from the start of their service (which in some cases stretches back to the 1960s), known as the Matthews second exercise. National regulations for the Matthews second options exercise for on-call firefighters took effect from 1 October 2023, with an initial 18-month implementation period. This has since been extended by 12 months until 31<sup>st</sup> March 2026.

Due to the uncertainty of the take-up of this option, no allowance has been made in the DBO for the impact of the second options exercise. The impact will be allowed for when the option window has closed and details of the experience for member take up are available.

### Future Contribution rates

The actuarial assumptions for contribution rates in 2025/26 are:

- 18.1% for Firefighters' Pension Scheme (24.1% in 2024/25)
- 20.6% for Local Government Pension Scheme (20.6% in 2024/25)

## **29. Grants and Contributions**

The Authority credited the following grants and contributions to the Net Cost of Services within the Comprehensive Income and Expenditure Statement:

<b>Grant / Contribution</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>
Funding Guarantee	0	514
Protection Uplift	215	116
Local Resilience Forum	77	122
Firelink	119	79
Building Risk Review	57	0
New Dimensions Resilience Training	40	40
Pension Admin	36	35
Redmond Review	14	13
Services Grant	240	0
Levy Account Surplus	50	50
Other	7	4
<b>Total</b>	<b>855</b>	<b>973</b>

## **30. Post Balance Sheet Events**

There are no post balance sheet events to report.

## **FIREFIGHTER PENSION FUND ACCOUNT**

For the year ended 31 March 2025

<b>2023/24 Net Expenditure £'000</b>		<b>2024/25 Net Expenditure £'000</b>	<b>See note</b>
	<b>Contributions Receivable</b>		
	From Employer		
-3,612	• Normal	-4,859	4
-45	• Other	-24	
-1,637	From Members	-1,708	
-46	Transfers In	-190	
<b>-5,340</b>	<b>Total Receivable</b>	<b>-6,781</b>	
	<b>Benefits Payable</b>		
7,146	• Pensions	9,296	6
1,708	• Communications & lump sum retirement benefits	2,105	
0	• Other	0	
	<b>Payment to and on account of leavers</b>		
2	• Individual transfers out to other schemes	3	
<b>8,856</b>	<b>Net amount payable for the year</b>	<b>11,404</b>	
<b>-3,516</b>	<b>Top-up grant receivable from the Government</b>	<b>-4,623</b>	3
	<b>NET ASSETS STATEMENT</b>		5
0	Contributions due from employer	0	
0	Unpaid pension benefits	0	
<b>0</b>		<b>0</b>	

## **NOTES TO THE PENSION FUND ACCOUNT**

1. Due to the way that firefighters' pensions are managed a separate Pension Fund Account is required to show the transactions related to those pensions. The fund was legally established under the Firefighters' Pension Scheme (Amendment) (England) Order 2006 and administered by London Pension Fund authority but is managed by Bedfordshire Fire and Rescue Authority.
2. The Pension Fund Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting and follow the Statement of Accounting Policies as detailed on pages 36 to 46. Similarly, the general management and administrative arrangements of the Pension Fund are the same as for the core accounts.
3. The Firefighters' Pension Fund is an unfunded scheme which means that there are no investment assets built up to meet the liabilities to pay pensions or other benefits in the future. Cash has to be generated to meet actual payments on a 'pay-as-you-go' basis from contributions from the FRA and employees. The Pension Fund has to be balanced to nil each year and so where the income generated is not sufficient to cover the costs, central government pay a top-up grant to cover any deficit. If, however, surplus income is generated then the surplus grant is repaid to the government.
4. Employee's and Employer's contribution levels are based on percentages of pensionable pay set nationally by the Home Office and subject to four-year revaluation by the Government's Actuary Department.
5. The Net Assets Statement does not include liabilities to pay pensions and other benefits after the Balance Sheet date.
6. The April 2025 pension payments are paid out to the pensioners in March 2025. As income from employer and employees' contributions is not received until April, the payments have been funded from the FRA which is treated as a creditor of the Pension Fund Account.

## **GLOSSARY OF TERMS**

### **ACCRUAL**

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

### **AUDIT**

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

### **BALANCE SHEET**

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

### **CAPITAL EXPENDITURE**

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

### **CAPITAL RECEIPT**

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

### **CONSISTENCY**

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

### **CREDITOR**

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

### **CURRENT ASSET**

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

### **CURRENT LIABILITY**

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

### **CURRENT VALUE**

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

### **DEBTOR**

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

### **DEBT OUTSTANDING**

Amounts borrowed which are still to be repaid.

### DEPRECIATION

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

### FAIR VALUE

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

### IFRS (International Financial Reporting Standards)

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

### INVENTORIES

Comprise consumable goods.

### LOANS OUTSTANDING

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

### LONG TERM CONTRACTS

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

### MINIMUM REVENUE PROVISION (MRP)

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

### NET BOOK VALUE

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

### NET CURRENT REPLACEMENT COST

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

### NON-CURRENT ASSETS

An asset which has value beyond one financial year.

### OPERATIONAL ASSETS

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

### PUBLIC WORKS LOAN BOARD (PWLb)

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



REVENUE EXPENDITURE

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

TRANSFER VALUE

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

USEFUL LIFE

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