

**BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY**  
**BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE**

Director of Legal & Governance, Graham Britten  
Buckinghamshire Fire & Rescue Service  
Brigade HQ, Stocklake, Aylesbury, Bucks HP20 1BD  
Tel: 01296 744441



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**Chief Fire Officer and Chief Executive**  
Louise Harrison

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To: Members of Buckinghamshire and Milton Keynes Fire Authority

3 February 2025

Dear Councillor

**MEMBERS OF THE PRESS**  
**AND PUBLIC**

Please note the content of Page  
2 of this Agenda Pack

To contact our Communication  
Team, please email  
[cteam@bucksfire.gov.uk](mailto:cteam@bucksfire.gov.uk)

Your attendance is requested at a **MEETING** of the **BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY** to be held at **MILTON KEYNES CITY COUNCIL CHAMBER, 1 SAXON GATE EAST, CENTRAL MILTON KEYNES, MK9 3EJ** on **12 FEBRUARY 2025** at **11 AM** when the business set out overleaf will be transacted.

Yours faithfully

A handwritten signature in black ink that reads "Graham Britten".

Graham Britten  
Director of Legal and Governance

**Health and Safety:**

There will be limited facilities for members of the public to observe the meeting in person. A recording of the meeting will be available after the meeting.

Chairman: Councillor Rouse

Councillors: Adoh, Bagge, Bailey, Banks, Carroll, Chapple OBE, Exon, Hall, Hussain OBE, Khan, Lambert, Lancaster, McLean, Stuchbury, Sullivan and Walsh



**MAKING YOU SAFER**



## **To observe the meeting as a member of the Press and Public**

The Authority supports the principles of openness and transparency. To enable members of the press and public to see or hear the meeting this meeting will be recorded. Please visit:

<https://www.youtube.com/channel/UCWmIXPWAscxl3vliiv7bh1Q>

The Authority also allows the use of social networking websites and blogging to communicate with people about what is happening, as it happens.

## **Adjournment and Rights to Speak – Public**

The Authority may adjourn a Meeting to hear a member of the public on a particular agenda item. The proposal to adjourn must be moved by a Member, seconded and agreed by a majority of the Members present and voting.

A request to speak on a specified agenda item should be submitted by email to [gbritten@bucksfire.gov.uk](mailto:gbritten@bucksfire.gov.uk) by 4pm on the Monday prior to the meeting. Please state if you would like the Director of Legal and Governance to read out the statement on your behalf, or if you would like to be sent a 'teams' meeting invitation to join the meeting at the specified agenda item.

If the meeting is then adjourned, prior to inviting a member of the public to speak, the Chairman should advise that they:

- (a) speak for no more than four minutes,
- (b) should only speak once unless the Chairman agrees otherwise.

The Chairman should resume the Meeting as soon as possible, with the agreement of the other Members present. Adjournments do not form part of the Meeting.

## **Rights to Speak - Members**

A Member of the constituent Councils who is not a Member of the Authority may attend Meetings of the Authority or its Committees to make a statement on behalf of the Member's constituents in the case of any item under discussion which directly affects the Member's division, with the prior consent of the Chairman of the Meeting which will not be unreasonably withheld. The Member's statement will not last longer than four minutes. Such attendance will be facilitated if requests are made to [enquiries@bucksfire.gov.uk](mailto:enquiries@bucksfire.gov.uk) at least two clear working days before the meeting. Statements can be read out on behalf of the Member by the Director of Legal and Governance, or the Member may request a 'team's meeting invitation to join the meeting at the specified agenda item.

## **Petitions**

Any Member of the constituent Councils, a District Council, or Parish Council, falling within the Fire Authority area may Petition the Fire Authority.

The substance of a petition presented at a Meeting of the Authority shall be summarised, in not more than four minutes, by the Member of the Council who presents it (as above). If the petition does not refer to a matter before the Authority, it shall be referred without debate to the appropriate Committee.

## **Questions**

Members of the Authority, or its constituent councils, District, or Parish Councils may submit written questions prior to the Meeting to allow their full and proper consideration. Such questions shall be received by the Monitoring Officer to the Authority, *in writing*, at least two clear working days before the day of the Meeting of the Authority or the Committee.

## COMBINED FIRE AUTHORITY - TERMS OF REFERENCE

1. To appoint the Authority's Standing Committees and Lead Members.
2. To determine the following issues after considering recommendations from the Executive Committee, or in the case of 2(a) below, only, after considering recommendations from the Overview and Audit Committee:
  - (a) variations to Standing Orders and Financial Regulations;
  - (b) the medium-term financial plans including:
    - (i) the Revenue Budget;
    - (ii) the Capital Programme;
    - (iii) the level of borrowing under the Local Government Act 2003 in accordance with the Prudential Code produced by the Chartered Institute of Public Finance and Accountancy; and
  - (c) a Precept and all decisions legally required to set a balanced budget each financial year;
  - (d) the Prudential Indicators in accordance with the Prudential Code;
  - (e) the Treasury Strategy;
  - (f) the Scheme of Members' Allowances;
  - (g) the Integrated Risk Management Plan and Action Plan;
  - (h) the Annual Report.
  - (i) the Capital Strategy
3. To determine the Code of Conduct for Members on recommendation from the Overview and Audit Committee.
4. To determine all other matters reserved by law or otherwise, whether delegated to a committee or not.
5. To determine the terms of appointment or dismissal of the Chief Fire Officer and Chief Executive, and deputy to the Chief Fire Officer and Chief Executive, or equivalent.
6. To approve the Authority's statutory pay policy statement.

## AGENDA

### Item No:

**1. Apologies**

**2. Minutes**

To approve, and sign as a correct record the Minutes of the meeting of the Fire Authority held on 11 December 2024. **(Pages 9 - 30)**

**3. Matters Arising from the Previous Meeting**

The Chairman to invite officers to provide verbal updates on any actions noted in the Minutes from the previous meeting.

**4. Disclosure of Interests**

Members to declare any disclosable pecuniary interests they may have in any matter being considered which are not entered onto the Authority's Register, and officers to disclose any interests they may have in any contract to be considered.

**5. Chairman's Announcements**

To receive the Chairman's announcements (if any).

**6. Petitions**

To receive petitions under Standing Order SOA6.

**7. Questions**

To receive questions in accordance with Standing Order SOA7.

**8. Recommendations from Committees:**

**Executive Committee – 5 February 2025**

**The Recommendations below are recommendations from officers to the Executive Committee. Revisions by the Executive Committee, if any, will follow.**

**(a) The Medium-Term Financial Plan (MTFP) 2025/26 to 2029/30**

"It is recommended that:

(a) the report and Statement of the Chief Finance Officer (see section 8 of Annex A) be

noted.

(b) a Council Tax precept of £84.46 for a band D equivalent property (equal to an increase of approximately 10p per week) and the revenue budget as set out in Appendix 1 be approved.

(c) the capital programme as set out in Appendix 2 be approved.” **(Pages 31-46)**

### **(b) The Prudential Code, Prudential Indicators and Minimum Revenue Provision (MRP)**

“That the Authority be recommended to approve:

1. The Prudential Indicators for 2025/26
2. The Minimum Revenue Provision policy statement.” **(Pages 47-58)**

### **(c) Members’ Allowances**

“That the Authority be recommended to adopt the Scheme for Members’ Allowances for 2025/26 (as shown as draft as Appendix 1).” **(Pages 59 - 76)**

## **9. Treasury Management Strategy 2025/26**

To consider item 9 **(Pages 77 - 96)**

## **10. Pay Policy Principles and Statement 2025/26**

To consider item 10 **(Pages 97 - 112)**

## **11. Proposal for permanent change to automatic fire alarm mobilisation procedure for non-domestic buildings.**

To consider item 11 **(Pages 113 - 164)**

## **12. 2025-26 Annual Delivery Plan**

To consider item 12 **(Pages 165 - 192)**

## **13. Exclusion of Press and Public**

To consider excluding the public and press representatives from the meeting by virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972, as the report and minutes contain information relating to any individual; and Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as the report and minutes contain information relating to the financial or business affairs of a person (including the Authority); and on these grounds it is considered the need to keep information exempt outweighs the public interest in disclosing the information.

## **14. Exempt Minutes**

To approve, and sign as a correct record the Exempt Minutes of the meeting of the Fire Authority held on 11 December 2024.

**15. Business Case for Investment in a Local Training Venue**

To consider item 15

**16. Date of Next Meeting**

To note that the next meeting of the Fire Authority will be held on Wednesday 11 June 2025 at 11 am at the Blue Light Hub, 3 Thornbury, West Ashland, Milton Keynes, MK6 4BB

If you have any enquiries about this agenda please contact: Katie Nellist (Democratic Services Officer) – Tel: (01296) 744633 email: [knellist@bucksfire.gov.uk](mailto:knellist@bucksfire.gov.uk)



## **BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY**

### **ROLE DESCRIPTION**

#### **LEAD MEMBERS**

1. To take a lead role in providing support and constructive challenge to senior officers in the development of strategies and plans and contributing towards the strategic direction of the Authority, within the Authority's overall policy objectives.
2. To act as a 'sounding board' for senior officers on issues within the portfolio, and be supportive in dealing with any problems at a strategic level.
3. To review, in conjunction with senior officers, the service within the portfolio.
4. To keep abreast of related developments and policies at national, regional and local level.
5. To take the lead in reporting to the Authority, one of its committees, or panels on issues within the portfolio.
6. To attend the Overview and Audit Committee, at its request, in connection with any issues associated with the portfolio which is the subject of scrutiny.
7. To act as a spokesperson for the Authority on issues within the portfolio.
8. To represent the Authority on bodies, at events and at conferences related to the portfolio, as appointed by the Executive Committee and to feedback to the Authority any issues of relevance / importance.

(Approved 8 June 2007)

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# Buckinghamshire & Milton Keynes Fire Authority

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MINUTES OF THE MEETING OF THE BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY HELD ON WEDNESDAY 11 DECEMBER 2024 AT 11 AM.

**Present:** Councillors Adoh, Bailey, Carroll, Exon (part), Hall (part), Khan, Lancaster, McLean (Vice Chairman), Rouse (Chairman), Stuchbury and Sullivan

**Officers:** L Harrison (Chief Fire Officer), S Tuffley (Deputy Chief Fire Officer), D Buchanan (Assistant Chief Fire Officer), G Britten (Director of Legal and Governance), A Carter (Head of Technology, Transformation and PMO), R Davidson (Director of Human Resources and Organisational Development), M Hemming (Director of Finance and Assets), A Hussain (Deputy Director of Finance and Assets), A Stunell (Head of Human Resources), P Scanes (Head of Response and Resilience) S Grosse (Group Commander), C Bell (Health and Safety Manager) M Hussey (Principal Accountant), O Finch (Station Commander - HR Projects), K Nellist (Democratic Services Officer) and C Wycherley (Fire Brigades Union)

**Online:** Councillor Lambert, A Brittain (External Auditor E&Y)

**Apologies:** Councillors Bagge, Banks, Chapple OBE, Hussain OBE, Lambert and Walsh

The Chairman advised that although members of the public were able to attend and observe in person, following the meeting, a video recording would be uploaded to the Authority's YouTube Channel.

<https://www.youtube.com/channel/UCWmIXPWAscxpL3vIiv7bh1Q>

## **FA44 MINUTES**

RESOLVED –

That the Minutes of the meeting of the Fire Authority held on 9 October 2024, be approved, and signed by the Chairman as a correct record.

## **FA45 MATTERS ARISING FROM THE PREVIOUS MEETINGS**

None.

## **FA46 DISCLOSURES OF INTERESTS**

None.

#### **FA47 CHAIRMAN'S ANNOUNCEMENTS**

The Chairman announced that –

##### **USAR national canine capabilities event**

Last week, BFRS hosted a National Resilience accredited three-day training session at Westcott Venture Park and our HQ for the national USAR canine capabilities. The training event involved around 15 dogs and their handlers from around the country visiting our centrally located USAR training facility at Westcott Venture Park. BFRS are highly regarded nationally in relation to USAR and part of this is down to the level of support we provide to our national canine community for assessment and maintenance of competencies in this very specialised capability.

##### **Members' visit to Thame Valley Fire Control Service**

Councillor McLean and Councillor Hall visited Thames Valley Fire Control Service on 15 November along with Head of Human Resources, Anne Stunell and Deputy Chief Fire Officer Simon Tuffley. During the visit, Members were shown how the joint control room operates, with a tour of the control room and training suite. During their visit, Members also experienced the control operators handling and dispatching resources to emergency calls within Buckinghamshire.

##### **Members' visit to the Safety Centre Milton Keynes**

On 21 November 2024 some Members of the Authority attended and had a bespoke tour of the Safety Centre Milton Keynes. Maya Joseph-Hussain (CEO) of the Safety Centre provided the tour and a Q&A session with Area Commander Paul Scanes. The tour included a complete tour and overview of all the scenarios within Hazard Alley, and after the tour, Maya and Paul provided Members with the history of the Safety Centre and Buckinghamshire Fire and Rescue Service's commitment and journey along this 30 yearlong partnership.

I would encourage all Members to visit the Centre to gain a greater understanding of the provision that can be provided by this excellent educational charity, which was financially supported by the Service. If you would like to visit, please contact the Democratic Services Officer.

### **Delegation from Kenya**

On Thursday 5 December 2024, officials from Murang'a County, Kenya, visited Buckinghamshire Fire and Rescue Service. During their visit, they engaged with various support functions and toured Aylesbury Fire Station, including its Urban Search and Rescue (USAR) capabilities. The visit provided an opportunity to share insights into how we are shaping our Community Response Management Plan (CRMP) and preparing our service for the future, while they embark on developing their own emergency response plan.

### **Christmas Carol Service**

The annual Christmas Carol Service took place on the evening of Thursday 5 December 2024, at St Mary's Church Aylesbury. Mother Rainah Madzorera took the service, with help from Brigade Chaplain Mike Morris. The Wolverton Town Band accompanied the carols along with the choir of St Mary's Church. The Ceremonial Party provided a guard of honour for arriving guests, including the Lord Lieutenant Lady Howe, the High Sheriff of Buckinghamshire, the Mayors of Aylesbury and Milton Keynes and the Chairman of Buckinghamshire Council. The Deputy Chief Fire Officer Simon Tuffley closed the service with a seasonal message and after the service everyone enjoyed festive refreshments. My thanks to all staff (and children) who gave readings and all those who attended.

The Chairman also thanked the Democratic Services Officer for arranging the Carol Service.

Members would note that before the meeting, myself, the Chief Fire Officer, the Regional Secretary from the TUC and the local FBU representative signed the 'Dying to Work' Pledge, which would be covered later in the meeting.

A Member wanted to give his thanks to staff who supported members of the public during the recent flooding in Buckingham.

### **FA48      EXTEND THE PERIOD OF THE AUTOMATIC FIRE ALARM PILOT**

The Group Commander advised that this report was asking Members for an extension to the Automatic Fire Alarm (AFA) pilot which was currently running. The pilot was for an initial six-month period until January. Officers were

requesting an extension to continue the AFA pilot through to 12 February 2025.

Since the AFA pilot began on 8 July 2024, the Service had only attended AFA's at high-risk properties. High risk was defined as if there was a sleeping risk, or the risk was high during firefighting actions and operations.

In the past four full months of the pilot, the Service had seen a 34.9% drop in attendance at non-domestic property false alarms. Officers had now run a six-week AFA public consultation to see if the public and employees wished the Service to continue with the changes to the AFA response. The results of the consultation were due on 20 December 2024 and a report would be brought back to Members at the next Authority meeting on 12 February 2025 and hopefully confirming the permanent changes to the AFA mobilising response.

By extending the pilot to 12 February 2025 the Service would not have to change back to its previous response model prior to the consultation results being announced. Changing back to the original response model in early January would require additional work from the Thames Valley Fire Control Service, which would be doubled if the Authority then accepted the new response model on 12 February 2025.

The Chairman asked officers if there had been any issues during the pilot phase and were Oxfordshire Fire and Rescue Service (OFRS) and Royal Berkshire Fire and Rescue Service (RBFRS) seeing similar benefits from their pilots.

The Group Commander advised that both OFRS and RBFRS had gone live, and officers would be meeting in January to discuss their early results. The Open University and Transport for London had raised some issues. All issues had been worked through with the Protection Department.

RESOLVED -

That the extension of the Automatic Fire Alarm (AFA) pilot, from 8 January 2025 until 12 February 2025 be approved.

#### **FA49 PEOPLE STRATEGY 2020-2025 YEAR FOUR UPDATE**

The Station Commander - HR Projects advised Members that the People Strategy 2020-25 was approved in October 2020 with the Service reviewing it annually and providing an update to Members following the review. This update outlined the closure of the People Strategy 2020-2025 and

its alignment with the new Community Risk Management Plan (CRMP) 2025-2030, which incorporated the updated People Strategy.

The new CRMP was designed to address emerging risks and enhance community resilience. The updated People Strategy was integrated into this plan, ensuring that the workforce was equipped to meet future challenges.

The Station Commander – HR Projects advised Members that the achievements to note included:

**Key Area 1 – Equality, Diversity and Inclusion (EDI)**

A Culture Board had been established to work with staff and networks, providing strategic leadership, policy oversight, and fostering a supportive environment to embed EDI into the Service’s core values and operations.

**Key Area 2 – Employee Engagement**

The Service moved to an annual survey in 2024, and following a robust tendering process awarded Realworld Employee Survey to run the survey for the next three years. The 2024 people awards took place in July and was attended by over 100 employees.

**Key Area 3 – Organisational Development & Resourcing**

The Organisational Development department had launched the Behavioural and Leadership Framework. This ensured the workforce embodied the core values of integrity, compassion, and respect, which were fundamental to being an excellent Service and maintaining a healthy and positive workplace culture.

**Key Area 4 – Training, Learning and Development**

The Training Delivery Plan 2024-2027 was developed to detail how operational staff would maintain skills and competency in core areas, in accordance with Fire Standards.

**Key Area 5 – Employee Health and Wellbeing**

The Confidential Reporting Line Introduced via Safecall, was an independent service for employees to raise concerns about potential wrongdoing confidentially.

This update demonstrated the Services commitment to enhancing the Service’s culture, engagement, development, and wellbeing.

(Cllr Exon joined the meeting)

A Member asked if the Service was doing itself a disservice by comparing the characteristics of its workforce to the general population as it was very broad, would it be best to compare to other emergency services, or the armed forces for a more useful benchmark.

The Director of Human Resources and Organisational Development agreed it was good to benchmark from different sectors and it would be considered.

A Member asked if diversity of employment and pay levels would be changing in the next few years.

The Director of Human Resources and Organisational Development advised that it was a key commitment to look at fairness and equity across the pay scales, reward and recognition and EDI were all key considerations.

The Chairman asked about the impact of the apprenticeships and wanted to place on record his thanks to Santander and Milton Keynes City Council for the levy transfer funding, and asked what officers were doing to both thank, recognise and keep these relationships ongoing and whether there any other local bodies officers could be approaching for further support.

The Director of Human Resources and Organisational Development advised that in terms of Santander the relationship was moving forward and creating new networks and new contacts was a key priority.

The Chairman asked that for National Apprenticeship week officers look at holding an event and getting Santander, Milton Keynes City Council and others together to meet some apprentices and publicise it.

RESOLVED -

That the report be noted.

**FA50 HEALTH, SAFETY AND WELLBEING ANNUAL REPORT 2023-24**

The Lead Member for Health and Safety and Corporate Risk advised he was pleased to be writing his fifth forward to the annual report and it was a very pleasing and positive report to be bringing to Members for their consideration.

The Health and Safety Manager advised Members that this report covered Performance Overview, Employee

Director of Human Resources and Organisational Development

Wellbeing, Risk Management, Working with others, Health and Safety training, a look forward and Performance indicators.

Mindful of the time it took to get the Home Office data back, and balancing a need to try and keep the information in the report as fresh and current as possible, whilst the performance data was based on the financial year (like the Home Office data), the report this year included key work and achievements delivered up to the date of authoring the report. This would reduce the likelihood now and in the future of providing a report with headline achievements that were delivered up to 20 months ago.

The safety event statistics for the year 2023/24 identified there had been a decrease in the number of personal injury safety events by 27.3%. This was an excellent result which reflected in the significant reduction in the injury rate from 90.5 to 63.7 per 1000 employees. The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) had also decreased by 23.1% as well as equipment damage falling by 11.1%.

However, there had been an increase in the number of vehicle damage safety events, and a decrease of 31.1% in the near miss reports.

The Health and Safety Manager advised that regarding performance data, the Service introduced line manager notifications within the Visor system to highlight outstanding investigations which initially had seen a significant increase in these being completed on time. The last section highlighted in yellow was the Home Office statistics which, Members would see, the Service had demonstrated improvements in five out of the seven performance measures, when compared to other similar Services.

The Chairman asked about the act of violence against the firefighter and whether the perpetrator was prosecuted.

The Health and Safety Manager advised he would report back to Members with the outcome.

A Member asked about contaminants and how Members could be assured that the actions in the report matched the aspirations in the FBU's Manifesto.

The Health and Safety Manager assured Members that this was treated with the upmost seriousness, and the safety of

Health and Safety  
Manager

staff was paramount. At a local level, there was a Contaminants Working Group, which the Health and Safety team were actively involved in.

A Member asked the Health and Safety Manager why he thought there had been a decrease in accident or injury, and whether the Service was on par with its neighbours on training and improvements.

The Health and Safety Manager advised that as stated in the report, there had been additional funding investment into training and development of staff and by investing more in training across the whole organisation, there was a better and improved awareness where earlier interventions could reduce the likelihood of an occurrence in the first place.

The Health and Safety Manager advised that the Service worked very closely with its neighbours, on peer reviews, health and safety systems, processes, management and met regularly within the whole Southeast Region.

A Member asked about vehicle damage going up 34.2%, was it something that could have been avoided or was it due to residents parking cars in unsuitable areas which had caused this raised figure.

The Health and Safety Manager advised that the increase in this measure was not because of vehicle parking. However, where there were areas identified, the local station would run a campaign in partnership with other local agencies. The cause of the damage was slow speed vehicle manoeuvres.

RESOLVED –

That the health, safety and wellbeing performance as detailed in the Health, Safety and Wellbeing Annual Report for 2023/24 be noted.

**FA51 HIS MAJESTY'S INSPECTORATE OF CONSTABULARY AND FIRE AND RESCUE SERVICES (HMICFRS) - BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE (BFRS) 2023-2025 UPDATE**

The Head of Technology, Transformation and PMO advised Members that this report was a summary of reports previously shared at both the Executive and Overview and Audit Committees. The HMICFRS report provided an



update on the Service's progress against its Inspection action plan and the recent HMI revisit.

All Prevention actions were complete, and to ensure the changes had been embedded, a number of KPI's were in place that were reviewed on a regular basis, alongside regular staff engagement. All Protection actions were also complete and in a similar way to Prevention, KPI's and staff engagement would continue to be reviewed to ensure the changes were embedded. Since the submission of the report, one further EDI action had been completed. The two remaining actions were in progress and on track.

To review the Service's progress, HMICFRS completed a revisit in September 2024. The outcome letter from this visit was attached at Appendix 1. HMICFRS noted the Service had made good progress across all causes of concern. The Prevention cause of concern was now closed. HMICFRS would revisit again in January to focus on Protection and EDI.

A Member asked if the Service was in a good position for the revisit of HMICFRS in January 2025 to respond to the outstanding concerns.

The Head of Technology, Transformation and PMO advised Members that the Service was in a good position when they visited in September, but did not have the Protection work embedded enough. The visit in January would look to see that the work they had previously seen in Protection had been embedded.

With regard to EDI, HMICFRS were going to run a focus group with a number of staff from across the organisation and meet and interview the Director of Human Resources and Organisational Development. Officers do not know if HMICFRS would close a cause of concern in a revisit.

The Chairman asked about London Fire Brigade (LFB) who recently had their reinspection visit and had entered the engage phase before this Service. One of the areas they had made progress on was the EDI objectives, had officers done any work to understand what LFB had done, and if there was anything the Service could learn from them.

The Head of Technology, Transformation and PMO advised she had not met specifically with LFB as their cause of concern was more about culture, and this Service's was more EDI specific. Officers were meeting with both

Gloucestershire Fire and Rescue Service and Avon Fire and Rescue Service who were also in the engage process and officers were sharing progress. The People and Culture Officer had attended a number of network events, and was picking up best practices from other services.

The Chief Fire Officer advised that the previous Deputy Chief Fire Officer had met with LFB and the Chief Fire Officer had met with the Commissioner from LFB and although LFB were slightly different, officers had looked at other Services for good practice.

RESOLVED –

That the HMICFRS update, and the Buckinghamshire Fire and Rescue Service: Causes of concern progress letter 8 November 2024 (Appendix 1), be noted.

**FA52 MEMBER UPDATE ON THE FIRE BRIGADES UNION IMPROVEMENTS AGENDA 2024**

The Chairman advised that last year Members had received a presentation from the FBU Brigade Secretary, whom he welcomed to the meeting again, where the FBU set out their improvement priorities for the year ahead. Members had asked for an update, and this report set out some of the progress made.

The Deputy Chief Fire Officer advised that the report provided Members with an update on the Service's progress against the 2024 FBU Improvements Agenda, initially presented to the Authority at its meeting on 6 December 2023. The agenda covered ten areas, with further specific requirements within each of the ten areas.

Throughout the year officers had considered these requirements and wherever possible, incorporated them into current and future plans to help improve and enhance the Service.

Achievements to date included:

- Significant progress in implementing DECON policies and improving PPE management through a dedicated contaminants project. The project had 157 actions, 114 were complete, 38 were in progress, and 5 were yet to be started.
- Recruitment and retention strategies had been reviewed to ensure the Service was able to attract, recruit and retain more on-call staff on a range of

tailored employment contracts. There was now a dedicated on-call marketing resource to assist with recruitment initiatives.

- Enhanced capabilities for dealing with rural firefighting and extreme weather events (wildfires) had been established and utilised throughout the summer of 2024.
- Improvements in crewing levels and skill set reviews were ongoing.
- The appointment of a People and Culture Officer and the implementation of a Culture Board and Active Bystander training were helping to foster a more inclusive environment.
- Constructive dialogue with the FBU continued to strengthen industrial relations.
- Pay and conditions were reviewed in line with NJC negotiated settlements to ensure they offer the best possible pay for staff.
- Plans for a state-of-the-art training facility at Westcott Venture Park and increased training budgets were underway.
- Facility improvements were being prioritised and implemented to support EDI goals.
- Health and wellness initiatives were being reviewed and developed to support the overall well-being of firefighters.

The Deputy Chief Fire Officer advised Members that as the Service moved forward, its focus would be on the continued constructive work alongside the FBU wherever possible. By focusing on these areas, the Service aimed to create a safer, more supportive, and more effective working environment for all firefighters.

The FBU Brigade Secretary advised Members that:

A lot of good work had been done on the improvement agenda presented to Members last year. Some areas of focus that they would like to see continued in the future were DECON. Whilst there were improvements within the Service, there were still gaps in terms of cancer screening, PPE contract position, keeping the Service in step with emerging technologies around contaminate management, against traditional laundering of PPE;

Some facilities on stations do not necessarily cater for best practice in terms of laundering of workwear and firefighting equipment;

There had been much better crewing levels in terms of front-line appliances, less so in terms of the retained position, which was improving. There were still no plans in place for the positive crewing of the Turn Table Ladder (TTL) at High Wycombe;

In terms of pay and conditions, whilst it was geared to national negotiations, there was still a lesser rate for nighttime overtime rates, which had not been addressed and sat outside the nationally agreed arrangements; and

A lot of good work was being done regarding Infrastructure, stations and facilities, and these were not things that could be addressed within a year, and it was good to see that plans were underway. Next year there would be a full station improvement programme in place.

A Member felt it would have been good to have a written update from the FBU in the report and would like to see it in future.

The Deputy Chief Fire Officer advised he would work with the FBU Brigade Secretary to provide a written update for the next report.

A Member asked where it mentioned employee rewards programme, when it comes to mental health and wellbeing of staff, it was important to make sure they know they were appreciated for doing their roles, and when mentioning about pay and conditions, was there anything that could be implemented.

A Member asked about the progression of the contaminants, and risks to firefighters and whether the Service getting was near to where it needed to be.

The FBU Brigade Secretary advised that DECON was being taken seriously and had been picked up by the National Fire Chiefs Council (NFCC) and all the recommendations and actions were taking place as part of the Contaminants Working Group. Cancer screening was about preventing firefighters from developing really aggressive forms of cancer. Firefighters were significantly at risk of developing cancer, against national averages.

Deputy Chief Fire Officer

A Member asked about the reference to an alternative shift pattern being trialled at Amersham Fire Station, and how well was it going.

The Chairman advised the headcount was not where the FBU wanted it to be at 320, but the decision had been made to invest in skill sets for this year against the 320 headcount and asked if the FBU felt that the benefits of the investment of skill sets had been seen.

The FBU Brigade Secretary advised that in terms of headcount, being set at 320, this would be a really positive move. With the apprenticeship programme, the Service had sat above 300 for some time and what that meant was more appliances on the run.

The Deputy Chief Fire Officer advised Members that:

In terms of cancer screening, the Service would continue to work on this, some work had been undertaken but there was more learning to be done, to potentially offer staff the right type of screening;

In terms of the PPE contract, 2018 was a big step forward in terms of a fully managed service and call out service to ensure the kit was clean. The Service was now beginning to realise opportunities for the next phase and lining it up with the procurement timelines to improve PPE;

Facilities on stations were important and it was a case of balancing resources against those priorities. In terms of crewing numbers, on-call was a big focus for the Service;

The point on positively crewing the TTL, this year the Service was trying to focus on skills because it did not have the flexibility to increase the establishment, officers would continue to see if they could leverage the improvements;

Plans for recognition and reward was on the agenda for the Director of Human Resources and Organisational Development and his team for next year; and

Lastly, regarding the question raised around skill sets and Crew Commander and Firefighter Safe to Command and the temporary shift patterns the Service had introduced, these had all been subject to collective agreements with the FBU and positive working relationships had led to better resources and better management of skills.

RESOLVED –

That the Buckinghamshire FBU 2024 Improvement Agenda Service update report be noted.

**FA53 COMMUNITY RISK MANAGEMENT PLAN 2025-2030**

The Director of Finance and Assets advised Members that the draft Community Risk Management Plan (CRMP) was originally presented at the Authority meeting in June 2024.

The CRMP explained how the Service plans to mitigate identified risks and improve community safety by aligning available resources with key objectives and utilising them in the most efficient way. It also reflected the Service's updated promise to the public, core values and core behaviours. As well as considering the full assessment of risks, it also addresses issues raised in the Service's most recent HMICFRS inspection report.

The document detailed three strategic objectives supported by three strategic enablers. Strategies for each were embedded within the document to ensure they were fully aligned with the CRMP.

The CRMP also contained details of the measures relevant to each objective and enabler so that performance could be tracked throughout the lifetime of the plan.

The public consultation ran for 12 weeks from July through to September. The Service received 200 online survey responses, as well as running five in-person focus groups comprising a total of 44 individuals. These were run alongside internal staff briefings, including a 'Town Hall' style online session, and engagement with key business groups across Buckinghamshire and Milton Keynes.

The Director of Finance and Assets, alongside the Chief Fire Officer, attended the Milton Keynes focus group. The level of engagement and enthusiasm was good to see.

The consultation feedback summary in Appendix 2 contained a detailed analysis of views on every area of the CRMP. For all questions the proportion of respondents that agreed with or provided a neutral response far outweighed the proportion that disagreed with each question.

As part of the internal audit plan, a draft of the CRMP was also shared with Mazars who had undertaken some assurance work on the extent to which the CRMP met the Fire Standard and also addressed HMICFRS comments about the previous Public Safety Plan (PSP). Alongside the

consultation feedback, this report had also helped to refine important areas of the CRMP.

Appendix 3 contained details of all the changes made since the draft version was presented to the Authority in June, as well as the reasons for the changes.

A particular worry noted in the consultation feedback report was that the draft CRMP's emphasis on efficiency was an attempt to disguise the potential for future Service reductions.

The Director of Finance and Assets reassured Members that this was not the case. The Authority does have to set a balanced budget, but the plan was as far as possible to reinvest any efficiency savings within the Service.

Although the Authority was still awaiting results of the Provisional Settlement for next year, the MHCLG Policy Statement published at the end of November was more positive than forecast and provided the opportunity for further investment into the Service to help deliver the CRMP, and fulfil the promise of providing an excellent, modern and agile fire and rescue service for the community.

A Member asked about the growth in north Buckinghamshire was the Service resilient enough in its plans to facilitate this growth.

The Director of Finance and Assets advised that within the modelling they do look at historical incidents and historical demand but within the risk profile, and work closely with Buckinghamshire and Milton Keynes Councils to look at their plans for growth. Officers were aware there were growth plans, and ambitious housing targets. Housing itself does not necessarily add more risk, as new housing was better engineered to be safer in terms of fire, nevertheless, the biggest risk was population.

The Chairman asked that one of the criticisms of the previous plan and the reason for bringing forward this plan, was it proved inflexible in a changing environment; and whether officers were confident that there was sufficient agility and the ability to be dynamic in the way the Service responds to risks.

The Chairman asked about on-call stations and where the on-call stations were, and whether officers felt they had room to be creative about how retained appliances and

retained firefighters, would give additional scaled up resilience.

The Chairman asked if officers felt confident that they had sufficient financial resources and capabilities to execute this risk management plan.

The Director of Finance and Assets advised that in terms of being dynamic enough to respond to changes in the future, there were high level objectives and enablers which set out what the Service wants to achieve, rather than the detailed steps of how it would be achieved. It would be kept under review and Members would receive an annual delivery plan, which would provide Members with more details.

In terms of risk and how officers assured themselves of that, officers looked at 10-15 different community risk management plans from other services, ones that had received good feedback from HMICFRS and had also used the new Fire Standard which was published by the Fire Standards Board.

The Service was committed within the plan to review how best to use on-call.

The positive within the MHCLG funding statement was that next year the Service would have the ability to increase its council tax precept by up to £5, which would be worth an additional £850k to the Service.

A Member advised that of the 300 wholetime firefighters, only 44 were also on-call firefighters, and many live in the community. It would be good to understand why they do not want to be on-call firefighters as they were already trained and would provide that extra line of resilience when it was needed.

The Director of Finance and Assets advised that he talked about on-call helping with the resilience, but it was also important to note that three quarters of the wholetime staff were not on duty at any one time and how the Service could make use of that as resilience, whether retained, or recall to duty for major incidents.

A Member asked about modelling in relation to population growth, was there any data on climate change and was that being integrated into future risk planning.

The Director of Finance and Assets advised that in terms of precise data, no, but in terms of flooding, it showed where the main flood zones were. Wildfires were more difficult,



some of the worst wildfires in 2022 were in more urban areas. The more extreme weather events were becoming more and more frequent, so the Service needed to be more prepared for them, and that was where the resilience was needed. Day to day demand could be managed comfortably.

A Member asked if there was a risk management strategy, and what could be done to improve diversity.

The Director of Finance and Assets advised that there was a Climate and Environment Action Plan, and within that the Service was trying to mitigate the impact of its own actions on the climate, for example using renewable energy and also adaptations of how the Service was responding to the changes in terms of incidents, for example introducing the rural firefighting vehicles, wildfire units, which were able to respond in areas that traditional fire appliances could not get to. This would be shared with the Member.

Director of Finance  
and Assets

In terms of diversity, the People Strategy was being continually looked at and with the most recent round of wholetime apprentice recruitment, there were 7 males and 5 females, but also looking at other protected characteristics, and engaging relevant communities.

The Head of Human Resources advised that with regard to diversity, there were 'have a go days', a positive action statement, officers had visited lots of events, including Pride MK. In January there was a have a go day for the LGBT community.

The Director of Finance and Assets advised that once this was approved, it would go live from 1 April 2025. The annual delivery plan would be brought to the Fire Authority meeting in February 2025, alongside the budget so it could be aligned to delivering the CRMP.

RESOLVED –

That the Community Risk Management Plan 2025-2030 be approved.

#### **FA54 LATE URGENT ITEMS**

The Chairman advised that the following reports were required to be considered by the Fire Authority to meet the statutory backstop date of 13 December 2024 for the publication of audited accounts for the 2022/23 financial year.

The Director of Finance and Assets advised Members that the following items all related to the same matter, which was to try and conclude work on the statement of accounts for 2022/23. As Members would be aware, there had been issues nationally with accounts and audit, it affected all fire services, police services and local authorities. There were proposals nationally to conclude the audit backlog and certain backstop dates were set. The first backstop date was 13 December 2024, in terms of getting the accounts done for 2022/23 and that was why it was coming to this Authority meeting, rather than the Overview and Audit Committee.

### **1. COMPLETION REPORT FOR THOSE CHARGED WITH GOVERNANCE – YEAR ENDED 31 MARCH 2023**

The External Auditor advised Members that this was the long-awaited outcome, made possibly by legislation that was passed on 30 September 2024 and a new National Audit Office Audit Code that allowed it, was enacted on 14 November and allowed audit firms to reset the backlog.

The External Auditor advised Members that Ernst & Young (EY) had completed the Value for Money work in relation to the Authority. The Value for Money work was the conclusion to the arrangements that were in place during 2022/23 and against the criteria in the NEO's code. No new risks or weaknesses had been identified from the interim report when it was presented and today.

In terms of the financial statements, minimum procedures had been performed under ICAS to move to a disclaimed audit opinion in line with legislation, Statutory Instrument 2024/907. These procedures mainly related to the areas covered under section two of the report around audit risk and materiality and updating EY's understanding of the business and risk of fraud. The background of why EY was not able to perform the audit for 2022/23, and therefore, EY were disclaiming their opinion on the financial statements.

RESOLVED –

That the content of the report, and the disclaimed opinion with the reasons provided by the auditors, be noted.

### **2. LETTER OF MANAGEMENT REPRESENTATION 2022/23**

The Principal Accountant advised Members that the Letter of Management Representation was a legislative

requirement and a self-explanatory paper. Information contained within this letter contributed towards the auditors being able to form their opinion as to whether the financial statements give a true and fair view of the Authority's financial position as at 31 March 2023. This letter was to be signed off by the Director of Finance and Assets and the Chairman of the Overview and Audit Committee following today's meeting.

RESOLVED –

That the Letter of Representation be approved for signature by the Chief Finance Officer and the Chairman of the Overview and Audit Committee.

Principal  
Accountant

### **3. STATEMENT OF ACCOUNTS – YEAR ENDED 31 MARCH 2023**

The Principal Accountant advised Members that the Statement of Accounts outlined the financial activities of the Authority for the year ended 31 March 2023. It showed the financial detail of the services the Authority had provided, together with explanatory notes, the resources consumed and the financial position at the end of the year compared with the previous year.

When putting together the Accounts, the Authority had followed the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the UK 2023/23: Based on International Financial Reporting Standards (IFRS), the Code.

The Accounts were drawn up in accordance with the accounting policies which were set out in detail within the Statement of Accounting Policies section.

The responsibility for the proper administration of the Authority's financial affairs was vested with the Director of Finance and Assets who was required by law to confirm that the Authority's system of internal controls could be relied upon to produce an accurate Statement of Accounts.

The Accounts contain four main statements. Each of the four main statements were supported by disclosure notes providing additional detail to figures presented. The four main statements were, Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, and Cash Flow Statement.

The Accounts also contained information regarding the Firefighters' Pension Fund Account, along with a narrative statement providing information about the Authority including Key Facts about the Authority, Financial Performance in 2022/23 and Corporate Risks.

The External Auditor had provided a detailed completion report which included the Auditor's opinion. This audit opinion had been added to the Statement of Accounts ready for signing following this meeting.

RESOLVED –

That the Statement of Accounts for the financial year ended 31 March 2023 be approved for signing by the Chief Finance Officer and Chairman of the Overview and Audit Committee.

Principal  
Accountant

**FA55 EXCLUSION OF PRESS AND PUBLIC**

That the public and press representatives be excluded from the meeting by virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972, as the report and minutes contain information relating to any individual; and Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as the report and minutes contain information relating to the financial or business affairs of a person (including the Authority); and on these grounds it is considered the need to keep information exempt outweighs the public interest in disclosing the information.

(The External Auditor and the FBU Brigade Secretary left the meeting)

**FA56 EXEMPT MINUTES**

RESOLVED –

That the Exempt Minutes of the meeting of the Fire Authority held on 9 October 2024, be approved, and signed by the Chairman as a correct record.

(Cllr Hall left the meeting)

**FA57 POTENTIAL INVESTMENT IN A LOCAL TRAINING VENUE**

The Authority considered the presentation, details of which were noted in the exempt minutes.

**FA58 DATE OF NEXT MEETING**

To note that the next meeting of the Fire Authority will be held on Wednesday 12 February 2025 at 11 am at Milton

Keynes City Council, 1 Saxon Gate East, Central Milton  
Keynes. MK9 3EJ

THE CHAIRMAN CLOSED THE MEETING AT 1PM

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# Buckinghamshire & Milton Keynes Fire Authority

**Meeting and date:** Executive Committee, 5 February 2025

**Report title:** Medium Term Financial Plan (MTFP) 2025/26 to 2029/30

**Lead Member:** Councillor Matthew Walsh

**Report sponsor:** Mark Hemming, Director of Finance and Assets

**Author and contact:** Asif Hussain, [ahussain@bucksfire.gov.uk](mailto:ahussain@bucksfire.gov.uk), 01296 744421

**Action:** Decision

## **Recommendations:**

That the recommendations below be approved for submission to the Authority:

1. It is recommended that:
  - (a) the report and Statement of the Chief Finance Officer (see section 8 of Annex A) be noted.
  - (b) a Council Tax precept of £84.46 for a band D equivalent property (equal to an increase of approximately 10p per week) and the revenue budget as set out in Appendix 1 be approved.
  - (c) the capital programme as set out in Appendix 2 be approved.

## **Executive summary:**

The main report (Annex A) presents the proposed revenue and capital Medium Term Financial Plan (MTFP) for the financial years 2025/26 to 2029/30. The MTFP is closely linked to the Service's new Community Risk Management Plan (CRMP) 2025-2030, which will go-live on 1 April 2025.

On 28 November 2024, the Government published the local government finance policy statement 2025/26, which sets out the intentions for the local government finance settlement for the upcoming year. The provisional settlement was announced on 18 December 2024, which detailed the funding allocations that have been incorporated into the MTFP. Final confirmation of the settlement is expected in February 2025 and any changes in the provisional to final settlement will be presented in a revised Appendix 1 at the meeting.

In 2022/23 the government allowed additional precept flexibilities for lower-quartile Fire and Rescue Authorities (FRAs) to increase the precept by £5, and in 2023/24 extended this flexibility to all FRAs. In 2024/25 the maximum increase was effectively limited to 3%. This year, the Authority continued to lobby alongside the National Fire Chiefs Council for £5 precept flexibility in 2025/26 to deal with the continuous financial pressures being faced by FRA's. As per the provisional settlement, the Fire sector have been successful in this lobbying and therefore the referendum threshold is £5.

Revenue Support Grant (RSG) which now includes the previous pension grant (£1.206m) will increase in line with Consumer Price Index (CPI) as of September 2024. The Firelink grant will reduce by 20% and 2025/26 will be the final year we will receive Firelink grant. This will result in the USAR grant being the only fire specific grant we will receive from 2026/27 and beyond.

The service saw a significant reduction in Services Grant last year which reduced by 84% and this year it has been reduced to zero. Another grant that has ceased this year is the minimum funding guarantee, which was introduced in 2024/25 for all local authorities, and equated to £0.598m for Buckinghamshire Fire and Rescue.

The Autumn Budget 2024 introduced significant changes to National Insurance Contributions (NICs). Employer NICs will increase from 13.8% to 15%, with the payment threshold lowered from £9,100 to £5,000 per annum. This will directly impact employer contributions and indirectly increase supply/service costs due to suppliers raising their charges to cover their increased NICs. The Provisional Settlement confirmed £515 million funding for local government (including CCA/CAs but excluding police and education services). However, initial estimates suggest this will only cover between 30% to 52% of the direct costs only, leaving a funding gap of £0.250m to £0.350m that the Service will need to fund.

With the introduction of the Non-Domestic Rating Act 2023, this has given ministers the power to set the small and standard business rating multipliers separately from one another. Until 2023/24, these two multipliers had to be increased (or frozen) by the same percentage. Local authorities will continue to be compensated for the freeze in the Business Rates Multipliers in 2025/26, seeing the sum of Baseline Funding Levels (BFLs) and an increase in compensation grant for under indexation of the Business Rates Multiplier rise in line with CPI.

Key assumptions are detailed in Section 4 of Annex A and are based on information received to date.

The Ministry of Housing, Communities and Local Government (MHCLG) has released a consultation on funding reform. The Autumn 2024 Budget outlined the Government's plan to implement a comprehensive set of reforms aimed at placing local government on a more sustainable footing. The Budget also committed to a deprivation-based funding approach for 2025/26 for some elements of funding, with broader reforms planned through a multi-year settlement starting from 2026/27.

Council tax collection funds have been improving since the start of the pandemic where they were adversely impacted, and the tax base reduced. We have seen the council tax base slowly increase since the pandemic and surpass the average increase (in previous years) of 1.6%. However, for 2025/26, we have seen a reduction in the council tax base increase (1.38%) compared to previous years but still a respectable increase and not far off from our assumption of 1.6%.

This year the budget adopted the zero-based budget setting process involving the Lead Members who were provided with the overview of the budget and assumptions. The budget setting process was scrutinised by Officers and Lead Members to ensure only



proposals which added value for money and in line with the CRMP priorities were approved.

The revenue budget for 2025/26 and indicative figures for future years are shown in Appendix 1.

It should also be noted that the figures for council tax and business rates are provisional. The statutory deadline for the billing authorities to provide this information to the Authority is 31 January 2025. Any changes to the figures will be presented in a revised Appendix 1 at the meeting.

Appendix 2 shows the latest summary of the capital programme for 2025/26 and approved schemes for the following years.

Appendix 3 provides further detail on the level of council tax chargeable for each band if the Authority accepts the recommendation to increase the band D by £5.

**Financial implications:** All financial implications are shown in the main body of the report.

**Risk management:** Management of Financial resources is a key risk to the Authority. By projecting forward and monitoring the financial plans, we are in a better position to avoid and mitigate the risk of adverse financial consequences.

**Legal implications:** The Local Government Act 2003 gives the responsible finance officer, namely the Chief Finance Officer of the Combined Fire Authority under s112 of the Local Government Finance Act 1988, the responsibility to report to Members of the Authority on their assessment of the robustness of the estimates used within the budget and on the adequacy of reserves.

Members must have regard to the report of the Chief Finance Officer in respect of the above and the highlighted associated risks before considering the recommendations as set out in the report.

**Privacy and security implications:** No direct impact.

**Duty to collaborate:** No direct impact.

**Health and safety implications:** No direct impact.

**Environmental implications:** No direct impact.

**Equality, diversity, and inclusion implications:** No direct impact.

**Consultation and communication:** None.

**Background papers:**

Medium Term Financial Plan (MTFP) 2024/25 to 2028/29 and Revised Appendices, Fire Authority, 14 February 2024: <https://bucksfire.gov.uk/wp-content/uploads/2024/03/fire-authority-agenda-and-reports-14-february-2024.pdf>

Appendix	Title	Protective Marking
Annex A	Medium Term Financial Plan 2025/26 to 2029/30	None
Appendix 1-4	Appendix 1 – MTFP Budget Model and Reserves Position Appendix 2 – Capital Programme Summary Appendix 3 – Council Tax Rates Appendix 4 – Risk Assessment of the Adequacy of General Reserves	

## **Annex A – Medium Term Financial Plan (MTFP) 2025/26 to 2029/30**

### **1. Introduction**

- 1.1. The purpose of this report is to present the proposed revenue and capital Medium Term Financial Plan (MTFP) 2025/26 to 2029/30.
- 1.2. The MTFP is closely linked to the Service's new Community Risk Management Plan (CRMP) 2025-2030, which will go-live on 1 April 2025. The MTFP details the resources available to facilitate this Plan.
- 1.3. As part of the Fire Authority's Terms of Reference and MTFP, the Authority reviews and sets a balanced budget each year in line with corporate priorities. The MTFP is expressed as a detailed annual budget for the first year, with outline indicative budgets for the following four years.
- 1.4. Under Section 25 of the Local Government Act 2003 the Chief Finance Officer (as S.112 Chief Finance Officer of the Local Government Finance Act 1988) is required to report to Members on:
  - The robustness of the estimates made for the purposes of the calculations of the budget
  - The adequacy of the proposed financial reserves
- 1.5. The Local Government Act 2003 requires that Members have regard to the report in making their decisions (see section 8).
- 1.6. Section 42A of the Local Government Finance Act 1992 also requires the Authority to have regard to the level of reserves for meeting estimated future expenditure when calculating the net budget requirement.

### **2. Local Government Finance Settlement 2025 to 2026**

- 2.1. The Revenue support grant will increase in line with the change in the Consumer Price Index (CPI) between September 2023 and September 2024 which is 1.7%. The old pension grant has also been incorporated into the RSG on a flat cash basis since 2024/25 and will also increase in line with CPI.
- 2.2. With the introduction of the Non-Domestic Rating Act 2023, this has given ministers the power to set the small and standard business rating multipliers separately from one another. Until 2023/24, these two multipliers had to be increased (or frozen) by the same percentage. Local authorities will continue to be compensated the difference between the freeze and the increase expected in line with CPI.
- 2.3. The Ministry of Housing, Communities and Local Government (MHCLG) has released a consultation on funding reform. The Autumn 2024 Budget outlined the Government's plan to implement a comprehensive set of reforms aimed at placing local government on a more sustainable footing. The Budget also committed to a deprivation-based funding approach for some funding streams in 2025/26, with broader reforms planned through a multi-year settlement starting from 2026/27.
- 2.4. In 2023 the Government announced that the Government Actuary Department had completed its valuation of Firefighters' Pension Scheme (England) and published the results of the 2020 Valuation. As a result of this review the employer contribution rate rose to 37.6% of pensionable pay from 1 April 2024 to 31 March 2027. The

Treasury fully funded this cost last year and have confirmed they will continue to do so on a flat cash basis for 2025/26. It is uncertain if this will be fully funded in future years or if it will be incorporated into the revenue support grant as per the previous pension grant.

- 2.5. The Autumn Budget 2024 introduced significant changes to National Insurance Contributions (NICs). Employer NICs will increase from 13.8% to 15%, with the payment threshold lowered from £9,100 to £5,000 per annum. This will directly impact employer contributions and indirectly increase supply/service costs due to suppliers raising their charges to cover their increased NICs. The Provisional Settlement confirmed £515 million funding for local government (including CCA/CAs but excluding police and education services). However, initial estimates suggest this will only cover between 30% to 52% of the direct costs only, leaving a funding gap of £0.250m to £0.350m that the Service will need to fund.
- 2.6. As part of this year's announcement, the Government published headline changes in core spending power between 2024/25 and 2025/26 for every authority. The headline change published for Buckinghamshire Fire and Rescue Service was an increase of 4.2% in cash terms.
- 2.7. This is based on the assumption that the Authority will increase its Band D council tax in 2025/26 by 6.29% (£5).

### **3. Council Tax and Business Rates**

- 3.1. In publicly declaring core spending power figures, the Government has clearly set an expectation that local authorities will continue to increase council tax every year by the maximum amount permissible.
- 3.2. The Council tax was increased by £5 in 2022/23 and 2023/24. For 2024/25, the referendum threshold had reverted back to 3%. This year, the Authority continued to lobby alongside the National Fire Chiefs Council for £5 precept flexibility in 2025/26 to deal with the continuous financial pressures being faced by FRA's. As per the provisional settlement, the Fire sector have been successful in lobbying and therefore the referendum threshold is £5.
- 3.3. The Authority currently sets a band D equivalent precept of £79.46 per annum (approx. £1.52 per week). This is significantly below the national average and one of the lowest precepts of any combined fire authority.
- 3.4. Council tax chargeable for each band should the Authority resolve to increase the band D by £5 (6.29%) is shown in Appendix 3.

### **4. Risk Factors in Budget Assumptions**

- 4.1. The budget proposed for 2025/26 at Appendix 1 has been compiled by looking in detail at current spending and future plans and applying the zero-based budgeting methodology.
- 4.2. This year the budget setting process involved the Lead Members who were provided with the detailed budget and assumptions. The budget setting process was scrutinised by Officers and Lead Members to ensure only proposals which added value for money and are in line with the CMRP priorities were approved.

- 4.3. The service adopted a zero-based budget approach whereby every line of budget was reviewed and challenged by the appropriate officers. This resulted in significant savings being identified which have been reallocated in the budget to reduce the impact of inflationary pressures.
- 4.4. Included within the budget is the increase in revenue contribution to the Thames Valley Fire Control Service (TVFCS) which is a joint control room operated by the three Thames Valley FRS. Buckinghamshire FRS contribution towards the revenue expenditure for the TVFCS has increased by £14k per annum (£1.014m for 2025/26) which has been included in the MTFP.
- 4.5. The Service had previously been notified that the grant funding for the Urban Search and Rescue (USAR) capability hosted at Aylesbury would end on 31 March 2025. With the support of the local MPs, the Fire Authority challenged this decision and were successful in the funding being reinstated for 2025/26. We have now assumed this funding will continue for the foreseeable future but this has yet to be officially confirmed.
- 4.6. Uncertainty continues to persist regarding the level of inflation that the Service will be subject to over the coming years. Given that almost three-quarters of the budget relates to direct employee costs, pay inflation has a hugely significant impact on the Services budget.
- 4.7. Areas where budgets have changed significantly from previous years have been subject to a series of challenges by Officers and Members. Risks which have been identified are to be covered from the reserves.
- 4.8. The detailed costs and funding are based on the updated budget requirement including the annual uplift assumptions below:

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Council tax precept	2.98%	6.29%	2.99%	2.99%	2.99%	2.99%
Council tax base	1.6%	1.38%	1.6%	1.6%	1.6%	1.6%
Settlement Funding Assessment	6.7%	1.7	2%	2%	2%	2%
Pay Award	4%	2%	2%	2%	2%	2%

## 5. Capital

- 5.1. The revenue impact of the capital programme has been factored into the base revenue budget requirement. This includes an annual revenue contribution to capital (RCCO), details of which are shown in Appendix 1.
- 5.2. The table at Appendix 2 details the approved capital programme for 2024/25, the estimated provisional outturn position and any proposed slippage to the programme. Any slippage is then added to the new budget requests for 2025/26 to give a total capital budget requirement of £8.5m for 2025/26. This figure includes indicative funding relating to points raised in 5.3.

- 5.3. The capital programme includes indicative funding relating to a proposed local training facility and an options appraisal for High Wycombe Fire Station. Both of these will have a separate business case submitted which will be subject to approval before potential commencement of these projects.
- 5.4. The Authority should also take cognisance of the prudential indicators when approving the capital programme (submitted as a separate paper at this meeting).

## **6. Scrutiny and Challenge Process**

- 6.1. All budget changes have been determined based on a series of challenge panels held by officers and then Members during the MTFP process.
- 6.2. As part of the scrutiny process, the service has been able reallocate resources and use the additional precept flexibility/funding to invest in the following areas;
- Professional Investigator Role
  - Upgrades to Learning Management System
  - Contaminants Management
  - Community Engagement
  - Local Training Facility (subject to approval of business case)
  - High Wycombe Fire Station – Options appraisal

## **7. Adequacy of Reserves**

- 7.1. The Reserves Strategy is now incorporated within the Financial Strategy which was approved by the Fire Authority at its meeting on 9 December 2020 (<https://bucksfire.gov.uk/documents/2020/11/item-7c-fire-authority-9-december-2020.pdf/>). Given the significant uncertainty that persists around inflation and other subsequent events that have occurred, the level of the General Fund has been reviewed. The current calculation of the risk assessed amount can be seen in Appendix 4.
- 7.2. The latest forecast balances and reserves at year-end 2024/25 are:
- General Fund Balance - £2.0m
  - Earmarked Reserves - £5.3m\*
  - Capital Reserves - £6.2m

\* The earmarked reserves balance excludes the amount held by Oxfordshire County Council relating to the Thames Valley Fire Control Service.

## **8. Statement of the Chief Finance Officer**

- 8.1. The purpose of this statement is to comply with the requirements of the Local Government Act 2003 whereby the Chief Finance Officer, in the Fire Authority's case the Director of Finance and Assets and Chief Finance Officer, must report on:
- The robustness of the estimates made for the purposes of the calculations of the budget and;
  - The adequacy of the proposed financial reserves;
  - In recommending the budget to the Authority, Members must have regard to this report when making decisions in connection with which it is made.

- 8.2. Given the level of the General Fund Balance and earmarked reserves available, the prudent approach to the budget setting process for the next financial year and the controls for budget management, it is my conclusion as Chief Finance Officer for the Authority that, subject to approval of recommendation 1(b), there is sufficient capacity in the reserves to cope with the financial risks the Authority faces for 2025/26 and future years and that the methodology applied provides the necessary assurance to the Authority about the robustness of the estimates used in constructing the budget.

## Appendix 1 – MTFP Model

The model below is based on the assumptions detailed in Sections 3 and 4 and all significant budget movements have been subjected to Officer and Member scrutiny as noted in Section 6.1. The statutory deadline for the billing authorities to provide Council Tax and business rates information to the Authority is 31 January 2025. Any changes to these figures will be presented in a revised Appendix 1 at the meeting.

Directorate	2024/25 Approved Budget £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Base Budget	0	39,470	42,715	43,627	45,048	46,669
Inflation Adjustment	0	453	970	999	1,029	1,060
Corporate Core	864	490	91	-200	0	0
Statutory Accounting	452	-52	0	0	0	0
Delivery, Corporate Development & Planning	28,579	-845	349	455	348	351
Peoples Directorate	630	2,390	0	0	0	0
Finance & Assets	7,252	115	321	350	0	-156
RCCO	1,693	694	-819	-183	244	430
<b>Net Budget Requirement</b>	<b>39,470</b>	<b>42,715</b>	<b>43,627</b>	<b>45,048</b>	<b>46,669</b>	<b>48,354</b>
Settlement Funding Assessment (SFA)	-11,269	-11,550	-11,745	-12,041	-12,237	-12,431
Services Grant	-36	0	0	0	0	0
Council Tax Receipts Surplus/Deficit	-101	-414	-150	-150	-150	-150
Fire Specific Grants	-933	-877	-817	-817	-817	-817
Council Tax Receipts	-26,091	-28,116	-29,418	-30,783	-32,208	-33,699
Fire Pensions Grant	-1,107	-1,107	-1,107	-1,107	-1,107	-1,107
National Insurance Grant	0	-150	-150	-150	-150	-150
Minimum Funding Guarantee	-598	0	0	0	0	0
Transfers to/(from) Reserves	665	-501	-240	0	0	0
<b>Total Funding Available</b>	<b>-39,470</b>	<b>-42,715</b>	<b>-43,627</b>	<b>-45,048</b>	<b>-46,669</b>	<b>-48,354</b>



## Appendix 1a – Reserves Position

Reserves Position	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
General Fund Balance	-2,040	-2,040	-2,040	-2,040	-2,040	-2,040
Other Earmarked Reserves (excluding Control Room Res.)	-5,290	-240	0	0	0	0
Capital and Transformation Reserves	-6,221	-4,680	-1,321	-659	-628	-1,753
<b>Total</b>	<b>-13,551</b>	<b>-6,960</b>	<b>-3,361</b>	<b>-2,699</b>	<b>-2,668</b>	<b>-3,793</b>

## Appendix 2 – Capital Programme

The table below summarises the capital programme from 2024/25 through to 2029/30 and is based on the revenue contribution to capital levels shown in Appendix 1:

Capital Programme	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000
Property	700	6,516	4,360	4,219	250	250
Hydraulic Equipment	70	54	59	85	90	95
Operational Equipment	95	100	105	110	115	120
Operational Red Fleet Vehicles (Fire Appliances)	887	0	311	326	343	360
Operational Red Fleet Vehicles (Specials)	440	350	0	760	760	0
Operational White Fleet Vehicles	0	78	0	0	0	0
BA and Associated Equipment	90	0	0	0	0	0
ICT	150	105	92	97	102	109
Slippage (Approved July 2024 Executive Committee)	1,300					
In-year Movements	40					
Current Year Slippage Forecast	-1,274	1,274				
Forecast Overspend	126					
<b>Total Expenditure</b>	<b>2,624</b>	<b>8,477</b>	<b>4,927</b>	<b>5,597</b>	<b>1,660</b>	<b>934</b>
Funding b/fwd	-6,750	-6,221	-4,680	-1,321	-659	-628
In Year Funding	-2,095	-6,936	-1,568	-4,935	-1,629	-2,059
<b>Funding (Available)/Deficit</b>	<b>-6,221</b>	<b>-4,680</b>	<b>-1,321</b>	<b>-659</b>	<b>-628</b>	<b>-1,753</b>

Note 1 – Figures highlighted in BLUE are currently only indicative and are not being considered at this stage of the process.

Note 2 – Figures highlighted in GREEN include amounts provisionally set aside for a local training facility and refurbishment/rebuild of High Wycombe Fire Station each of which are subject to a future business cases and in the case of High Wycombe, an options appraisal paper.

### Appendix 3 – Council Tax Rates

If the band D equivalent council tax were increased by 6.29% for 2025/26, the following rates would apply to properties in each band:

Bands	Per Week (£)	Per Month (£)	Per Year (£)
A	£1.08	£4.69	£56.31
B	£1.26	£5.47	£65.69
C	£1.44	£6.26	£75.08
D	£1.62	£7.04	£84.46
E	£1.98	£8.60	£103.23
F	£2.34	£10.17	£122.00
G	£2.70	£11.73	£140.77
H	£3.24	£14.08	£168.92

This would represent an annual increase of £3.34 per annum on a band A, £5.00 per annum on a band D and £10.00 per annum on a band H property.

The following table shows the increase in each band (rounded to the nearest pence).

Bands	Per Week (£)	Per Month (£)	Per Year (£)
A	0.06	0.28	3.34
B	0.07	0.32	3.89
C	0.09	0.37	4.45
D	0.10	0.42	5.00
E	0.12	0.51	6.11
F	0.14	0.60	7.22
G	0.16	0.69	8.34
H	0.19	0.84	10.00

## Appendix 4 – Risk Assessment of the Adequacy of General Reserves

The table below shows the calculation of the amount required to be held in the General Fund:

Budget Assumptions	Financial standing and management assessment/impact	Comments	Amount Required £000
The treatment of inflation and interest rates	The overall financial standing of the authority (level of borrowing, debt outstanding, council tax collection rates etc.). Rises in the prices of some commodities, e.g. fuel, highlight the relevance of using a number of inflation rates in the budget and financial strategy, and considering whether general reserves are adequate to deal with unexpected increases. Volatility in the financial markets also points to the need to consider investment and borrowing risks and their impact on income.	Significant uncertainty persists regarding the level of inflation (both pay and non-pay). Amount required to be held in general reserve estimated as circa 2% of net budget requirement.	850
The treatment of demand led pressures and resilience in spate conditions.	The authority's capacity to manage in-year budget pressures, and its strategy for managing both demand and service delivery in the longer term.	An amount has been set aside to help fund any recommendations that may come from the Grenfell Tower inquiry or the McCloud/Sargeant judgement. This also includes an amount associated with providing resilience in spate conditions.	100
The treatment of planned efficiency savings/productivity gains	The strength of the financial information and reporting arrangements. The authority should also be in a position to activate contingency plans should the reporting arrangements identify that planned savings or gains will either not be achieved or be delayed.	A key future efficiency within the Medium-Term Financial Plan is the efficiency saving relating to bank costs and over the border costs. However, these amounts can be potentially volatile so an amount should be held in the General Fund to mitigate the associated risk.	200

<b>Budget Assumptions</b>	<b>Financial standing and management assessment/impact</b>	<b>Comments</b>	<b>Amount Required £000</b>
The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments	The authority's virement and end of year procedures in relation to budget under/overspends at authority and department/directorate level. Risk management measures in relation to partnerships, including consideration of risk allocation. Contract provisions designed to safeguard the authority's position in the event of problems arising from outsourcing arrangements.	This amount is based on circa 10% of the total estimated expenditure on the capital programme for 2025/26. This figure has increased compared to previous years due to the indicative funding allocated for the local training facility.	840
The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions	The adequacy of the authority's insurance arrangements to cover major unforeseen risks. When considering insurance cover, the structure of the cover as well as the overall level of risk should be taken into account. Risk assessments should be used when balancing the levels of insurance premiums and reserves.	The insurance excess is set at £5,000 for the majority of claims. There is a risk that there may be a large number of high value claims. This value assumes ten claims over £5,000 in any one year.	50
<b>Total Required</b>			<b>2,040</b>

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# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Executive Committee, 5 February 2025

**Report title:** The Prudential Code, Prudential Indicators and Minimum Revenue Provision (MRP)

**Lead Member:** Councillor Matthew Walsh

**Report sponsor:** Mark Hemming, Director of Finance & Assets

**Author and contact:** Marcus Hussey [mhussey@bucksfire.gov.uk](mailto:mhussey@bucksfire.gov.uk)

**Action:** Decision.

**Recommendations:** That the Executive Committee approve the recommendations below for submission to the Fire Authority.

That the Authority be recommended to approve:

1. the Prudential Indicators for 2025/26
2. the Minimum Revenue Provision policy statement

---

## **Executive summary:**

This report is being presented as the Prudential Indicators and Minimum Revenue Provision policy statement are required to be approved by the Fire Authority and to support the Medium-Term Financial Plan (MTFP).

The Authority has already made sufficient revenue provision to cover the repayment of its gross borrowing. The Authority has no plans for additional external borrowing in the foreseeable future, according to the current MTFP.

It is recommended that the Authorised Limit for 2025/26 is set at £2.5m higher than the Operational Boundary Limit to allow for the effective management of cashflow and the implementation of IFRS 16 Leasing from 1 April 2024.

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## **Financial implications:**

The decision on the prudential indicators sets out the financial limits within which the Authority will operate in future years.

The minimum revenue provision is a statutory charge against the General Fund, estimated at £47k for 2025/26 (no change from 2024/25).

The impact of the Prudential Code will allow the Authority to make informed choices between revenue and capital financing of procured services, to encourage invest to

save schemes and will only allow capital investment to proceed where the Authority can fund projects within prudential limits.

Making sufficient minimum revenue provision ensures that when borrowing matures, cash is available to make the repayment. This ensures that the Authority does not need to borrow additional money to repay existing loans.

**Risk management:**

The Prudential Code was established to ensure that capital investment plans are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. The indicators presented here demonstrate that the current plans for capital investment meet these criteria and present an acceptable level of risk to the Authority.

Minimum revenue provision is a statutory charge to the General Fund, which ensures that an Authority has sufficient cash balances to repay borrowing upon maturity, reducing the refinancing risk.

There are no direct staffing implications.

**Legal implications:**

The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, SI 2003/3146 make provision for capital finance and accounts under the Local Government Act 2003 requiring the authority to have regard to the 'Prudential Code for Capital Finance in Local Authorities' when determining, under the Local Government 2003 Act, how much money it can afford to borrow; and require the Authority to determine for the current financial year an amount of minimum revenue provision which it considers to be prudent.

**Privacy and security implications:**

No direct impact.

**Duty to collaborate:**

No direct impact.

**Health and safety implications:**

No direct impact.

**Environmental implications:**

No direct impact.

**Equality, diversity, and inclusion implications:**

No direct impact.

**Consultation and communication:**

No direct impact.



**Background papers:**

Realignment of Reserve Balances to Facilitate the Medium Term Financial Plan, Executive Committee, 18 November 2015, agenda item 6:

[https://bucksfire.gov.uk/wp-content/uploads/2024/03/181115\\_exec\\_committee\\_papers.pdf](https://bucksfire.gov.uk/wp-content/uploads/2024/03/181115_exec_committee_papers.pdf) (from p.23)

<b>Appendix</b>	<b>Title</b>	<b>Protective Marking</b>
1	The Prudential Code, Prudential Indicators and MRP	

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# **The Prudential Code, Prudential Indicators and Minimum Revenue Provision**

2025/26

**Buckinghamshire & Milton Keynes Fire Authority**

## Contents

<b>Prudential Indicators</b>	<b>Page 2</b>
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<b>Minimum Revenue Provision (MRP) Policy Statement</b>	<b>Page 7</b>

## Prudential Indicators

### 1.0 Indicators for Affordability

#### 1.1 The ratio of financing costs to net revenue stream

This indicator measures the percentage of the net revenue funding used to finance external debt. As no future external borrowing is planned and a decision was made to reallocate reserves to reduce the capital financing requirement in 2015/16, the ratio of financing costs to net revenue stream will remain consistently low. However, as per the Medium-Term Financial Plan 2025/26 to 2029/30, during 2027/28 the remaining voluntary revenue provision of £3.55m is forecast to be reversed.

Indicator	Actuals 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
Ratio of financing costs to net revenue stream	-1.98%	-1.11%	-0.79%	0.03%	-0.01%

### 2.0 Indicators for Prudence

#### 2.1 Gross borrowing and the Capital Financing Requirement

The table below shows gross borrowing and the capital financing requirement (CFR). The Authority should ensure that gross borrowing does not, except in the short term, exceed the CFR. However, due to the reallocation of reserves to reduce the CFR (excluding finance lease) to zero (see Provenance Section & Background Papers) gross borrowing will exceed CFR for the medium term. This situation will exist until either borrowing is repaid, or if the voluntary revenue provision previously made is reversed.

Gross borrowing at the start of 2023/24 financial year was £6.177m. The figures shown below indicate the maximum level of borrowing during the year (i.e. repayments will reduce the limit for the following year):

Indicator	Actuals 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
Gross borrowing (£000)	6,177	4,550	4,550	4,550	4,550
Capital financing requirement (£000)	1,449	1,402	1,355	1,308	4,811

The graph below provides an overview of gross borrowing from Public Works Loan Board across Fire Services in England as of 31<sup>st</sup> March 2024.



### 3.0 Indicators for Capital Expenditure

#### 3.1 Capital Expenditure and Financing

This indicator shows the expected level of capital expenditure for future years:

Indicator	Actuals 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
Capital expenditure (£000)	2,307	2,633	8,477	4,927	5,597

The table below summarises the above capital expenditure plans and how these plans are being financed by capital resources, revenue resources, reallocation of reserves and reversal of voluntary revenue provision

Indicator	Actuals 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
Capital Receipts	3,538	0	0	0	0
Capital Reserves	-3,101	940	1,557	3,351	557
Revenue Contribution to Capital	1,870	1,693	2,397	1,576	1,490
Reallocation of Existing Reserves	0	0	4,549	0	0
Reversal of Voluntary Revenue Provision	0	0	0	0	3,550

#### 3.2 Capital Financing Requirement (CFR)

The CFR reflects the Authority's underlying need to borrow. This figure was reduced down to the level of the finance lease by the reallocation of reserves (see Background Papers). No additional external borrowing is planned in the medium term. As noted earlier, the figure for 2027/28 includes the forecast reversal of the remaining voluntary revenue provision as per the latest MTFP. The CFR should be looked at in relation to gross borrowing, as detailed in Section 2.1:

Indicator	Actuals 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
Capital financing requirement (underlying need to borrow for a capital purpose) (£000)	1,449	1,402	1,355	1,308	4,811

### 4.0 Indicators for External Debt

#### 4.1 Authorised Limit

This is the maximum limit on borrowing and other long-term liabilities. From 2024/25, the authorised limit for other long-term liabilities factors in an estimated additional amount of £500k to account for the lease liabilities following the implementation of IFRS 16 Leasing. This amount cannot be exceeded without approval from the Fire Authority:

Indicator	Actuals 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
Authorised limit for borrowing (£000)	8,177	6,550	6,550	6,550	6,550
Authorised limit for other long-term liabilities (£000)	1,449	1,902	1,855	1,808	1,761
Authorised limit for external debt (£000)	9,626	8,452	8,405	8,358	8,311

## 4.2 Operational Boundary

This indicator shows the most likely estimate of debt for future years:

The actual external debt for the year ending 31 March 2024 was **£7.626m**.

Indicator	Actuals 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
Operational boundary for borrowing (£000)	6,177	4,550	4,550	4,550	4,550
Operational boundary for other long-term liabilities (£000)	1,449	1,402	1,355	1,308	1,261
Operational boundary for external debt (£000)	7,626	5,952	5,905	5,858	5,811

## 5.0 Indicators for Treasury Management

### 5.1 Adoption of CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-Sectorial Guidance Notes

The aim is to ensure that treasury management is led by a clear and integrated forward treasury management strategy, and a recognition of the pre-existing structure of the Authority's borrowing and investment portfolios.

### 5.2 Upper limit on fixed interest rate exposures

This indicator shows the Authority's upper limit of the net exposure to fixed interest rates. Currently all borrowing is at a fixed rate of interest:

Indicator	Actuals 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
Upper limit on fixed interest rate exposures	100%	100%	100%	100%	100%

### 5.3 Upper limit on variable interest rate exposures

This indicator shows the Authority's upper limit of net exposure to variable interest rates:

Indicator	Actuals 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
Upper limit on variable interest rate exposures	20%	30%	30%	30%	30%

### 5.4 Maturity structure of fixed rate borrowing

This indicator shows the repayment profile of fixed rate borrowing. All loans are repayable on maturity:

Indicator	Actuals 2023/24		Estimate 2024/25		Estimate 2025/26		Estimate 2026/27		Estimate 2027/28	
	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit
Maturity structure of fixed rate borrowings										
Under 12 months	0%	0%	0%	0%	0%	0%	0%	0%	0%	22%
12 months and within 24 months	0%	0%	0%	0%	0%	0%	0%	22%	0%	0%
24 months and within five years	0%	19%	0%	22%	0%	22%	0%	14%	0%	14%

five years and within 10 years	0%	27%	0%	30%	0%	30%	0%	16%	0%	16%
20 years and within 30 years	0%	42%	0%	48%	0%	48%	0%	48%	0%	48%
30 years and within 40 years	0%	12%	0%	0%	0%	0%	0%	0%	0%	0%

### 5.5 Total principal sums invested for periods longer than 365 days

The purpose of this indicator is for the Authority to contain its exposure to the possibility of loss that might arise as a result of it having to seek early repayment or redemption of principal sums invested. The Authority currently has no investments over a period longer than 365 days.

Indicator	Actuals 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
Total principal sums invested for periods longer than 364 days (£000)	0.00	0.00	0.00	0.00	0.00

### 5.6 Credit Risk

The duration of any investment with a counterparty will be restricted as advised by the Authority's treasury management advisors, Link Asset Services. The advisors will base their assessment of credit risk based on credit ratings provided by the major agencies, as well as reviewing credit default swaps (a proxy measure for the markets perceived risk of default).



## Summary Table of Prudential Indicators

For reference, the following table summarises the key indicators detailed in Appendix 1 in a single table:

	Indicator	Actuals 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
<b>Indicators for Affordability</b>						
1.1	Ratio of financing costs to net revenue stream	-1.98%	-1.11%	-0.79%	0.03%	-0.01%
1.2	The incremental impact of capital investment decisions on the council tax	0.00	0.00	0.00	0.00	0.00
<b>Indicators for Prudence</b>						
2.1	Gross borrowing (£000)	6,177	4,550	4,550	4,550	4,550
<b>Indicators for Capital Expenditure</b>						
3.1	Capital expenditure (£000)	2,307	2,633	8,477	4,927	5,597
3.2	Capital financing requirement (underlying need to borrow for a capital purpose) (£000)	1,449	1,902	1,355	1,308	4,811
<b>Indicators for External Debt</b>						
4.1	Authorised limit for external debt (£000)	9,626	8,452	8,405	8,358	8,311
4.2	Operational boundary for external debt (£000)	7,626	5,952	5,905	5,858	5,811
<b>Indicators for Treasury Management</b>						
5.2	Upper limit on fixed interest rate exposures	100%	100%	100%	100%	100%
5.3	Upper limit on variable interest rate exposures	20%	30%	30%	30%	30%
5.5	Total principal sums invested for periods longer than 364 days (£000)	0.00	0.00	0.00	0.00	0.00

The actual external debt for the year ending 31 March 2024 was £7.626m. The projected external debt for the year ending 31 March 2025 is £5.952m (both figures include the finance lease liability).

The following indicators are not shown above:

- 5.1 – the Authority has adopted CIPFA’s Treasury Management Code
- 5.4 – details of the maturity structure of fixed rate borrowing
- 5.6 – narrative regarding credit risk

## Minimum Revenue Provision (MRP) Policy Statement

The two methods for calculating prudent provision are set out below and were approved by members in 2008/09. Regulation 28 of the 2003 Regulations (as amended by regulation 4 of the 2008 Regulations) requires a local authority to calculate for the current financial year an amount of MRP which it considers to be prudent. The Secretary of State recommends that, for the purposes of regulation 4 the prudent amount of provision should be determined in accordance with one of four options, two of which were agreed by members in 2008/09 and are outlined below.

The broad aim of prudent provision is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits (asset life).

(a) CFR Method

MRP is equal to 4% of the Capital Financing Requirement (CFR) at the end of the preceding financial years. Since the CFR (excluding finance lease) is now at zero, this method is no longer applicable (for finance leases, the MRP requirement is regarded as met by a charge equal to the element of the rent that goes to write down the Balance Sheet liability).

(b) Asset Life Method

Since 1 April 2008, where capital expenditure on an asset is financed wholly or partly by borrowing or credit arrangements, MRP is to be determined by reference to the life of the asset, based on an equal instalment method. This amount is projected to be nil for 2025/26.

Where assets have been purchased utilising Capital grants or Revenue Contributions no MRP calculation is required. Only assets purchased utilising borrowing require an MRP charge.

The asset life method calculation requires estimated useful lives of assets to be input into the calculations. These life periods will be determined by the Director of Finance and Assets & Treasurer, regarding the statutory guidance and advice from professional valuers.



# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Executive Committee, 5 February 2025

**Report title:** Members' Allowances

**Lead Member:** Councillor Simon Rouse, Chairman

**Report sponsor:** Graham Britten, Director of Legal and Governance

**Author and contact:** Katie Nellist [knellist@bucksfire.gov.uk](mailto:knellist@bucksfire.gov.uk)

**Action:** Decision

**Recommendations:**

That the Authority be recommended to adopt the Scheme for Members' Allowances for 2025/26 (as shown in draft as Appendix 1).

---

**Executive summary:**

The proposed Scheme of Allowances 2025/26 is based on the principle agreed by the Authority in February 2023 that indexation with the preceding year's Grey Book pay award be maintained. **Appendix 1** includes additional information showing the effect of the indexation for illustrative purposes.

The Authority agreed at its meeting on 14 December 2011 that the index linking for the period 2012/13 to 2014/15 – for basic and special responsibility (and co-optee) allowances – be the pay award for the Authority's staff on National Joint Council (NJC) for Local Authorities' Fire and Rescue Services, Scheme of Conditions of Service (Grey Book) for the preceding year. The application of this index linking had been endorsed annually by the Authority since 2014/15 until 2021/22.

Although there had been a Grey Book 2% pay award effective from 1 July 2020, the Authority agreed in February 2021 to suspend the indexation for the year 2021/22, resulting in a 0% increase in Members' allowances. The indexation with the preceding year's Grey Book pay award, was re-established for 2022/23 by a decision of the Authority; and by a decision of the Authority at its meeting on 15 February 2023 when it resolved 'That a Scheme of Members' Allowances for 2023/24 be adopted, index linked to the 2022/23 'Grey Book' pay award.'

The 2024/25 Grey Book pay award (4%) was published on 20 May 2024 (Circular NJC 3/24). The draft Scheme of Allowances for 2025/26 is attached at **Appendix 1** with the 2024/25 figures included for illustration of the 4% increase in line with the NJC employers' Grey Book pay award.

Paragraphs 20 and 21 of the Scheme of Allowances provide that:

“20. The scales for all allowances are maxima and there is no obligation on any Member to claim any or all of the allowances.

21. A Member shall give notice in writing to the Chief Finance Officer that he/she elects to forego any part of his/her entitlement to an allowance under the scheme.”

---

**Financial implications:** The current budget for Members’ Allowances (Basic and Special Responsibility Allowances) is £75,220. With Members’ allowance assumptions index linked to Grey book pay award, the proposed budget provides for a 4% increase in April 2025, which would increase the budget for Members’ Allowances to £78,229.

Costs will be incurred in publishing a notice that the Authority has made a Scheme of Members’ Allowances in a newspaper circulating in its area. The cost is estimated to be in the region of £800.

**Risk management:** The recommendation will have no adverse effect on the Authority’s business.

**Legal implications:**

The Authority is required to adopt a Scheme of Members’ Allowances before 1 April each year and, in so doing, have due regard to the recommendations of the Independent Remuneration Panels (IRP) of the constituent authorities [links are included the background papers section below<sup>1 2</sup>] when considering its own Scheme of Members’ Allowances and confirm that it has done so when it gives public notice of the Scheme of Allowances.

The making or amendment of the Members’ Scheme of Allowances is a function reserved to a meeting of the Authority. An amendment may be made by the Authority in year. Regulation 10(4) of Local Authorities (Members’ Allowances) (England) Regulations 2003 provides that “A scheme may make provision for an annual adjustment of allowances by reference to such index as may be specified by the authority and where the only change made to a scheme in any year is that effected by such annual adjustment in accordance with such index the scheme shall be deemed not to have been amended.”

**Privacy and security implications:** No issues arising from the recommendations.

**Duty to collaborate:** The making of a scheme of allowances is the responsibility of each individual authority defined in the Local Authorities (Members’ Allowances)

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<sup>1</sup> In Milton Keynes City Council the adopted arrangements for annual indexation are based on the percentage pay award for officers in the preceding financial year. However, as in 23/24 there were variable percentage rates in 2024/25 pay award; based on a flat rate for JNC pay scales and 2.5% for subsequent pay scales. Therefore, based on the approach taken last year, the Council’s Independent Remuneration Panel (IRP) continue to recommend an increase for MKCC members based on the median % increase for officers, (2.87%).

<sup>2</sup> Buckinghamshire Council’s extant IRP recommendations from 9 January 2020, with a lifetime of 4 years, included annual indexation to officers’ annual pay award or by CPI, whichever is lower.

(England) Regulations 2003. The methodology for doing so is prescribed exclusively by those regulations.

**Health and safety implications:** No issues arising from the recommendations.

**Environmental implications:** No issues arising from the recommendations.

**Equality, diversity, and inclusion implications:** The Authority’s Scheme of Members’ Allowances does not include any element for meeting costs incurred by a Member who has to arrange care in order to carry out their function as a Member of the Fire Authority.

The Local Authorities (Members’ Allowances) (England) Regulations 2003 exclude the Authority from including such a provision in its Scheme. However, with the exception of co-opted members, all Members are appointed by either Buckinghamshire Council or Milton Keynes City Council and are entitled to claim “dependent carers’ allowances” from their appointing authority. There are currently no co-opted members on the Authority.

**Consultation and communication:** A notice that the Authority has made a Scheme of Members Allowances will be published in a local newspaper and the updated Scheme of Members’ Allowances can also be inspected at Headquarters, during standard office hours. Copies of the Scheme may be purchased at a cost of £2.50 or downloaded for free at [www.bucksfire.gov.uk](http://www.bucksfire.gov.uk)

**Background papers:**

[NJC 3/24 – Pay Award 2024](#)

[NJC 3/23 - Pay award 2023](#)

[Minutes](#) of the meeting of the Fire Authority (Wednesday 14 February 2024)

[Minutes](#) of the meeting of the Executive Committee (Wednesday 8 February 2023)

[Minutes](#) of the meeting of the Authority (Wednesday 15 February 2023)

[Buckinghamshire Council Report of the Independent Remuneration Panel 9 January 2020](#)

[MKCC Report to full Council 24 January 2024](#)

[MKCC Report to full Council 22 January 2025](#)

Appendix	Title	Protective Marking
1	Draft Scheme for Members’ Allowances 2025/26 (showing the 2024/25 figures and increases for illustrative purposes).	None

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**BUCKINGHAMSHIRE AND MILTON  
KEYNES FIRE AUTHORITY**

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***MEMBERS' SCHEME OF ALLOWANCES  
2025/26***

# THE BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY

## MEMBERS' SCHEME OF ALLOWANCES

### Introduction

1. This Scheme is governed by the Local Authorities (Members' Allowances)(England) Regulations 2003 and the Local Authorities (Members' Allowances)(England) (Amendment) Regulations 2003 – “the regulations.”
2. Elected Members of the Buckinghamshire and Milton Keynes Combined Fire Authority may claim basic allowances, special responsibility allowances, travelling allowances and subsistence allowances for approved duties in accordance with the provisions of this scheme.
3. Appointed (non elected) members may claim co-optees allowance, travelling allowances and subsistence allowances for approved duties specified in this scheme.
4. "Year" means the 12 months ending with 31 March.
5. The Scheme has four Schedules attached which are:
  - (a) Schedule 1 - Special Responsibility Allowances
  - (b) Schedule 2 - Payment of Travelling and Subsistence Allowances
  - (c) Schedule 3 - Duties Excluded from the Allowances Scheme
  - (d) Schedule 4 - Rates of Allowances

### Creation and Amendment of the Scheme

6. This scheme comes into effect on 1 April 2025.
7. For subsequent changes in basic allowances, special responsibility allowances and co-optees allowances, new rates will be payable from the date the amendment takes effect as set out either in this scheme or the Regulations.



8. The Fire Authority will be responsible for amending the scheme and in doing so will have regard to any recommendations to its constituent councils of the independent remuneration panels set up by them.

### **Basic Allowances**

9. The Fire Authority will pay equally to each Member of the Authority a basic allowance of an amount specified in Schedule 4.
10. Where the term of office of a Member begins or ends in the course of a financial year entitlement will be apportioned in accordance with the Regulations. The apportionment will not take place where a Member's term of office lasts less than one month.
11. Basic Allowances are payable monthly and are subject to tax and national insurance deductions.

### **Special Responsibility Allowances**

12. The Fire Authority will pay each year to the Members of the Fire Authority who have special responsibilities by reason of the office(s) they hold the special responsibility allowances set out in Schedule 1.
13. Where a Member takes up or relinquishes any post that carries a special responsibility allowance in the course of a financial year the entitlement will be apportioned in accordance with the Regulations. The apportionment will not take place where a Member's term of office lasts less than one month.
14. Special responsibility allowances are payable in monthly instalments and are subject to tax and national insurance deductions. Where a Member is eligible for more than one special responsibility allowance (whether payable by the Fire Authority or another authority for Fire Authority duties) only the highest one will be payable, with the exception that a Lead Member may claim one Lead Member's Allowance in addition to one other Special Responsibility Allowance payable.

### **Approved Duties**

15. Travelling and Subsistence Allowances are payable monthly and are only payable to Elected Members of the Fire Authority for the approved duties set out in Schedule 2.

### **Co-optees Allowance**

16. A Co-optees Allowance may be paid to appointed members (i.e. non-Elected Members whether voting or not) for the performance of any approved duty as defined by this document.
17. The allowance will be payable in monthly instalments and are subject to tax and national insurance deductions.

### **Travelling and Subsistence Allowances**

18. The term "Member" for the purpose of travelling and subsistence allowances applies to any person who is a Member of the Fire Authority, or who is a member of any committee, sub-committee or panel of the Fire Authority, and so includes appointed non-elected members of those bodies. The payment of these allowances is dependent upon the performance of an "approved duty" which is an attendance as a member at a meeting, or the carrying on of a duty, set out in Schedule 2.
19. The rates for travel and subsistence allowances are specified in Schedule 4.

### **Allowances are Maxima**

20. The scales for all allowances are maxima and there is no obligation on any Member to claim any or all of the allowances.
21. A Member shall give notice in writing to the Chief Finance Officer that he/she elects to forego any part of his/her entitlement to an allowance under the scheme.

### **Social Functions and Occasions**

22. Elected Members on occasions are invited, or feel it necessary to attend functions, or occasions which have a social element. No allowances are paid to Members of the Fire Authority on these occasions unless the Member is undertaking the performance of a positive duty and one of significant size, e.g. making a speech or distributing prizes when travel and subsistence allowances may be paid. Merely to attend because the member is interested or represents people in the district is insufficient to justify payment of any allowances.

### **Conference Expenses**

23. If attendance at a conference has been approved by the Authority, conference expenses which are obligatory and outside the control of the Member, will be paid in advance on request or will be reimbursed. These expenses will include the conference fee. The actual cost of accommodation, meals and the like, will only be met or reimbursed if it is part of the inclusive charge for the conference or it is a requirement of the conference or its organisers that the Member should stay at a particular hotel.
24. Travel and subsistence allowances are payable where appropriate.

### **Telephones**

25. A mobile phone will be provided to the Chairman of the Fire Authority, with the cost of supply, rental and business calls being met by the Fire Authority.

### **Avoidance of Duplication**

26. A claim for an allowance under this scheme must include, or be accompanied by, a statement signed by the claimant that no other claim has been or will be made for the matter to which the claim relates.

### **Records of Payments**

27. Records of payments made to Members are available for inspection free of charge by any local government elector of the Fire Authority.
28. A person entitled to inspect a record may make a copy of any part of it.
29. Details of total payments made to each Member for allowances under this scheme will be published as soon as practicable after the end of the year to which they relate.

### **Expense Claims**

30. All information requested for the expense claim must be provided, including the number of miles, the locations travelled from and to and the reason for travel. (It is always advisable for Members to make

contemporaneous notes in their diary to assist in the completion of claims).

31. Claims for expenses should only be made when actually incurred, i.e. rail/bus, taxis, hotel accommodation. Receipts must be provided.
32. Claims for the same expenses (mileage, travel and subsistence etc) must not be made from more than one body.
33. Payments for basic and special responsibility allowances will be paid monthly in arrears and travel and subsistence payments will be paid monthly in arrears on the submission of a claim through the HR and Payroll Portal.
34. No claim from a Member for traveling or subsistence allowances which is submitted more than three months after the costs were incurred and no later than the end of April for the preceding financial year will be entertained, except in exceptional circumstances and approved in writing by the Chief Finance Officer.

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## **SCHEDULE 1**

### **SPECIAL RESPONSIBILITY ALLOWANCES FROM APRIL 2025**

#### **Special Responsibility Allowance per annum**

<b>Position</b>	<b>April 2024 £</b>	<b>April 2025* £</b>
Chairman	14,492	15,072
Vice-Chairman	4,857	5,052
Chairman - Executive Committee	5,980	6,220
Chairman - Overview and Audit Committee	3,917	4,074
Chairman - Human Resources Sub Committee**	1,960	2,039
Group Leaders	4,348	4,522
Lead Members	3,779	3,931

**\*4% increase**

**\*\*If constituted by the Executive Committee**

## **SCHEDULE 2**

### **PAYMENT OF TRAVELLING AND SUBSISTENCE ALLOWANCES**

The duties in this Section have been approved for the payment of travel and subsistence allowances:

- (a) Attendance at a meeting of the Fire Authority;
- (b) Attendance at a meeting of any committee or sub-committee of the Fire Authority;
- (c) Attendance at a meeting of any section, panel, working party or other meeting authorised by the Fire Authority or a committee or sub-committee of the Fire Authority or a joint committee of the Fire Authority and one or more other authorities to which the member has been specifically appointed provided that it is a meeting to which Members of at least two political groups have been invited.
- (d) Attendance at a meeting of an association of authorities of which the Fire Authority is a member and to which the member has been appointed by the Fire Authority to represent it.
- (e) Attendance at ad hoc meetings with other authorities, organisations or bodies authorised by a committee or sub-committee of the Fire Authority, or the Director of Legal and Governance on the advice of the relevant Chairman or Vice-Chairman if this is not practicable.
- (f) Attendance at briefing meetings to which Members of at least two political groups have been invited authorised by a committee or sub-committee of the Fire Authority, or the Director of Legal and Governance on the advice of the relevant Chairman or Vice-Chairman if this is not practicable.
- (g) Attendance at seminars and conferences arranged by the Fire Authority, a committee or sub-committee of the Fire Authority, or the Director of Legal and Governance on the advice of the relevant Chairman or Vice-Chairman if this is not practicable, about any of its functions.
- (h) Attendance at specific visits arranged by the Fire Authority, a committee or sub-committee of the Fire Authority, or the Director of Legal and Governance on the advice of the relevant Chairman or Vice-Chairman if this is not practicable, about any of its functions and where Members of at least two political groups have been invited.

- (i) Attendance at a meeting of any body or authority upon which the member has been appointed by the Fire Authority or a committee or sub-committee of the Fire Authority to represent it.
- (j) Attendance in connection with the discharge of any function of the Fire Authority conferred by or under any enactment and empowering or requiring the Fire Authority to inspect or authorise the inspection of premises.
- (k) Attendance at meetings of bodies where the Fire Authority makes appointments, where the Fire Authority has a major influence at national, regional, county or district level. These bodies are listed below:
- (i) Local Government Association
  - (ii) Fire Commission
- (l) Attendance at any disciplinary, grievance, dismissal or appeals sub-committee or panel.
- (m) The following duties if approved by the Fire Authority or a Committee:
- Attendance at briefing meetings held for the purpose of, or in connection with, the discharge of the functions of the Fire Authority or any of its committees or sub-committees.
  - Attendance at the official opening of new Fire Authority establishments or projects.
  - Attendance by the Chairman and Vice-Chairman of the Fire Authority and of committees at official functions in a representative capacity.
  - Duties undertaken by Chairmen and Vice-Chairmen of the Fire Authority, committees or subcommittees acting in an official capacity.
  - Members' delegations to Government Departments.
  - Town Centre Management Meetings and Parishes.
- (n) Meetings organised by the Chief Fire Officer, Chief Finance Officer or Director of Legal and Governance or their nominated representatives with external bodies or persons to further the business and aims of the Fire Authority which the relevant officer certifies requires the attendance of members on the grounds of urgency which prevents approval being obtained from the Fire Authority, a committee or sub-committee.

*Note: In authorising attendances in accordance with the above, no member, official or officer of the Fire Authority shall act in a discriminatory manner reflecting party political preference. Members, officials and officers should take care to ensure that their actions can not be construed as having been discriminatory.*

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### **SCHEDULE 3**

#### **DUTIES EXCLUDED FROM THE ALLOWANCES SCHEME**

The duties in this Section are those for which the Fire Authority has decided that no allowances will be paid.

- Members' surgeries
- Political activities

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## **SCHEDULE 4**

### **RATES OF ALLOWANCES**

From April 2025 the following rates of allowances will apply

#### **Basic Allowance per annum:**

<b>April 2024</b>	<b>April 2025*</b>
<b>£</b>	<b>£</b>
1,450	1,508

**\*4% increase**

#### **Special Responsibility Allowances:**

See Schedule 1

#### **Co-optees Allowance per annum:**

<b>April 2024</b>	<b>April 2025*</b>
<b>£</b>	<b>£</b>
363	378

**\*4% increase**

#### **Travel Allowances (in line with HMRC Mileage Allowance Payments)**

**(a) *Car***

The rate for travel by a Member's own private motor vehicle, or one belonging to a member of his/her family or otherwise provided for his/her use, other than a solo motor cycle, shall be 45 pence for the first 10,000 miles and 25 pence for each mile after that.

**(b) *Motorcycle***

The rate for travel by a Member's own motorcycle, or one belonging to a member of his/her family, or otherwise provided for his/her use, shall be 24 pence per mile.

**(c) *Bicycle***

The rate for travel by a Member's own bicycle, or one belonging to a member of his/her family, or otherwise provided for his/her use, shall not exceed 20p a mile.

**(d) Public Transport**

Members can claim the full cost of travelling on public transport at standard class rates whilst carrying out Approved Duties, provided a valid receipt, bus ticket etc is produced to substantiate the claim.

**Subsistence**

The rate of subsistence allowance shall not exceed the amounts which can be claimed under the Buckinghamshire Council Members' Allowances Scheme applicable at the time when the cost is incurred.

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# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Fire Authority, 12 February 2025

**Report title:** Treasury Management Strategy 2025/26

**Lead Member:** Councillor Matthew Walsh

**Report sponsor:** Mark Hemming, Director of Finance & Assets

**Author and contact:** Marcus Hussey [mhussey@bucksfire.gov.uk](mailto:mhussey@bucksfire.gov.uk)

**Action:** Decision.

**Recommendations:** That the Authority approve the Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy for 2025/26

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## Executive summary:

This report is being presented as the Fire Authority is required to approve the Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy. This document also supports the Medium-Term Financial Plan (MTFP).

The current Treasury Management Strategy has been operating effectively and outperforming the benchmark targets. The Bank of England's Monetary Policy Committee (MPC) voted to cut the interest base rate from 5.25% to 5% in August 2024 and then to 4.75% in November 2024. This has resulted in a reduction in the level of returns from investments for the Authority, which has been reflected in the budget for 2025/26.

There is no significant change from the previous strategy. The Authority will continue to invest surplus funds in short-term deposits, maturing on a frequent basis, while ensuring the Authority is able to maintain adequate liquidity and meet short-term expenditure requirements.

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## Financial implications:

The proposed budget for 2025/26 is £0.600m, a reduction of £0.100m from 2024/25. It is anticipated that the budget will be met. Detailed information is shown within Appendix 1.

**Risk management:**

Making investments in the Authority's own name means that the Authority bears the risk of any counterparty failure. This risk will be managed in accordance with the strategy and with advice from external treasury management advisors.

The Director of Finance and Assets will act in accordance with the Authority's policy statement; treasury management practices and CIPFA's Standard of Professional Practice on Treasury Management.

The risk of counterparty failure is monitored on the directorate level risk register within Finance and Assets.

There are no direct staffing implications.

**Legal implications:**

The Authority is required by section 15(1) of the Local Government Act 2003 to have regard to the Department for Levelling Up, Housing and Communities Guidance on Local Government Investments; and by regulation 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146] to have regard to any prevailing CIPFA Treasury Management Code of Practice.

Under section 12 of the Local Government Act 2003 the Authority has the power to invest for "any purpose relevant to its functions" and "for the purposes of the prudent management of its financial affairs".

However, it must exercise its investment power in accordance with its fiduciary duty, analogous to that of a trustee, owed to those who contribute to the funds of the Authority.

**Privacy and security implications:**

No direct impact.

**Duty to collaborate:**

No direct impact.

**Health and safety implications:**

No direct impact.

**Environmental implications:**

As at 31 December 2024, the Authority has £4m invested in sustainable investments. Officers will continue to explore sustainable investments, which are sustainable deposits that allow customers to have their capital referenced against sustainable assets, whether existing now or in the future, as verified through the green and sustainable product framework on a net positive basis.

**Equality, diversity, and inclusion implications:**

No direct impact.

**Consultation and communication:**

No direct impact.

**Background papers:**

CIPFA Code of Practice for Treasury Management in the Public Services (CIPFA Code)

Department for Levelling Up, Housing and Communities Guidance on Local Government Investments (DLUHC Guidance)

<b>Appendix</b>	<b>Title</b>	<b>Protective Marking</b>
1	Treasury Management Strategy 2025-26	

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# Treasury Management Strategy

2025/26

**Buckinghamshire & Milton Keynes Fire Authority**

## Contents

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<b>Annual Investment Strategy</b>	<b>Page 5-9</b>
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<b>Prospects for Interest Rates</b>	<b>Page 12-13</b>
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## **Treasury Management Policy Statement**

This Authority defines its treasury management activities as:

The management of the Authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

This Authority regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

This Authority acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The investment policy objective for this Authority is the prudent investment of its treasury balances. The Authority's investment priorities are the security of capital and liquidity of its investments so that funds are available for expenditure when needed. Both the CIPFA Code and MHCLG guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The generation of investment income to support the provision of local authority services is an important, but secondary, objective.

The Authority's borrowing objectives are to minimise the revenue costs of debt whilst maintaining a balanced loan portfolio. The Authority will set an affordable borrowing limit each year in compliance with the Local Government Act 2003 and will have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities when setting that limit.

The Authority will continue with Mitsubishi UFJ Financial Group Corporate Markets (MUFG), previously known as Link Asset Services, as its external treasury management advisor.

CIPFA defines treasury management as:

*"The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

## Treasury Management Strategy Statement

### Current Portfolio Position

The Authority's overall treasury portfolio position as at 31 December 2024 are shown below for both borrowing and investments:

#### Borrowing Portfolio:

Counterparty	Total Borrowing	Average rate of interest %	Annual Interest Payable
Public Works Loans Board	£4.550m	4.86%	£0.214m
Other Borrowing	-	-	-
<b>Total Borrowing</b>	<b>£4.550m</b>	<b>4.86%</b>	<b>£0.214m</b>

At the start of 2025/26 the overall borrowing position will be **£4.550m** with maturity between 2 – 29 years. The next loan maturity is December 2027, for a value of £1m.

The repayments do not directly affect the revenue budget, as they simply reflect the use of cash accumulated by setting aside the appropriate minimum revenue provision (MRP) to settle the outstanding liability.

#### Investment Portfolio:

Counterparty	Total Investment
Banks*	£14.000m
Building Societies*	£6.000m
Money Market Funds	£5.270m
Current Account	£0.304m
<b>Total Investment</b>	<b>£25.574m</b>

\*Average Rate of interest received during period 01 April 2024 and 31 December 2024 was 5.00%.

The investments have various terms and mature on a frequent basis to ensure the Authority can maintain sufficient liquidity and meet short term expenditure requirements. By 31 March 2024, the investments will be circa £19m, plus Money Market Funds and current account balances.

### Borrowing Strategy

The Authority has sufficient reserves set aside to repay the PWLB borrowing when due. This was done as part of the realignment of reserves balances to facilitate the Medium Term Financial plan in November 2015.

The Authority's borrowing objectives are:

- To minimise the revenue costs of debt whilst maintaining a balanced loan portfolio
- To manage the Authority's debt maturity profile, leaving no one future year with a disproportionate level of repayments

No additional borrowing is forecast to take place during the duration of the medium-term financial plan.

## **Investment Strategy**

The Authority's investments will be made with reference to the cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that the risks are relatively balanced between Bank Rate staying higher for longer, if inflation picks up markedly through 2025 post the 30 October 2024 Budget, or it may be cut quicker than expected if the economy stagnates. The economy only grew 0.1% in Q3 2024, but the CPI measure of inflation is now markedly above the 2% target rate set by the Bank of England's Monetary Policy Committee two to three years forward.

Accordingly, while most cash balances are required to manage day to day ups and downs of cash flow, where surplus cash can be identified that could be invested for longer periods closer to 12 months, investments will be carefully assessed.

The Authority will continue to use Money Market Fund accounts to gain instant access to funds and also benefit from the compounding of interest.

Investment of the Authority's funds is in accordance with the Annual Investment Strategy.

## **Debt Rescheduling**

The potential for debt rescheduling is monitored in light of interest rate movements.

Any rescheduling will be in accordance with the borrowing strategy. The reasons for rescheduling include:

- The generation of cash savings at minimum risk
- Fulfilment of the borrowing strategy
- Enhancement of the maturity profile of the borrowing portfolio

It is recommended that Officers continue to review the Authority's debt structure with the treasury advisors in 2025/26 and if the opportunity arises, further work be undertaken to investigate debt restructuring and/or early repayment.

## Annual Investment Strategy (AIS)

### Investment Policy

The Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Financial Strategy, (a separate report).

The Authority's investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Authority's investment priorities will be:

- achieving security first (protecting the capital sum from loss);
- and then liquidity (keeping the money readily available for expenditure when needed);
- only once proper levels of security and liquidity are determined, the Authority will aim to achieve the optimum return (yield) on its investment based on what yield can be obtained consistent with those priorities.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider "laddering" investments for periods up to 12 months.

In accordance with guidance from the MHCLG and CIPFA, and to minimise the risk to investments, the Authority has clearly stipulated below the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using the MUFG ratings service potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Continuing regulatory changes in the banking sector are designed to see greater stability, lower risk and the removal of expectations of Government financial support should an institution fail. This withdrawal of implied sovereign support has had an effect on ratings applied to institutions. This will result in the key ratings used to monitor counterparties being the Short Term and Long Term ratings only. Viability, Financial Strength and Support Ratings previously applied have effectively become redundant. This change does not reflect deterioration in the credit environment but rather a change of method in response to regulatory changes.

As with previous practice, ratings will not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of

information that reflects the opinion of the markets. To this end the Authority will engage with its advisors to maintain a monitor on market pricing such as credit default swaps (CDS) and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors, MUFG in producing its colour coding which show the varying degrees of suggested creditworthiness.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

The intention of the strategy is to provide security of investment and minimisation of risk.

### Creditworthiness Policy

This Authority applies the creditworthiness service provided by MUFG. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes have been used by the Authority to determine the suggested duration for investments.

It is recommended that the Authority continues to use MUFG's colour codes plus an additional six months for UK counterparties only. It would be beneficial if the Authority could lend to existing counterparties for a longer duration. This will increase the risk slightly but will potentially offer increased returns.

The Authority will therefore use counterparties within the following durational bands:

<b>Colour Rating (UK Counterparties)</b>	<b>Colour Rating (Non-UK Counterparties)</b>
Yellow - 5 Years and 6 Months	Yellow - 5 Years
Purple - 2 Years and 6 Months	Purple - 2 Years
<b>Colour Rating (UK Counterparties)</b>	<b>Colour Rating (Non-UK Counterparties)</b>
Blue - 1 Year and 6 Months (only applies to nationalised or semi nationalised UK Banks)	Blue - 1 Year
Orange - 1 Year and 6 Months	Orange - 1 Year
Red - 1 Year	Red - 6 Months

Green – 9 Months	Green – 3 Months
No colour not to be used (except for building societies on the counterparty list which the Authority can invest with for a maximum duration of 365 days limited to a maximum investment of £2 million per counterparty)	No colour not to be used

The MUFG creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically, the minimum credit ratings criteria the Authority use will be a short-term rating (Fitch or equivalents) of short-term rating F1, long term rating A-, viability rating of A-. There may be occasions when the counterparty ratings from one rating agency are lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use. Credit rating definitions can be seen on page 15.

All credit ratings will be monitored on a regular basis. The Authority is alerted to changes to ratings of all three agencies through its use of the MUFG creditworthiness service.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment may be withdrawn.
- in addition to the use of credit ratings the Authority will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by MUFG. Extreme market movements may result in the downgrade of an institution or removal from the Authority's lending list.

Sole reliance will not be placed on the use of this external service. In addition, this Authority will also use market data and market information, information on any external support for banks and the credit ratings of that bank to help its decision making-process.

### Country Limits

The Authority determined that it would not only use approved counterparties based within the United Kingdom but allowed any counterparty (UK or non-UK based) rated at least 'Green' by MUFG. Although no counterparty outside UK was used during 2024/25, these will remain on the lending list for 2025/26. The primary purpose of this is not to increase yield, but to provide additional diversity to the portfolio to effectively manage risk. Several non-UK banks are ranked higher than some of the UK banks on the Authority's current counterparty list. Therefore, the Authority proposes to limit the duration of all non-UK investment in line with MUFG's recommended limits. A list of the proposed non-UK based Counterparties is shown in on page 11.



## Counterparty Limits

As per the AIS, the Authority has determined that the maximum balance that can be invested with a single counterparty at any point in time will be no more than 30% of the portfolio, up to a limit of £5 million.

The two exceptions to this limit in the AIS will continue to be Lloyds, where the maximum balance that can be invested will be a limit of £7.5 million. Of this £7.5 million, no more than £5 million will be invested in non-instant access (call) accounts.

The rationale for this is that Lloyds are the Authority's main banking provider. This means that:

- The officer time taken to move money between the Authority's main bank account and other instant access account is reduced
- The banking charges associated with the movement of the money between accounts is reduced
- The additional risk exposure to the Authority is minimal as all amounts over the current £5 million limit would be available for withdrawal immediately should circumstances require

The other exception relates to building societies on the counterparty listing whereby the maximum balance that can be invested will be limited to £2 million for a maximum duration of 365 days.

## Investment Security

Due care will be taken to consider the exposure of the Authority's total investment portfolio. Investments are defined as being in one of two categories:

- Specified investments – these are investments with high security and high liquidity. All specified investments are in sterling and have a maturity of no more than one year. They will be with the UK government, a local authority, a parish council or with an investment scheme or body of "high credit quality" (as judged against the Creditworthiness Policy detailed earlier in this paper)
- Non-specified investments – any type of investment that does not meet the specified investment criteria. A maximum of £5 million will be held in aggregate in non-specified investments for longer than 364 days – up to a maximum of five years and 6 months as denoted by the yellow banding on the MUFGE creditworthiness policy detailed earlier in this paper. In addition, property funds are also classified as non-specified investments and a maximum of £3 million will be held in aggregate.

## Investment Training

Relevant training and updates will be provided to relevant officers by the external treasury management advisors. This will be supplemented by additional training from CIPFA where necessary.

## Investment of Money Borrowed in Advance of Need

The Authority does not currently have any money that has been borrowed in advance of need. No further borrowing is planned over the medium term financial plan.

## Investment Liquidity

In consultation with external treasury advisors, the Authority will review its balance sheet position, level of reserves and cash requirements to determine the length of time for which investments can be prudently committed. Investments will be placed at a range of maturities, including having money on-call to maintain adequate liquidity.

## Treasury Management Monitoring

The Authority reports on its treasury management activities to the Authority's Overview and Audit Committee on a regular basis.

## Provisional Counterparty List

This list is based on information provided by MUFG as at 03 January 2025. Please note that all colours indicated refer to MUFG's creditworthiness policy:

### UK Based Counterparties

UK Based Counterparties	Counterparty	Suggested Duration (as rated by MUFG)
UK	Al Rayan Bank Plc	Red - 6 mths
UK	Bank of Scotland PLC (RFB)	Orange - 12 mths
UK	Barclays Bank PLC (NRFB)	Red - 6 mths
UK	Barclays Bank UK PLC (RFB)	Red - 6 mths
UK	Close Brothers Ltd	No Colour
UK	Clydesdale Bank PLC	Red - 6 mths
UK	Co-operative Bank PLC (The)	Green - 100 days
UK	Debt Management Office	Red - 6 mths
UK	Goldman Sachs International Bank	Orange - 12 mths
UK	Handelsbanken Plc	Orange - 12 mths
UK	HSBC Bank PLC (NRFB)	Orange - 12 mths
UK	HSBC UK Bank Plc (RFB)	Orange - 12 mths
UK	Lloyds Bank Corporate Markets Plc (NRFB)	Orange - 12 mths
UK	Lloyds Bank Plc (RFB)	Orange - 12 mths
UK	National Bank of Kuwait (International) PLC	Red - 6 mths
UK	National Westminster Bank PLC (RFB)	Red - 6 mths
UK	NatWest Markets Plc (NRFB)	Red - 6 mths
UK	Other Local Authorities	Red - 6 mths
UK	Santander Financial Services plc (NRFB)	Red - 6 mths
UK	Santander UK PLC	Yellow - 60 mths
UK	SMBC Bank International Plc	Yellow - 60 mths
UK	Standard Chartered Bank	Red - 6 mths
UK	The Royal Bank of Scotland Plc (RFB)	Red - 6 mths

*\* This is the duration suggested by MUFG. As per the updated Creditworthiness Policy (see page 6) these will all be extended by six months, except for building societies rated 'Green', which will have a maximum duration of 365 days for up to £2m.*

The Authority will also have the ability to invest in money market funds (MMFs) and enhanced money market funds.

Non-UK Based Counterparties

The duration of all non-UK investments will be in line with MUFG duration limits.

<u>Non-UK Based Counterparties</u>	<u>Country Counterparty</u>	<u>(as rated by MUFG)</u>
Australia	Australia and New Zealand Banking Group Ltd.	Orange - 12 mths
Australia	Commonwealth Bank of Australia	Orange - 12 mths
Australia	Macquarie Bank Ltd.	Orange - 12 mths
Australia	National Australia Bank Ltd.	Orange - 12 mths
Australia	Westpac Banking Corp.	Orange - 12 mths
Belgium	BNP Paribas Fortis	Red - 6 mths
Belgium	KBC Bank N.V.	Orange - 12 mths
Canada	Bank of Montreal	Orange - 12 mths
Canada	Bank of Nova Scotia	Orange - 12 mths
Canada	Canadian Imperial Bank of Commerce	Orange - 12 mths
Canada	National Bank of Canada	Orange - 12 mths
Canada	Royal Bank of Canada	Orange - 12 mths
Canada	Toronto-Dominion Bank	Orange - 12 mths
Denmark	Danske A/S	Red - 6 mths
Finland	Nordea Bank Abp	Orange - 12 mths
Finland	OP Corporate Bank plc	Orange - 12 mths
France	BNP Paribas	Red - 6 mths
France	Credit Agricole Corporate and Investment Bank	Red - 6 mths
France	Credit Agricole S.A.	Red - 6 mths
France	Credit Industriel et Commercial	Red - 6 mths
France	Societe Generale	Red - 6 mths
Germany	Bayerische Landesbank	Orange - 12 mths
Germany	Commerzbank AG	Red - 6 mths
Germany	Deutsche Bank AG	Red - 6 mths
Germany	DZ BANK AG Deutsche Zentral-Genossenschaftsbank	Orange - 12 mths
Germany	Landesbank Baden-Wuerttemberg	Orange - 12 mths
Germany	Landesbank Berlin AG	Orange - 12 mths
Germany	Landesbank Hessen-Thueringen Girozentrale	Orange - 12 mths
Germany	Landwirtschaftliche Rentenbank	Purple - 24 mths
Germany	Norddeutsche Landesbank Girozentrale	Orange - 12 mths
Germany	NRW.BANK	Purple - 24 mths
Netherlands	ABN AMRO Bank N.V.	Red - 6 mths
Netherlands	BNG Bank N.V.	Purple - 24 mths
Netherlands	Cooperatieve Rabobank U.A.	Orange - 12 mths
Netherlands	ING Bank N.V.	Orange - 12 mths
Netherlands	Nederlandse Waterschapsbank N.V.	Purple - 24 mths
Norway	DNB Bank ASA	Orange - 12 mths
Qatar	Qatar National Bank	Orange - 12 mths
Singapore	DBS Bank Ltd.	Orange - 12 mths
Singapore	Oversea-Chinese Banking Corp. Ltd.	Orange - 12 mths
Singapore	United Overseas Bank Ltd.	Orange - 12 mths
Sweden	Skandinaviska Enskilda Banken AB	Orange - 12 mths
Sweden	Svenska Handelsbanken AB	Orange - 12 mths
Sweden	Swedbank AB	Orange - 12 mths
Switzerland	UBS AG	Orange - 12 mths
United Arab Emirates	First Abu Dhabi Bank PJSC	Orange - 12 mths
United States	Bank of America N.A.	Orange - 12 mths

United States	Bank of New York Mellon, The	Purple - 24 mths
United States	Citibank N.A.	Orange - 12 mths
United States	JPMorgan Chase Bank N.A.	Purple - 24 mths
United States	Wells Fargo Bank, NA	Orange - 12 mths

#### Counterparties Rated 'No Colour' by MUFG

Sole reliance will not be placed on the use of MUFG ratings. The Authority will also use market data and market information, information on government support for banks and the credit ratings of that supporting government. The Authority has ten building societies on the counterparty list using the top-ten building societies (by net assets). The duration of investment will continue to be limited to 365 days and the maximum amount invested with any building society at any point in time will not exceed £2 million.

<u>UK Based Counterparties</u>	<u>Country Counterparty</u>	<u>(as rated by MUFG)</u>
UK	Coventry Building Society	Green - 100 days
UK	Cumberland Building Society	No colour - 0 mths
UK	Leeds Building Society	Green - 100 days
UK	Nationwide Building Society	Red - 6 mths
UK	Newcastle Building Society	No colour - 0 mths
UK	Nottingham Building Society	No colour - 0 mths
UK	Principality Building Society	No colour - 0 mths
UK	Skipton Building Society	Red - 6 mths
UK	West Bromwich Building Society	No colour - 0 mths
UK	Yorkshire Building Society	Green - 100 days

## Prospects for Interest Rates

Part of MUFG's service is to assist the Authority to formulate a view on interest rates. MUFG's view of the prospects for bank and PWLB interest rates can be seen below:

The Bank of England's Monetary Policy Committee (MPC) voted to cut the interest

Link Group Interest Rate View	11.11.24												
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
<b>BANK RATE</b>	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

base rate from 5.25% to 5% in August 2024 and then to 4.75% in November 2024.

Due to the prospects for interest rates the Authority will be reducing the investment income budget for 2025/26. The Authority has set to set a prudent benchmark rate of return of 4.00%. Based on this interest rate the Authority would achieve an annual return of circa £0.600m on an average portfolio of £15m. As at 31 December 2024, the total projected investment return for 2024/25 is in the region of £1.05m, overachievement of £0.350m. The Authority has been able to benefit from the interest rates by achieving investment interest returns of over £2.25m in the last three years.

Since the treasury management function has been managed in-house from 1 April 2013, the Authority have overachieved regularly against the investment returns budget. 2020/21 was the only year the Authority did not achieve its annual investment target, due to the Covid-19 Pandemic outbreak and the impact it had on the interest rates.

For any type of investment there is a downside risk to the level of return the Authority would obtain due to the uncertainty in the markets and the negative impact they have on the interest rates and therefore historical rates of return may not always provide a realistic indication of returns for the future. This will be closely monitored and reported to Members if the position changes from what Officers are currently projecting.

MUFG's notes on the 'Interest Rate Forecasts' table dated November 2024:

- Following the 30 October Budget, the outcome of the US Presidential election on 6 November, and the MPC cut the base rate by 0.25% on 7 November. MUFG have therefore significantly revised our central forecasts for the first time since May. In summary, MUFG's Bank Rate forecast is now 50bps – 75bps higher than was previously the case.
- If we reflect on the 30 October Budget, our central case is that those policy announcements will be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the Bank of England concur with that view. The latter have the CPI measure of inflation hitting 2.5% by the end of 2024 and staying sticky until at least 2026. The Bank forecasts CPI to be 2.7% (Q4 2025) and 2.2% (Q4 2026) before dropping back in 2027 to 1.8%.
- The anticipated major investment in the public sector, according to the Bank, is expected to lift UK real GDP to 1.7% in 2025 before growth moderates in 2026 and 2027. The debate around whether the Government's policies lead to a

material uptick in growth primarily focus on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy

- Any movement below a 4% Bank Rate will, nonetheless, be very much dependent on inflation data in the second half of 2025. The fact that the November MPC rate cut decision saw a split vote of 8-1 confirms that there are already some concerns around inflation's stickiness, and with recent public sector wage increases beginning to funnel their way into headline average earnings data, the market will be looking very closely at those releases.
- Regarding our PWLB forecast, the short to medium part of the curve is forecast to remain elevated over the course of the next year, and the degree to which rates moderate will be tied to the arguments for further Bank Rate loosening or otherwise. The longer part of the curve will also be impacted by inflation factors, but there is also the additional concern that with other major developed economies such as the US and France looking to run large budget deficits there could be a glut of government debt issuance that investors will only agree to digest if the interest rates paid provide sufficient reward for that scenario.

## Credit Rating Definitions

Below are the rating definitions for each rating agency:

Fitch:

Short Term	Long Term	Rating Definition
F1	AAA, AA, A	Highest Credit Quality
F2	A, BBB	Good Credit Quality
F3	BBB	Fair Credit Quality
B	BB, B	Speculative Credit Quality
C	CCC, CC, C	High Default Risk
RD	RD	Restricted Default
D	D	Default

Moody's:

Short Term	Long Term	Rating Definition
P-1	Aaa, Aa, A	Superior ability to repay debt obligation
P-2	A, Baa	Strong ability to repay debt obligation
P-3	Baa	Acceptable ability to repay debt obligation
NP	Ba, B, Caa, Ca, C	do not fall within any prime rating

Standard & Poor's:

Short Term	Long Term	Rating Definition
A1	AAA, AA, A	Extremely Strong
A2	A, BBB	Satisfactory
A3	BBB	Adequate
B	BB, B	Vulnerable and has significant speculative characteristics.
C	CCC, CC, C	Vulnerable to non-payment
D	RD	Restricted Default
D	D	Default

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# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Fire Authority, 12 February 2025

**Report title:** Pay Policy Principles and Statement 2025/26

**Lead Member:** Councillor Gary Hall, Lead Member - People, Equality and Diversity and Assurance

**Report sponsor:** Ronnie Davidson, Director of Human Resources and Organisational Development

**Author and contact:** Faye Mansfield; HR Advisory and Development Manager

**Action:** Decision

**Recommendations:**

That the Pay Policy Principles and Statement as set out in Appendix one, as the statutory Pay Policy Statement for 2025/26, is approved for publication

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**Executive summary:**

The Authority is required to approve the Pay Policy Principles and Statement before the end of March immediately preceding the financial year to which it relates.

It is proposed the attached draft (Appendix one) be the Authority's revised Pay Policy Principles and Statement for 2025/26. It is based on the Authority's current approved Pay Policy Principles and Statement for 2024/25, with amendments made to the annually updated data.

The Pay Policy Principles and Statement will continue to support and enhance a range of employment opportunities. This will continue to be utilised on a voluntary basis across some roles and functions to offer a more resilient, enhanced and flexible resource, focused on meeting demand and offering the very best service to the public.

Within the last six Pay Policy Principles and Statement cover reports, a note was made to the introduction of a public sector exit payment cap termination payment for high earners.

Since the Restriction of Public Sector Exit Payment (Revocation) Regulations 2021 (the Revocation Regulations), the Government continues to discuss exit payments and the importance of delivering value for the taxpayer. The last communication on The Public Sector Exit Payment (Limitation) Bill detailed the dissolution of Parliament which took place on 30 May 2024, and the Bill making no further progress. With the change in government in July 2024, the subject of increased scrutiny and assurance of exit decisions to reduce the use of large exit payments in the public sector, will at

some point, be discussed again. The Authority will continue to wait details of any Regulation changes and implementation dates.

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### **Financial implications:**

There are no direct financial implications arising from the Pay Policy Principles and Statement. Any financial impact of subsequent decisions will be factored into the Medium-Term Financial Planning process and scrutinised and challenged by Members. Any in-year impacts will be considered and reported through the budget monitoring process and any resource re-allocation will be subject to the usual virement approvals and limits as set out in the Financial Regulations.

### **Risk management:**

The Fire Authority is required to adopt and publish an annual Pay Policy Principles and Statement.

Developing and maintaining good employee morale is key to instilling loyalty and maintaining a productive workplace. By being fair, transparent and accountable in what employees are paid for and why, and being consistent, systematic and clear in applying reward practices for all employees, the Authority is living its values and showing best practices with its reward and recognition needs.

### **Legal implications:**

Section 38 of the Localism Act 2011 places a requirement on the Authority to prepare annually, a Statement setting out the Authority's policies on the remuneration of its Chief Officers, the remuneration of its lowest paid employees and the relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers. Chief Officers are the most senior Officers of the Authority. Authorities are required to state the definition of lowest paid employees they have adopted in the Statement and explain the reasons for adopting that particular definition. The Statement may also set out the Authority's policies relating to other terms and conditions applying to its Senior Officers. In preparing this Statement, the Authority must have regard to any guidance issued or approved by the Secretary of State.

The 2025/26 Pay Policy Principles and Statement must be approved by the full Fire Authority before 31 March 2025. Approval cannot be delegated to any committee, sub-committee, or officers.

The Pay Policy Principles and Statement may be amended by the full Fire Authority during the financial year to which it applies.

Section 41 of the Localism Act 2011 requires the Authority to comply with its Pay Policy Principles and Statement for the relevant financial year when making a determination that relates to the remuneration, or other terms and conditions of a senior officer of the Authority.

The Pay Policy Principles and Statement must include the Authority's policies in relation to senior pay on:

- a) the level and elements of remuneration
- b) remuneration on recruitment
- c) increases and additions to remuneration
- d) the use of performance related pay
- e) the use of bonuses
- f) the approach to payment on their ceasing to be employed by the Authority, and
- g) the publication of and access to information relating to remuneration

The statutory guidance gives discretion as to whether the Authority wishes to mirror these headings in its Pay Policy Principles and Statement in respect of its other employees.

**Privacy and security implications:**

The purpose of the Pay Policy Principles and Statement is to provide transparency with regards to the Authority’s approach to setting the pay of its employees.

**Duty to collaborate:**

All Authorities are required to have a Pay Policy Principles and Statement. At this time our Thames Valley partners have separate Statements, however an aligned approach may be appropriate in the future, particularly to support collaborative working, sharing of resources and working across boundaries.

**Health and safety implications:**

There are no health and safety implications arising from this report.

**Environmental implications:**

There are no environmental implications arising from this report.

**Equality, diversity, and inclusion implications**

An Equality Impact Assessment has been completed as part of the update. There are no identified adverse impacts on any protected characteristics.

Any pay decisions will be subject to the demands of equal pay processes.

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 and approved by Parliament in 2016 and came into force in 2017. The obligation under the Regulations requires prescribed gender pay gap information to be published within ‘the period of 12 months beginning with the data snapshot date’ (Regulation 2(2)). The snapshot data for public sector employers is 31 March each year.

The intention of the Regulation is to highlight differences in pay between male and female employees, therefore showing greater transparency within the workplace, and encourage employers to consider what more can be done to close any pay gaps. The Authority will continue to work on closing the Gender Pay Gap and a separate report will be presented to the Executive Committee in March 2025.

**Consultation and communication**

Adoption of the annual Pay Policy Principles and Statement ensures statutory compliance. However, as the legislation permits in-year changes there is scope for the Authority to revisit certain elements to reflect the needs of the Service and any relevant reform outcomes from a national perspective.

Adherence to the Pay Policy Principles and Statement is controlled via strict establishment and pay change approval process controls and annual reporting. In addition, reports are submitted on key reward areas as appropriate.

Following approval of the Pay Policy Principles and Statement, communication will be via the normal policy publication and amendment process. This will include engagement with members of the Joint Consultation Forum.

**Background papers:**

BMKFA Pay Policy Principles and Statement 2024/25:

<http://bucksfire.gov.uk/authority/pay-policy-statement/>

The Localism Act 2011:

<http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

Openness and accountability in local pay: guidance. Published 2012:

<https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-guidance>

Openness and accountability in local pay: supplementary guidance. Published 2013:

<https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-supplementary-guidance>

Appendix	Title	Protective Marking
1	Pay Policy Principles and Statement 2025/26	



## **BMKFA Pay Policy Principles and Statement 2025/26**

### **1.0 Introduction**

The Pay Policy Statement (the 'Statement') sets out Buckinghamshire & Milton Keynes Fire Authority's (the Authority) approach to pay in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the Statement is to provide transparency with regards to the Authority's approach to setting the pay of its employees by identifying:

- the method by which salaries of all employees are determined
- the details and level of remuneration of its most senior employees, i.e. Chief Officers, as defined by the relevant legislation

Following approval of the Fire Authority, the Statement will be effective from 1 April 2025. It will be subject to an annual approval and in accordance with any new or proposed legislation to ensure it remains relevant and effective.

As detailed within the Authority's Reward and Recognition policy, and the Statement of Principles, the Authority aims to:

- Be fair, transparent and accountable in what employees are paid for and why, and to be consistent, systematic and clear in applying reward practices for all employees
- Adhere to affordability; ensuring all decisions on pay represents value for money for the taxpayer
- Reward and recognise employees for their knowledge, skills and contribution in the roles they are performing
- Adopt practices which will focus on enabling the recruitment, engagement and retention of the right calibre of people at all levels to deliver its corporate priorities
- Provide effective financial management of the total pay bill in order to inform all of its reward practices and approaches in making the most effective use of resources
- Have appropriate mechanisms in place to review terms and conditions of service
- Meet legislative requirements; ensuring remuneration practices comply with all legal obligations

### **2.0 Accountability and decision making**

Decisions on pay policies will be taken by elected members - those who are directly accountable to local communities. All democratically accountable



members will have input into how decisions on pay are made and there will be openness about the policies that determine those decisions.

The annual Statements and any amendments will be considered by a meeting of the Fire Authority and will not be delegated to any sub-committee. All decisions on pay and reward for Chief Officers must comply with the current Statement.

### **3.0 Transparency**

On an annual basis, the approved Statement will be published on the external website.

Although there is no requirement to use the Statement to publish specific numerical data on pay and reward, consideration will be given to how the information within the Statement fits with data on pay and reward published separately.

This includes data required to be published under the Local Government Transparency Code 2015 and Annual Statement of Accounts.

### **4.0 Legislation**

In applying the Statement, the Authority will work to eliminate any elements which may, directly or indirectly, discriminate unfairly on the grounds of sex, race, colour, nationality, ethnic or national origin, age, marital status, having dependents, sexual orientation, gender reassignment, religion or belief, trade union activity, disability or any other factors.

Part-time employees will receive the same pay and remuneration as full-time employees undertaking the same role on a pro-rata basis.

Under the Equality Act 2010, it is unlawful for an employer to discriminate between men and women in terms of their pay and conditions where they are in the same employment and are doing the same or similar work, work rated as equivalent, or work of equal value. Undertaking an equal pay audit demonstrates the Authority's commitment as an employer to remove unfair pay practices. The last equal pay audit was undertaken in 2020, and no areas of concern were identified as a result of this audit.

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 that came into effect in 2017 requires public sector organisations with 250 or more employees to carry out gender pay gap reporting. In accordance with the Regulations, the Authority is required to annually publish six pieces of prescribed data about the pay and bonuses of male and female workers



within the Authority. On an annual basis the Authority publishes a Gender Pay Gap report, containing information relating to pay inequalities in line with gender pay gap reporting requirements.

## **5.0 Responsibility and scale**

The Authority is directly responsible for an establishment budget of £30,644,836, and for a budgeted establishment of 129.67 full-time equivalent (FTEs) for Support Services employees, 302 FTE Wholetime employees and 96 FTE On-Call employees (details as at December 2024).

## **6.0 Determining levels of pay**

The Authority recognises its employees are a vital factor in the efficient and effective operation of the Service. In this respect the Authority is committed to ensuring employees are valued and rewarded for their contribution to the Authority.

The Authority is committed to establishing the right working arrangements and conditions of employment for all its employees and understands the benefits of the employment package in promoting and encouraging employee engagement, which in turn improves organisational performance.

The Authority is committed to effectively supporting day to day service delivery, transforming the Authority into a value for money, outcome driven and high performing organisation through, amongst other interventions, appropriate reward and recognition mechanisms.

The Authority is committed to ensuring its reward and recognition practices are conducted in a fair, open and transparent manner that is effective, efficient and responsive, promoting good practice with all its reward and recognition needs.

## **7.0 Pay structure**

The pay structure reflects the different roles, duties and responsibilities undertaken by employees within the Authority. This is reflected in pay differentials between different employee groups and between employees within the same employee group. The pay bands established are based on nationally applied role maps (Operational employees) or graded bands established through role profiles (Support Services employees).



## **Operational roles**

For the majority of Operational roles, appointments are offered under the National Joint Council for Local Authority Fire and Rescue Services Scheme of Conditions of Service (known as the Grey Book) and any other local terms and conditions, which the Authority may, from time to time, adopt in relation to the appointment, save where such provisions are amended by a contract of employment.

Any National pay award is as agreed through the National Joint Council (NJC) and notified to Fire Authorities. The last pay award was agreed as four per cent, effective 01 July 2024.

The pay framework was reviewed in 2003 following a rank-to-role exercise in line with National Guidance, with the grades for each role determined by a consistent job evaluation process. Where appropriate, National role maps are used to determine responsibilities and accountabilities within roles.

For Grey Book employees, rates of pay are set out in circulars issued by the NJC and entitlements are governed by Part B of the Grey Book. However, the Authority recognises new employees may be employed on terms and conditions outside of the Grey Book. This includes the operation of the 'Bank System'.

The Authority also recognises employees in existing Firefighter roles may want to agree rates of pay outside of the Grey Book for the protection of services and provision of enhanced resilience, including agreement to not participate in industrial action.

In addition, and in line with retention and succession planning, the Authority does agree enhanced remuneration outside of the Grey Book for specific roles, such as Area Commanders, Group Commanders and Station Commanders.

## **Support Services roles**

Appointments for Support Services roles are determined in accordance with local terms and conditions of Buckinghamshire & Milton Keynes Fire Authority Scheme of Conditions of Service for Support Services employees and any other local terms and conditions, which the Authority may, from time to time, adopt in relation to appointments, save where such provisions are amended by a contract of employment.

Any pay award is locally agreed by the Strategic Management Board (SMB). The last pay award was agreed as four per cent, effective 01 July 2024.





For Support Services employees, the pay structure takes the form of pay scales, which was reviewed in 2014 to two pay points; development and competent. This is with the exception of employees in post prior to September 2014, who retain three-point scales (until they move posts or are subject to regrading) and those employed within Fleet Management and Driving Training Centre.

The grades for Support Services roles are determined using an analytical job evaluation process, that systematically ranks each role objectively and fairly. This job evaluation system (Korn Ferry (Hay) Methodology) is a recognised best practice non-discriminatory method of ranking roles against a pre-determined scale.

## **Senior Manager roles**

Appointments for a limited number of Senior Managers are offered under the National Joint Council for Brigade Managers of Local Authority Fire and Rescue Services (known as the Gold Book) as adopted locally and as amended or supplemented by agreement between the Chief Fire Officer/Chief Executive and the employee, or in the case of the Chief Fire Officer/Chief Executive, or equivalent, between the Fire Authority and the employee. Employment is also subject to other terms and conditions of service as determined by the Authority from time to time.

This group of Senior Managers consists of:

- Chief Fire Officer/CE
- Deputy Chief Fire Officer/COO
- Assistant Chief Fire Officer
- Director of Finance and Assets
- Director of Legal and Governance
- Director of Human Resources and Organisational Development
- Head of Prevention and Protection
- Head of Response and Resilience

There is a twin-track approach for determining levels of pay for Gold Book roles. At National level, the NJC annually reviews the level of pay increase applicable to these roles covered by the National Agreement. Any increases agreed by the NJC are communicated to Fire Authorities via circulars. Decisions about pay and remuneration are taken by the Fire Authority, who will review salary levels on an annual basis.

National pay awards are agreed through the NJC and notified to Fire Authorities. The last pay award was agreed as three per cent, effective 01 January 2024.



For Gold Book roles, pay arrangements are locally determined and the level of pay fixed and designed to cover the full range and scope of the role.

## **8.0 Remuneration on Appointment**

Remuneration will be based on the evaluated rate for the role, either nationally or locally set.

Base salary is one of a number of components of the employment package and by no means the only factor that influences the Authority's ability to recruit and retain employees.

New employees will usually be appointed to the minimum pay level for the relevant grade (trainee or development rate), unless relevant supporting experience can be identified and appropriately evidenced.

All new Gold Book appointments are subject to Fire Authority approval. The Fire Authority will be offered the opportunity to vote before salary packages (£100,000 plus) are offered in respect of a new appointment. For this purpose, salary packages should include salary, fees or allowances routinely payable to the appointee and any benefits in kind to which the Officer is entitled as a result of their employment.

## **9.0 Pay Progression**

For Operational roles, rates of pay are determined by the role the employee is undertaking, and whether the employee is in the 'Trainee', 'Development' or 'Competent' stage of that role. The time it will take an employee to demonstrate competence will depend on the specific requirements of the employee, accessibility to assessments and the opportunities available. Employees can move between roles through successfully completing a promotion assessment process.

For Support Services roles, progression through the pay grade will be based on evidenced performance, and at least six months in post, attaining training and qualifications associated with the role, and the maximum grade for the post not being exceeded. Progression may be withheld if performance is not to the required standard. Employees can move between roles through completing a promotion assessment process.

For SMB members, progression through the pay grade will be based on evidenced performance, and at least six months in post. Any increase or additions to remuneration will require approval of the appropriate committee of the Authority.



## 10. Other allowances and payments

**Allowances:** There are a number of allowances paid to employees, where specific circumstances require this and where it can be justified. These allowances are in accordance with National agreement or have been locally set in order to meet the demands of service delivery.

**Market rate supplement:** The Authority recognises the pay structure and job evaluation process does not normally consider factors such as market pay rates relating to specific roles or fluctuating demand for skills in the market place. Whilst the use of market rate supplements will not be the norm, there may be occasions where the Authority is unable to attract candidates to specific roles due to the fluctuations in the local labour market. In addition, existing employees may leave, citing the reason of being offered the 'market rate' for the role. When this occurs consideration may be given to awarding a market rate supplement in addition to the approved job evaluated grade for the role. Any payment will be time limited and reviewed annually.

**Expenses:** The Authority recognises employees may incur reasonable expenses whilst undertaking their role and will ensure employees are not financially disadvantaged or advantaged because of genuine business expenses. Unless a prior arrangement is in place, employees will be responsible for the payment of expenses incurred and will be reimbursed in accordance with the Authority's procedures relating to expenses.

**Car lease schemes:** Some employees participate in lease car arrangements, either as an essential car user, lease car user, or via a provided car scheme. The criteria are dependent on the requirements of the role or in accordance with terms and conditions of employment.

**Relocation expenses:** Upon appointment, where relocation expenses are incurred, the Authority may reimburse the individual in accordance with the Authority's Relocation Expenses Scheme. Members of the Fire Authority will determine the specific application in respect of a SMB appointment and SMB will determine the application of the scheme to all other appointments. The scheme is applied at the discretion of the Authority and normally only applies to external appointees.

**Additional Responsibility Allowance (ARA):** These payments are used to reward increased responsibilities and duties beyond the normal remit of the role for specific periods, for example to cover managed vacancies for short to medium term periods, enabling successful change management with minimal risk. These payments apply to employees on Grey Book terms and conditions.

**Honorarium payments:** These can be given to Support Services employees when they are asked to undertake part of the duties at a higher graded post or



duties outside the scope of their post, which is particularly onerous. Where the payment relates to an employee undertaking a proportion of the duties of a higher graded post, the calculation of the payment will normally link to the pay scale of the duties of the higher graded post being undertaken. For duties outside the scope of the employee's role, the amount of the payment will be determined by estimating the relative worth of the task in comparison to the employee's substantive grade. These payments are for Support Services employees.

An ARA or Honorarium payment requires approval via a business case.

For SMB members, any increase or additions to remuneration will require approval of the appropriate committee of the Authority.

**Performance payment/merit award:** One-off performance payments/merit awards may be considered linked to evidenced and scrutinised delivery of performance management objectives.

**Pension Schemes:** The Authority operates two pension schemes:

- 2015 Firefighters Pension Scheme
- 2014 Local Government Pension Scheme

Subject to meeting the qualifying conditions, employees have a right to belong to a pension scheme. All new employees will be automatically entered into the relevant occupational pension scheme as defined by their terms and conditions of employment. Qualifying employees will be automatically re-enrolled every three years during their employment if they have opted out of the scheme.

The Authority makes an employer contribution to the Firefighters Pension Scheme of 37.6 per cent of pensionable pay (2015 Scheme), and 17.4 per cent of pensionable pay (LGPS Scheme).

The employee contributes of between 11 per cent and 14.5 per cent of pensionable pay (2015 Scheme) and 5.5 per cent and 12.5 per cent of pensionable pay (LGPS Scheme).

The Authority is obliged to publish its adopted pension discretions for the Firefighters' Pension Schemes and Local Government Pension Scheme, and the Authority's current policies in respect of discretionary payments are detailed on the external [website](#).



## 11. Pay Multiple

The pay multiple is the ratio between the highest paid salary and the median (average) salary of the Authority’s workforce. The average salary level is defined as the total of all regular payments made to an individual.

The definition of lowest paid employees are those who are paid at rates maintained in line with the National Living Wage.

As at 01 December 2024:

- The lowest paid salary is £22,071 (FTE)
- The highest paid salary is £170,000 (FTE)
- The median salary is £37,675 (FTE)

The Authority’s pay multiple: the ratio between the highest paid employee and the median average salary figure for all employees in the Authority.

Pay multiple between the highest salary and lowest salary is 7.70:1 (this essentially means the lowest salary goes into the highest salary 7.70 times).

Pay multiple between the highest salary and median salary is 4.51:1 (this essentially means the median salary goes into the highest salary 4.51 times).

Year	Highest pay: Lowest pay	Highest pay : Median pay
2025/26	7.70:1	4.51:1
2024/25	8.59:1	4.77:1
2023/24	8.39:1	4.77:1
2022/23	8.94:1	4.77:1
2021/22	9:1	4.77:1
2020/21	9.37:1	4.77:1
2019/20	9.64:1	4.77:1
2018/19	9.86:1	4.77:1
2017/18	10.17:1	4.77:1
2016/17	10.71:1	4.72:1
2015/16	11.04:1	4.77:1
2014/15	11.5:1	4.87:1
2013/14	11.72:1	4.9:1
2012/13	12.7:1	5.0:1

It is the intention that salary multiples do not reach the 1:20 ratio referred to in the Hutton Report.



## 12. Payment on termination of employment

There may be a number of circumstances where early retirement or voluntary redundancy payments may be paid to employees on ceasing to hold office. This can relate to individual circumstances, for example ill health, or can be the result of organisational change or in the interests of the efficiency of the Authority.

In the event of any redundancies, redundancy payments will be calculated in accordance with statutory requirements as modified by the Authority's agreed policies and in accordance with any extant statutory guidance.

The Authority does not make payments to senior staff members in addition to entitlements under its redundancy procedure who leave, other than to those who are leaving for the purposes of improved efficiency.

Where other severance payments are appropriate, such payments will be approved by the Director of Legal and Governance and the Director of Finance and Assets and will be subject to a settlement agreement and in accordance with any extant statutory guidance.

## 13. Re-employment and Pension Abatement

**Re-employment:** This applies where an individual retires from the Authority, draws their pension benefits and is subsequently re-employed into the same or other role within the Authority.

The Authority will consider re-employment of retired employees in accordance with the relevant pension scheme regulations and governance arrangements. There is no automatic right to be re-employed. The decision will be strictly based on organisational need and will follow the Recruitment and Selection Procedure.

The Fire and Rescue National Framework for England, published in May 2018, stated that Fire Authorities must not re-appoint principal fire officers (at Brigade Manager or Area Manager level or those with comparable responsibilities to those roles) after their retirement to their previous or similar role, save for in exceptional circumstances when such a decision is necessary in the interest of public safety. Any such appointment must be transparent, justifiable and time limited, with the reason for the decision published and the pension abated until the contract ends. Such a decision will be subject to prior approval at a meeting of the Fire Authority in open session.

**Pension Abatement:** Abatement means that when a retiree returns to work after retiring from any Fire Authority, their combined annual salary and pension cannot exceed the amount they earned just before retirement. If the total salary and pension upon re-employment surpasses this pre-retirement remuneration, the pension must be reduced or abated accordingly. This could result in the



retiree receiving a reduced pension allowance or only their pension lump sum, effectively 'freezing' their pension allowance until they stop working.

The default position of the Authority will be to abate individuals, and if a decision to not abate was taken, this would need to be approved by the Authority via a business case highlighting the full cost that will need to be paid to the pension account. There is no age limit on abatement, and this continues for the full period of reemployment. When the re-employment ends, the pension will be reinstated to the full amount.

There are strict rules around abatement that need to be considered and therefore it is important for the individual to discuss this in advanced with the Pensions team and/or the Pension provider.

It's important to note that abatement rules do not apply to the Firefighters Pension Scheme 2015, but only to the 1992 and 2006 Schemes.

The Authority operates a flexible retirement process for employees in the Local Government Pension Scheme. This allows an employee to take their pension benefits and remain employed on reduced hours or at a lower grade without abatement of pension. This complies with the provisions of the Local Government Pension Scheme.

## 14. Equality Impact Assessment (EIA)

An Equality Impact Assessment should be included to identify any issues which may result in a group being disadvantaged by the process.

To complete the table, tick ✓ the likely impact. If an EIA action plan is necessary, this can be downloaded from the intranet.

Assessment of impact on groups in **bold** is a legal requirement. Assessment of impacts on groups in *italics* is not a legal requirement, however it will help to ensure that your activity does not have unintended consequences.

Protected characteristic	Positive	Negative	Neutral	Rationale for decision ( <i>use action plan if necessary</i> )
<b>Individuals of different ages</b>			✓	No specific impacts identified
<b>Disabled individuals</b>			✓	No specific impacts identified
<b>Individuals transitioning from one gender to another</b>			✓	No specific impacts identified



<b>Individuals who are married or in civil partnerships</b>			✓	No specific impacts identified
<b>Pregnancy, maternity and new parents</b>			✓	No specific impacts identified
<b>Individuals of different race</b>			✓	No specific impacts identified
<b>Individuals of different religions or beliefs</b>			✓	No specific impacts identified
<b>Individual's gender identity</b>			✓	Pay and gender addressed via the annual Gender Pay Gap Report
<b>Individual's sexual orientation</b>			✓	No specific impacts identified
<i>Individuals living in different family circumstances</i>			✓	No specific impacts identified
<i>Individuals in different social circumstances</i>			✓	No specific impacts identified
<i>Different employee groups</i>			✓	No specific impacts identified
<i>Other</i>				No specific impacts identified

### **Data Protection Impact Assessment (DPIA) screening questions**

If the document includes any personally identifiable information (PII) a Data Protection Impact Assessment (DPIA) will be required. This should be discussed with the Data Protection Officer and the DPIA file location referenced at this point in your document.

Where no PII is involved it should be stated at this point in your document.

The Data Protection Officer holds the master copies of all completed DPIA in N:Common/Information Assets/DPIAs.

The DPIA needs to be reviewed periodically to ensure that any PII is adequately considered.

The DPIA template and guidance can be found [here](#).





# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Fire Authority, 12 February 2025

**Report title:** Proposal for permanent change to automatic fire alarm mobilisation procedure for non-domestic buildings.

**Lead Member:** Councillor Simon Rouse

**Report sponsor:** Deputy Chief Fire Officer Simon Tuffley

**Author and contact:** Group Commander Stuart Grosse [sgrosse@bucksfire.gov.uk](mailto:sgrosse@bucksfire.gov.uk)

**Action:** Decision.

## **Recommendations:**

It is recommended that:

1. a permanent change to Buckinghamshire Fire and Rescue Service (BFRS) mobilisation policy to automatic fire alarm (AFA) activations in non-domestic buildings be approved.
  2. the procedure in relation to AFA activations in non-domestic buildings be ratified accordingly.
- 

## **Executive summary:**

This report is to request that the changes made to the AFA response, which are currently being piloted, become permanent.

On 14 February 2024, the Fire Authority approved a mobilising policy review project and six-month pilot for amending mobilisation to automatic fire alarm (AFA) in non-domestic buildings (see background papers).

The pilot started on the 8 July 2024 and then, with Fire Authority approval (see background papers), was extended until the 12 February 2025.

Before the changes made on 8 July 2024, BFRS attended all AFA activations.

From 1 April 2023 to 31 March 2024, BFRS responded to 1,693 alarms following activation of an AFA in a non-domestic building. Of these, just 0.9 per cent (16 incidents) were found to have involved a fire, and 99.1 per cent did not involve a fire. This is in-line with the average number of false alarms the Service has attended every year since 2018.

During the pilot, BFRS commissioned Opinion Research Services (ORS) as an independent organisation to undertake a six week public consultation to gather feedback from local residents, staff, businesses and other stakeholders.

BFRS’s online AFA consultation period ran from 21 October to 2 December 2024. Feedback was gathered through a questionnaire, with ORS analysing the results and providing a report of the findings (**Appendix 1**). The report also includes feedback gathered through five deliberative focus groups with residents, organised and facilitated by ORS between 24 September and 2 October 2024, as part of the wider consultation on BFRS’ proposed Community Risk Management Plan (CRMP) 2025-2030. The focus groups included discussions around the proposed changes to BFRS’s response to AFA activations. Suggestions and specific comments made by participants through these consultation mechanisms and included in the ORS report, have been considered and our responses can be found within **Appendix 2** of this paper.

A key result gathered from the consultation is that four-fifths of the questionnaire respondents are in agreement with the changes to the AFA response.

***ORS report - 3.17. Almost four in five (79%) respondents agreed that based on information relating to BFRS’ response to AFA activation before the pilot, and the number of false alarms attended, changing the response is the right thing to do, with over two fifths (44%) strongly agreeing. Less than a fifth (17%) disagreed, with around one-in-ten (9%) strongly disagreeing (Appendix 1 Page 16).***

***ORS report - 3.19. When asked to what extent they agreed or disagreed with BFRS’s proposed new response to AFA activation (to attend all activations in higher-risk buildings, but only attend AFA activations in lower or medium-risk buildings if a fire is confirmed), more than three quarters of respondents (78%) agreed, with around half (51%) strongly agreeing. Around a fifth of respondents (19%) disagreed, with around one-in ten (9%) strongly disagreeing (Appendix 1 Page 17)***

Results from the pilot show that we have seen a 54 per cent reduction in our attendance at false alarms in non-domestic properties during the first five full months of the pilot (August to November 2024), when compared to the last five full months (March to June 2024) before the AFA pilot was launched.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
False Alarms in non-domestic properties	153	132	128	147	133	121	86	61	78	76	103	43

These reductions in false alarms are anticipated to realise the following benefits:

- Improved use of work time for activities such as Prevention, Protection and Training
  - Reduced inherent road risk from fewer blue-light appliance movements
  - Reduced costs and environmental impacts through fewer appliance movements
  - Reduced use of over the border appliances
- 

### **Financial implications**

There are no anticipated additional costs once the AFA mobilisation changes are made permanent.

By reverting to our previous AFA response model, there will be additional cost to Thames Valley Fire Control Service (TVFCS) which will have to implement further changes to adjust the mobilising system back to the previous response model.

BFRS anticipate financial efficiencies from this change seen in Response, Protection and other areas, including overtime, fuel usage and vehicle wear and tear.

### **Risk management:**

The 2023 to 2025 HMICFRS inspection report stated in one of its Areas for Improvement (AFI):

*‘The service should review its response to false alarms to ensure that protection and operational resources are used effectively’.*

To not accept this change will then require BFRS to further consider what is acceptable to the Buckinghamshire and Milton Keynes public.

The BFRS Public Safety Plan (PSP) 2020 to 2025 states:

*We may change how we mobilise to incidents, the capabilities we use, and where we mobilise from. Specifically, we will review our approach to attending reports of automatic fire alarm (AFA) systems operating.*

By not changing the AFA response BFRS will move from the 2020-2025 PSP to the new 2025 – 2030 Community Risk Management Plan (CRMP) without having concluded this action.

Our Thames Valley Fire and Rescue Service (TVFRS) partners, Oxfordshire Fire and Rescue Service (OFRS) and Royal Berkshire Fire and Rescue Service (RBFRS) have, since the start of our AFA pilot, made permanent changes to their AFA responses, which align with what this paper is proposing. To revert will move BFRS away from TVFRS alignment.

By not making the AFA mobilising changes permanent, BFRS would need to request that TVFCS revert to mobilising BFRS appliances to all AFA calls. This will increase the work burden of TVFCS as they will have to change the call handling procedure back to how it was previously managed.

## **Legal implications:**

As part of the changes to BFRS AFA mobilisation, legal implications were considered.

There is a legal requirement under Section 7(2)(c) of the Fire and Rescue Services Act 2004 to “make arrangements for dealing with calls for help and for summoning personnel”, in order to discharge its obligations under section 7(1) to extinguish fires in its area and protecting life and property in the event of fires in its area.

The obligations under the Fire and Rescue Services Act 2004 are ‘target duties’ and not actionable, by someone suffering loss, for breach of duty; and the English courts have consistently ruled along the lines that no duty of care arises (save in circumstances where personnel attend and make matters worse).

The principles established are that a fire and rescue authority may be liable where its negligent acts cause physical harm, but owes no positive duties to act to protect others from harm in the absence of a specific voluntary assumption of responsibility [Capital and Counties Plc v Hampshire CC \[1997\] EWCA CIV 3091](#) ‘In our judgment the fire brigade are not under a common law duty to answer the call for help and are not under a duty to take care to do so. If therefore they fail to turn up or fail to turn up in time because they have carelessly misunderstood the message, got lost on the way or run into a tree, they are not liable.’

In responding to calls English courts have distinguished the fire and rescue duties from ambulance service obligations as the ambulance service is an arm of the health service which might owe a duty of care in similar circumstances. In [Kent v Griffiths & Ors \[2000\] EWCA Civ 3017 \(3 February 2000\)](#) it was held that it was arguable that, once a 999 call was accepted, a relationship of sufficient proximity was established between the caller and the ambulance service and, whilst the ambulance service operated in difficult circumstances, it was possible that a court would find that it was fair, just and reasonable to impose a duty of care on it.

The legal obligations concerning the requirement to consult and how consultation should be conducted derive from the common law framework set out in the four [Gunning Principles](#) (R v London Borough of Brent [1985] 84 LGR 168). These include, amongst other things, that: “3 there is adequate time for consideration and response” and “4 ‘conscientious consideration’ must be given to the consultation responses before a decision is made. Decision-makers should be able to provide evidence that they took consultation responses into account”.

## **Privacy and security implications:**

There are no additional privacy or security implications to the extension of this pilot period.

## **Duty to collaborate:**

OFRS and RBFRS have conducted public consultation and now gone live with their AFA mobilisation changes (responding to high risk AFA's only). The changes to the BFRS AFA mobilisation will fully align us with OFRS and RBFRS.

**Health and safety implications:**

There are no additional Health and Safety implications, however there will be a reduction in road risk due to less emergency blue light response.

**Environmental implications:**

The anticipated environmental benefit from attending fewer incidents is a reduction in fuel emissions and reduced wear and tear on vehicles.

**Equality, diversity, and inclusion implications:**

The AFA pilot has an Equality Impact Assessment which has been reviewed as part of this extension with no changes required.

**Consultation and communication:**

Staff consultation regarding the pilot proposal was conducted through the Service's Joint Consultation Forum before going live. Operational staff had a presentation on the changes prior to and at the start of the AFA mobilisation pilot.

ORS was commissioned to run a Public consultation from the 22 October, until the 2 December 2024. 81 responses to the online consultation were received, plus 44 residents attended the in-person CRMP focus groups.

Website news articles were published advising on the pilot and subsequently the consultation, providing direct link to the online questionnaire and supporting background information. Social media channels such as Linked in and Facebook were also used to help promote and share information about the pilot and consultation.

Direct mail (hard copy and e-shots) were sent to local businesses and alarm receiving centres for which we had contact details.

The Fire brigades Union (FBU) provided a collective response on 3 April 2024

**Background papers:**

<https://bucksfire.gov.uk/wp-content/uploads/2024/03/fire-authority-14-february-2024-item-12-afa-mobilising-policy-review-project-1.pdf>

[\(Public Pack\)Agenda Document for Buckinghamshire & Milton Keynes Fire Authority, 11/12/2024 11:00](#)

<https://bucksfire.gov.uk/publications/public-safety-plan/>

Appendix	Title	Protective Marking
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1	ORS public consultation report	Not protectively marked
2	Consultation findings and BFRS responses	Not protectively marked
3	FBU consultation submission and BFRS responses	Not protectively marked
4	Events and challenges that BFRS have responded to during the pilot period;	Not protectively marked
5	Risk management-High, Medium, Low Risk premises	Not protectively marked

# Buckinghamshire Fire & Rescue Service

## Automatic Fire Alarm (AFA) Consultation 2024

Final report of findings



**Buckinghamshire**  
**FIRE & RESCUE SERVICE**  
*we save lives*

Opinion Research Services

December 2024

# Buckinghamshire Fire & Rescue Service: Automatic Fire Alarm (AFA) Consultation



**Buckinghamshire**  
**FIRE & RESCUE SERVICE**  
*we save lives*

## Final report of findings

Opinion Research Services

December 2024

## Opinion Research Services

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As with all our studies, findings from this report are subject to Opinion Research Services' Standard Terms and Conditions of Contract.

This version of the report will be deemed to have been accepted by the client if ORS have not been informed of any amendments within a reasonable period of time (1 month).

Any press release or publication of the findings of this report requires the advance approval of ORS. Such approval will only be refused on the grounds of inaccuracy or misrepresentation

This study was conducted in accordance with ISO 20252:2019, ISO 9001:2015, and ISO 27001:2022

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## Acknowledgements

Opinion Research Services (ORS) is pleased to have worked with Buckinghamshire Fire and Rescue Service (BFRS) on the consultation reported here.

We are grateful to the members of the public who took part in the focus groups. They were patient in listening to background information before entering positively into the spirit of open discussions. They engaged with the service, with the issues under consideration, and with each other in discussing their ideas readily. We would also like to thank those who took part in the survey, without whose valuable input the research would not have been possible.

We thank BFRS for commissioning the project as part of its programme of consultation. We particularly thank the senior staff and officers who attended the sessions to listen to the public's views and answer questions. Such meetings benefit considerably from the readiness of fire officers to answer participants' questions fully and frankly.

At all stages of the project, ORS' status as an independent organisation was recognised and respected. We are grateful for the trust, and we hope this report will contribute usefully to thinking about BFRS's future service planning. We hope also that ORS has been instrumental in strengthening BFRS's public engagement and consultation through the focus group participants.

# 1. Summary of findings

## Background to the consultation

- 1.1 Buckinghamshire Fire & Rescue Service (BFRS) is proposing to change the way it responds to automatic fire alarms (AFAs). By reducing attendance to unwanted fire signals (UwFS), BFRS aims to optimise resource allocation and enhance overall efficiency and effectiveness. A pilot of the proposed changes was launched on 8 July 2024. This pilot will run until February 2025.

## The consultation process

- 1.2 As part of the pilot, BFRS has undertaken a six-week public consultation to gather feedback from local residents, staff, businesses and other stakeholders. The consultation response, which is summarised in this report, will be combined with data obtained from the pilot to help form a proposal for BFRS' future response to AFA activations, which will then be submitted to Buckinghamshire & Milton Keynes Fire Authority for approval.
- 1.3 Opinion Research Services (ORS) was commissioned by BFRS to offer independent advice on the design and conduct of the consultation programme, undertake a programme of key consultation activities, and report respondents' views, gathered through an open consultation questionnaire, and five in-person focus groups (carried out as part of the 2024 CRMP consultation) with residents. In total, 81 questionnaire responses were received; and 44 residents attended the in-person focus groups.
- 1.4 The following paragraphs summarise the main findings from 81 responses to BFRS' online consultation questionnaire and five focus groups with members of the public across Buckinghamshire and Milton Keynes. However, readers are referred to the detailed chapters that follow for the full report.

### *Preferred option for consultation (pilot)*

- 1.5 Respondents were given the following information on BFRS's proposed preferred option for consultation (pilot).

Prior to the changes made on 8 July 2024, BFRS attended all AFA activations. From 1 April 2023 to 31 March 2024, BFRS responded to 1,693 alarms following activation of an AFA in a non-domestic building. Of these, just 0.9% (16 incidents) were found to have involved a fire. **99.1% did not involve a fire.** This is in-line with the average number of false alarms the Service has attended every year since 2018.

The preferred option which is being piloted is to **continue to attend all AFA activations in higher-risk buildings** (plus any buildings on BFRS' exempt list). These include:

- Buildings with sleeping risk (domestic, sheltered housing, hospitals and care homes),
- Buildings known to the Service as being a high-risk site for something other than sleeping (e.g. secondary schools).

And **not attend AFA activations in low and medium-risk buildings unless a fire is confirmed** via a 999 call **or there are signs of fire** at the location.

For more detail regarding the classification of buildings into high, medium and low risk, please refer to the accompanying consultation supporting information.

- 1.6 Almost four in five (79%) respondents agreed that based on information relating to BFRS' response to AFA activation before the pilot, and the number of false alarms attended, changing the response is the right thing to do, with over two fifths (44%) strongly agreeing. Less than a fifth (17%) disagreed, with around one-in-ten (9%) strongly disagreeing.
- 1.7 When asked to what extent they agreed or disagreed with BFRS's proposed new response to AFA activation (to attend all activations in higher-risk buildings, but only attend AFA activations in lower or medium-risk buildings if a fire is confirmed), more than three quarters of respondents (78%) agreed, with around half (51%) strongly agreeing. Around a fifth of respondents (19%) disagreed, with around one-in-ten (9%) strongly disagreeing.
- 1.8 It was emphasised by questionnaire respondents that the most important factor to be considered is the harm to life, and the risks of not attending an AFA activation that turns out to be legitimate. In general, respondents felt confident that the Service would still respond to AFA activations where there is an expected risk to life, and that the advantages outweighed this risk.
- 1.9 In the focus groups, feedback on the AFA pilot was largely positive. Most participants agreed with the need to reduce attendance to unwanted fire signals (UwFS) to enhance efficiency and effectiveness. Indeed, many participants across the five groups asked why the policy being trialled had not been implemented sooner.
- 1.10 Despite recognising the arguments and evidence supporting the AFA pilot, some participants were nervous about the prospect of BFRS not attending a possible fire, particularly in premises that are not classed as medium- or high-risk but can contain many people at certain times (football stadia for example).
- 1.11 Respondents were given the following information regarding AFA activations and false alarms based on data received from the first three months of the AFA pilot.

BFRS data shows that, in the first three months of the AFA pilot, firefighters have attended 179 false alarms in non-domestic buildings in Buckinghamshire and Milton Keynes, as a result of an AFA (compared with 378 false alarms in non-domestic buildings attended in the three months before - 8 April 2024 to 7 July 2024). During the same period, Thames Valley Fire Control Service received a total of 328 alarm activations in non-domestic **medium** and **low risk** buildings across Buckinghamshire and Milton Keynes. Of these, there has been one occasion where firefighters were not initially mobilised to respond, but on further investigation at the building a fire was confirmed, and firefighters were then allocated to respond.

- 1.12 Over three quarters (76%) agreed that the data received from the first three months of the AFA pilot supports the response currently being piloted, with more than two fifths (43%) strongly agreeing with this. Almost a fifth (19%) disagreed, with around one-in-ten (9%) strongly disagreeing, while 5% neither agreed nor disagreed.
- 1.13 Focus group participants were also reassured by the statistical evidence already emerging from the pilot.

### *The proposed changes to BFRS's response to AFA activations overall*

- 1.14 Almost three quarters of respondents (74%) felt that the changes to BFRS's response to AFA activation will have a positive impact on the overall effectiveness of Buckinghamshire Fire and Rescue Service, with a third (33%) feeling it would be very positive. Around one-in-eight (13%) felt it would have a negative impact while the same proportion (13%) felt it would have neither a positive nor negative impact.
- 1.15 One benefit of the proposal identified by questionnaire respondents was that the Service would not lose as much time to false alarms which would lead to reduced costs and provide additional time which can be allocated to enforce other requirements. Another positive impact of the proposal was said to be less risk for road users as there would be less frequent fast-moving emergency response vehicles.
- 1.16 A number of respondents who were firefighters themselves felt that attending all AFA activations was beneficial as it provides useful opportunities to identify risks, safety concerns and potential safeguarding issues in spaces that they would not ordinarily have access to. In addition to this, it was also pointed out that these attendances were good examples of training opportunities for new staff and should be maximised. Also, some felt that attending AFA activations allowed for a more prominent image of the Service in the community as they are 'seen' more often.
- 1.17 There were concerns from questionnaire respondents, however, about relying on 999 calls to confirm an AFA activation, which may cause a slower response time.
- 1.18 One firefighter respondent pointed out the negative 'ripple effects' and the amount of resources wasted under current provision. This included things such as additional cost of fuel and the subsequent environmental impacts of fuel wastage, quicker wear and tear on the fire engines and appliances needed when attending an AFA, and firefighters' time being taken away from real emergencies and other useful activities.
- 1.19 Schools were a point of contention for one firefighter respondent as they felt that schools were not in fact high risk due to their "fantastic discipline" and evacuation times. However, it was noted that boarding schools and creches should be in the high-risk category.
- 1.20 Amongst focus group participants, there was some concern at Buckingham and Chesham that the AFA trial and anticipated reduction in the number of fire engine/firefighter mobilisations will eventually lead to resource reductions. Reassurance was sought that this is not the motivator for the trial, and that any efficiencies made would be used to improve other areas of the Service.
- 1.21 There was also discussion in the focus groups around the implications of the pilot for businesses and other premises that would not be attended under the trialled policy. A few participants suggested that this could be seen as 'penalising' businesses given the risk of damage and loss if an unattended UwFS turns out to be a fire; a circumstance that could also have 'PR' impacts for BFRS. Conversely, other participants acknowledged that 'responsible persons' are now responsible for fire safety within the built environment and so should ensure they have the proper measures.
- 1.22 When asked for suggestions on how BFRS firefighters could be spending extra working capacity that is expected to be generated from the change in response to AFA activations, around two thirds (68%) of questionnaire respondents said they would like to see more time spent on firefighter training, while around half (48%) said there should be more time spent on collaboration such as training exercises with partners.

- 1.23 Around a third or more of respondents felt BFRS firefighters could spend more time on fire prevention activity in the community (38%), site specific visits/learning about BFRS's business community (37%), enforcement activities (33%) and fire protection education with BFRS's business community (32%).
- 1.24 It was suggested by questionnaire respondents that the Service could increase the number of inspections to ensure that fire safety precautions and building use legislation is being adhered to.
- 1.25 Considering all the information given overall, there is a high level of support for the proposed changes with more than four-in-five (81%) questionnaire respondents saying that BFRS should implement the response to AFA activations currently being piloted as standard once the pilot is complete. However, around a fifth (19%) said no, BFRS should not implement the changes currently being piloted as standard.
- 1.26 One alternative suggestion to the proposal, made by a questionnaire respondent, was to still respond to AFA activations but only send one firefighter or manager in a blue light response car to check if there is an emergency without the whole fire appliance attending. The single-crewed car could then call for more resources should they be needed.
- 1.27 Finally, a major concern for questionnaire respondents was around communicating the changes to the public so as not to cause fear. The fact that the changes and adaptations will lead to better protection of life and property will need to be emphasised to mitigate public fears. Transparent fact sharing, listening and offering of mitigations was said to be needed, along with more education on the new procedures for those with AFAs currently fitted.
- 1.28 Focus group participants agreed with this saying that if it is decided to implement the policy being trialled on a permanent basis, it is imperative that BFRS continue to support and inform those potentially impacted by it to ensure they are aware of the changes.

## 2. Project Overview

### The commission

- 2.1 Buckinghamshire Fire & Rescue Service (BFRS) is proposing to change the way it responds to automatic fire alarms (AFAs). By reducing attendance to unwanted fire signals (UwFS), BFRS aims to optimise resource allocation and enhance overall efficiency and effectiveness. A pilot of the proposed changes was launched on 8 July 2024. This pilot will run until February 2025.
- 2.2 As part of the pilot, BFRS has undertaken a six-week public consultation to gather feedback from local residents, staff, businesses and other stakeholders. The consultation response, which is summarised in this report, will be combined with data obtained from the pilot to help form a proposal for BFRS' future response to AFA activations, which will then be submitted to Buckinghamshire & Milton Keynes Fire Authority for approval.
- 2.3 In this context, on the basis of our experience of the fire and rescue service and many statutory consultations, Opinion Research Services (ORS) was commissioned by BFRS to offer independent advice on the design and conduct of the consultation programme, undertake a programme of key consultation activities, and provide an interpretative report of the findings.

### Extensive consultation

- 2.4 BFRS's AFA consultation period ran from September to December 2024 and included designing and analysing responses to an open consultation questionnaire (available online between 21 October and 2 December), conducted by ORS as an independent organisation, and writing a final report. In addition to this, ORS designed presentation material for, recruited, and facilitated five deliberative focus groups with residents between 24 September and 2 October 2024 as part of the wider consultation on BFRS' proposed Community Risk Management Plan (CRMP) 2025-2030. The focus groups included discussions around the proposed changes to BFRS's response to AFA activations and the relevant findings have been analysed and included within this report.

### Consultation proportionate and fair

- 2.5 The key legal and good practice requirements for proper consultation are based on the Gunning Principles, which state that consultation should be conducted at a formative stage, before decisions are taken; allow sufficient time for people to participate and respond; provide the public and stakeholders with sufficient background information to allow them to consider the issues and any proposals intelligently and critically; and be properly taken into consideration before decisions are finally taken.
- 2.6 In this case, ORS ran five focus groups with residents across the BFRS service area to understand public opinions and to 'test' some very general ideas in relation to the overall proposals for the 2025-2030 CRMP and principles at an early stage. The focus groups included discussions around the proposed changes to BFRS's response to AFA activations, which are currently being piloted, allowing for an early opportunity to gain feedback in this area before the formal consultation period began.

- 2.7 The 6-week formal consultation period gave the public, staff, and stakeholders sufficient time to participate, and through its consultation documents and website information the Service sought to provide sufficient information for consultees to understand the consultation issues and make informed judgements about them.
- 2.8 The final Gunning principle listed above is that consultation outcomes should be properly taken into consideration before authorities take their decisions. In this case, regular formal and informal briefings allowed the progressive reporting of people's opinions.
- 2.9 Properly understood, accountability means that public authorities should give an account of their plans and consider public and stakeholder views: they should conduct fair and accessible consultation while reporting the outcomes openly and considering them fully. Consultations are not referenda, and the popularity or unpopularity of draft proposals should not displace professional and political judgement about what are the right or best decisions in the circumstances. The levels of, and reasons for, public support or opposition are important, but as considerations to be taken into account, not as decisive factors that necessarily determine authorities' decisions.
- 2.10 Above all, public bodies have to consider the relevance and cogency of the arguments put forward during public engagement processes; and not only count the numbers of people. In this context, it was helpful that the consultation programme included both 'open' and deliberative elements, to allow many people to take part via the open questionnaire, and whilst promoting informed engagement through the deliberative focus groups.

## Consultation methodology

### *Open questionnaire*

- 2.11 The open consultation questionnaire was available online and in paper format between 21 October and 2 December 2024 to residents, representatives of business, public and voluntary organisations, and BFRS employees.
- 2.12 In total, 81 questionnaires were completed, all of which were submitted online. Most responses (67) were from individuals, but six valid responses were received from:
- » A HR/Health and Safety/Facility Management organisation,
  - » A BAFE certified Fire and Electronic Security provider offering UK coverage,
  - » A removal and Storage company,
  - » A company providing automatic fire alarm response to domestic, commercial and public properties covering UK mainland and Northern Ireland,
  - » A preparatory school, and
  - » A charity-owned historic building.
- 2.13 It should be noted that while open questionnaires are important consultation routes that are accessible to almost everyone, they are not 'surveys' of the public. Whereas surveys require proper sampling of a given population, open questionnaires are distributed unsystematically; and are more likely to be completed by motivated people. However, this does not mean that the open questionnaire findings



should be discounted: they are analysed in detail in this report and must be considered as a demonstration of the strength of feeling of residents who were motivated to put forward their views.

### *Focus groups with residents*

- 2.14 As part of BFRS' consultation on the proposed CRMP 2025-2030, five deliberative focus groups were undertaken with a broadly representative cross-section of residents from across Buckinghamshire and Milton Keynes. While the focus of the deliberative focus groups was the proposed changes to BFRS' CRMP<sup>1</sup>, ORS were asked to include information and facilitate discussions around the proposed changes to AFA activation response to feed into the AFA consultation. ORS worked in collaboration with BFRS to prepare informative stimulus material for the groups before facilitating the discussions and preparing an independent report of findings.
- 2.15 The focus groups were designed to inform and 'engage' participants with the issues set out in the CRMP and in relation to the proposed changes to AFA response. This was done by using a 'deliberative' approach to encourage people to question and reflect on the issues in detail. The meetings lasted for around two hours and were attended as below in Table 2.

**Table 1: Focus groups (area, time and date, and number of attendees)**

Area	Time and Date	Number of Attendees
Aylesbury	Tuesday 24 September 2024 6:30pm - 8:15pm	9
Chesham	Wednesday 25 September 2024 6:30pm - 8:15pm	9
High Wycombe	Thursday 26 September 2024 6:30pm - 8:15pm	10
Milton Keynes	Tuesday 1 October 2024 6:30pm - 8:15pm	8
Buckingham	Wednesday 2 October 2024 6:30pm - 8:15pm	8
<b>TOTAL</b>		<b>44</b>

- 2.16 The attendance target for the focus groups was around eight people, which was achieved or exceeded at all sessions. Participants were recruited by Acumen Field, a specialist recruitment agency, who initially sent out a screening questionnaire as an online survey to a database of contacts and, more widely, on social media platforms. They then collated the responses to establish a pool of potential recruits, which was 'sifted' to establish a contact list. People were then contacted by telephone, asked to complete a more detailed screening questionnaire and either recruited or not to match the required quotas. Those recruited were sent all the necessary details in a confirmation email and telephoned a day or two before the events to confirm their attendance. Just under half of participants (20) had attended one of the engagement forums in 2023; the other 24 were fresh recruits.

<sup>1</sup> The findings from the CRMP 2025-2030 deliberative focus groups have been reported separately by ORS as part of CRMP consultation 2024.

- 2.17 In recruitment, care was taken to ensure that no potential participants were disqualified or disadvantaged by disabilities or any other factors. The recruitment process was monitored to ensure social diversity in terms of a wide range of criteria including, for example: gender; age; working status; and disability/limiting illness. Overall, as demonstrated in the table below, participants represented a broad cross-section of residents – and as standard good practice, people were recompensed for their time and efforts in and taking part.

**Table 2: Participant characteristics**

Gender	Age	Working status	Ethnicity	Disability or limiting illness
Female: 26 Male: 18	18 - 34: 14 35 - 54: 17 55+: 13	Working full-time (including self-employed): 25 Working part-time (including self-employed): 14 Not working (including unemployed, retired, homemaker, full-time student): 5	12 residents from an ethnic minority background	5 residents with a disability or limiting illness
Total participants: 44				

- 2.18 Although, like all other forms of qualitative consultation, focus groups cannot be certified as statistically representative samples of public opinion, the meetings reported here gave diverse groups of people from the potentially affected areas the opportunity to participate. Because the recruitment was inclusive and participants were diverse, we are satisfied that the outcomes of the meeting (as reported in Chapter 4) are broadly indicative of how informed opinion would incline based on similar discussions.

## The report

- 2.19 This report summarises the feedback on BFRS's proposed changes to their response to AFA activations. In order to differentiate verbatim quotations from other information, they are in indented italics within text boxes. ORS does not endorse any opinions but seeks only to portray them accurately and clearly.
- 2.20 ORS is clear that its role is to analyse and explain the opinions and arguments of the many different interests participating in the consultation, but not to 'make a case' for any point of view. In this report, we seek to profile the opinions, views and arguments of those who have responded, but not to make any recommendations as to how the reported results should be used. Whilst this report brings together a wide range of evidence for BFRS to consider, decisions must be taken based on all the evidence available.

# 3. Open consultation questionnaire

## Introduction and methodology

- 3.1 This chapter reports the findings from the open questionnaire which was available on the AFA consultation page of BFRS's website from 21 October until 2 December 2024. Paper copies were also available on request; however, no paper responses were received.
- 3.2 Information summarising the main proposed changes to the way BFRS responds to Automatic Fire Alarms (AFAs), and the pilot of the preferred option currently taking place, was included within the questionnaire. Respondents were invited to read the accompanying supporting information document (with a link to view online) for further details, before answering the questions.
- 3.3 The questionnaire included questions on the need for change, the proposed changes/preferred option (pilot), potential impacts of the changes and how additional generated working time could be spent.
- 3.4 In addition, all questionnaire respondents were invited to provide any other comments about BFRS's proposed changes and to identify any positive or negative impacts relating to equality they believed should be considered.
- 3.5 In total, 81 responses were received, of which 76 were complete responses, and 5 were partial responses where the respondent had answered at least one question. The number of valid responses recorded for each question (base size) are reported throughout in parentheses.

## Interpretation of the data

- 3.6 As the questionnaire was available for anybody with an interest in the subject to complete, the achieved sample is not considered to be representative of any set population. As such, the text refers to 'respondents' throughout the report, as opposed to 'residents' or 'organisations'.
- 3.7 Graphics are used in this report to make it as user-friendly as possible. The pie charts show the proportions (percentages) of respondents making relevant responses. Where possible the colours used in the charts have been standardised with a 'traffic light' system in which:
  - » Green shades represent positive responses – for example, 'agree'
  - » Beige shades represent neither positive nor negative responses
  - » Red shades represent negative responses – for example, 'disagree'
  - » The darker shades are used to highlight responses at the extremes – for example, 'strongly agree' or 'strongly disagree.'
- 3.8 'Don't know' responses have been treated as invalid when calculating percentages.
- 3.9 Please note that where percentages do not sum to 100 and proportions of charts may not look equal, this is due to rounding. Moreover, in some cases, due to rounding, the grouped result shown on charts, or noted in the text, is not equal to that of the individual results which make up the grouped figure.
- 3.10 Findings highlighted in this report focus on the overall results; however, where possible, analysis by sub-groups (e.g. age, gender, ethnicity, location, and whether they work for BFRS/another FRS or not) has

been included. To test whether apparent differences between sub-groups are statistically significant, statistical tests are applied. These consider the sizes of the samples that are being compared and the level of confidence we need to have in our testing. In line with standard social research practice, we have used a 95% confidence level. In other words, we can be 95% certain that the difference has not occurred by chance. Only differences that are statistically significant at a 95% confidence level are highlighted in the text commentary.

- 3.11 Not all respondents reached the profiling information section of the questionnaire, however of the 73 who did, most responses (67) were from individuals, and the tables that appear without commentary below and on the following page show the unweighted profiles of the responses to the survey provided by personal respondents (please note that the figures may not always sum to 100% due to rounding).

**Table 3: Age – All respondents who gave a personal response**

Age	Number of respondents (Unweighted)	% of respondents (Unweighted)
18 to 24	6	10
25 to 34	9	14
35 to 44	19	30
45 to 54	16	25
55 to 64	12	19
65 to 74	0	0
75 to 84	1	2
Not Known	4	-
<b>Total</b>	<b>67</b>	<b>100</b>

**Table 4: Gender – All respondents who gave a personal response**

Gender	Number of respondents (Unweighted)	% of respondents (Unweighted)
Female	11	19
Male	47	80
Prefer to self-identify	1	2
Not Known	8	-
<b>Total</b>	<b>67</b>	<b>100</b>

**Table 5: Disability – All respondents who gave a personal response**

Disability	Number of respondents (Unweighted)	% of respondents (Unweighted)
Yes	4	7
No	54	93
Not Known	9	-
<b>Total</b>	<b>67</b>	<b>100</b>

**Table 6: Ethnic Group – All respondents who gave a personal response**

Ethnic group	Number of respondents (Unweighted)	% of respondents (Unweighted)
White British	51	88
White Other	4	7
Asian or Asian British	2	3
Black, Black British, Caribbean or African	1	2
Not Known	9	-
<b>Total</b>	<b>67</b>	<b>100</b>

**Table 7: Respondent Type – All respondents who gave a personal response**

Which of the following best describes you?	Number of respondents (Unweighted)	% of respondents (Unweighted)
Member of the public	21	38
Staff member at BFRS	34	61
Staff member at another Fire and Rescue Service	1	2
Not Known	11	-
<b>Total</b>	<b>67</b>	<b>100</b>

**Table 8: Area – All respondents who gave a personal response**

Area	Number of respondents (Unweighted)	% of respondents (Unweighted)
Buckinghamshire	30	61
Other	19	39
Not Known	18	-
<b>Total</b>	<b>67</b>	<b>100</b>

**Table 9: Urban/Rural – All respondents who gave a personal response**

Area	Number of respondents (Unweighted)	% of respondents (Unweighted)
Urban	34	69
Rural	15	31
Not Known	18	-
<b>Total</b>	<b>67</b>	<b>100</b>

3.12 In addition, six valid responses were received from the following organisations:

- » A HR/Health and Safety/Facility Management organisation,
- » A BAFE certified Fire and Electronic Security provider offering UK coverage,
- » A removal and Storage company,
- » A company providing automatic fire alarm response to domestic, commercial and public properties covering UK mainland and Northern Ireland,
- » A preparatory school, and
- » A charity-owned historic building.

- 3.13 Responses submitted on behalf of organisations can differ in nature to those submitted by personal responses from members of the public if, for example, they represent the collective views of a number of different people or raise very specific issues. However, given the low number of responses provided by organisations (six), we have on this occasion reported the consultation responses from organisations together with those of individuals.
- 3.14 It should be noted that while open questionnaires are important consultation routes that are accessible to almost everyone, they are not ‘surveys’ of the public. Whereas surveys require proper sampling of a given population, open questionnaires are distributed unsystematically and are more likely to be completed by motivated people. As such, because the respondent profile is an imperfect reflection of the local populations, its results must be interpreted carefully. This does not mean that the open questionnaire findings should be discounted: they are analysed in detail in this report and must be taken into account as a demonstration of the views of residents who were motivated to put forward their views.

## Duplicate and co-ordinated responses

- 3.15 It is important that engagement questionnaires are open and accessible to all, whilst being alert to the possibility of multiple completions (by the same people) distorting the analysis. Therefore, while making it easy to complete the questionnaire online, ORS monitors the IP addresses through which questionnaires are completed. A similar analysis of ‘cookies’ was also undertaken – where responses originated from users on the same computer using the same browser and the same credentials (e.g., user account). Following this analysis, no evidence of possible multiple completions was found.

## Main findings

### *Preferred option for consultation (pilot)*

- 3.16 Respondents were given the following information on BFRS’s proposed preferred option for consultation (pilot).

Prior to the changes made on 8 July 2024, BFRS attended all AFA activations. From 1 April 2023 to 31 March 2024, BFRS responded to 1,693 alarms following activation of an AFA in a non-domestic building. Of these, just 0.9% (16 incidents) were found to have involved a fire. **99.1% did not involve a fire.** This is in-line with the average number of false alarms the Service has attended every year since 2018.

The preferred option which is being piloted is to **continue to attend all AFA activations in higher-risk buildings** (plus any buildings on BFRS’ exempt list). These include:

- Buildings with sleeping risk (domestic, sheltered housing, hospitals and care homes),
- Buildings known to the Service as being a high-risk site for something other than sleeping (e.g. secondary schools).

And **not attend AFA activations in low and medium-risk buildings unless a fire is confirmed** via a 999 call **or there are signs of fire** at the location.

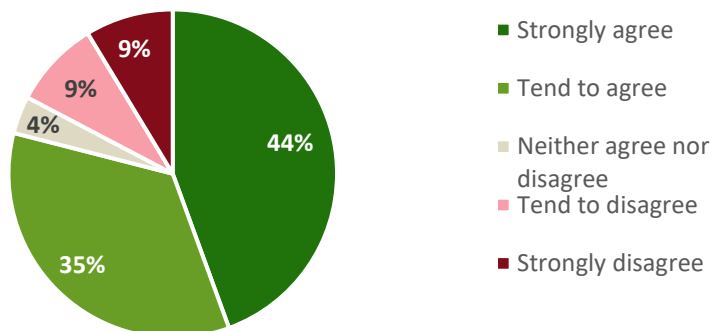
For more detail regarding the classification of buildings into high, medium and low risk, please refer to the accompanying consultation supporting information.

- 3.17 Almost four in five (79%) respondents agreed that based on information relating to BFRS’ response to AFA activation before the pilot, and the number of false alarms attended, changing the response is the right

thing to do, with over two fifths (44%) strongly agreeing. Less than a fifth (17%) disagreed, with around one-in-ten (9%) strongly disagreeing (Figure 1).

- 3.18 Respondents living in Buckinghamshire (as opposed to elsewhere) are significantly more likely than all respondents to agree that changing the response is the right thing to do (91% vs 79% overall).

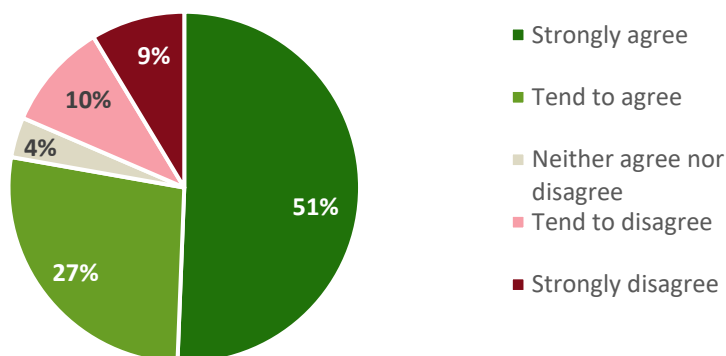
**Figure 1: Having read the information relating to BFRS’ response to AFA activation before the pilot, and the number of false alarms attended, to what extent do you agree or disagree that changing the response is the right thing to do?**



**Base: All respondents who gave a valid response (81)**

- 3.19 When asked to what extent they agreed or disagreed with BFRS’s proposed new response to AFA activation (to attend all activations in higher-risk buildings, but only attend AFA activations in lower or medium-risk buildings if a fire is confirmed), more than three quarters of respondents (78%) agreed, with around half (51%) strongly agreeing. Around a fifth of respondents (19%) disagreed, with around one-in-ten (9%) strongly disagreeing (Figure 2).
- 3.20 Respondents living in Buckinghamshire (as opposed to elsewhere) are significantly more likely than all respondents to agree with BFRS’s proposed new response to AFA activations (91% vs 78% overall).

**Figure 2: To what extent do you agree or disagree with BFRS’s proposed new response to AFA activation (to attend all activations in higher-risk buildings, but only attend AFA activations in lower or medium-risk buildings if a fire is confirmed)?**



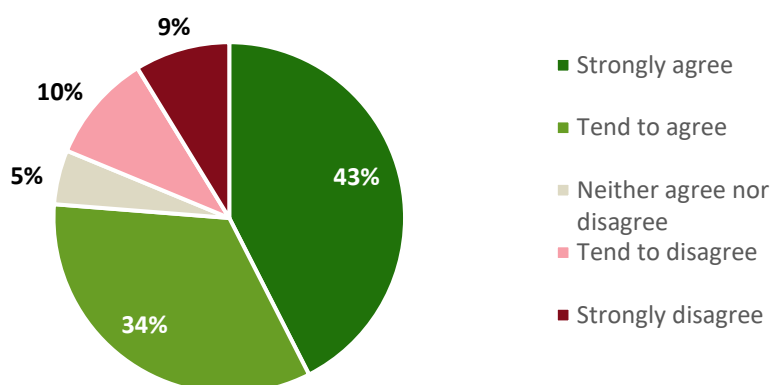
**Base: All respondents who gave a valid response (81)**

- 3.21 Respondents were given the following information regarding AFA activations and false alarms based on data received from the first three months of the AFA pilot.

BFRS data shows that, in the first three months of the AFA pilot, firefighters have attended 179 false alarms in non-domestic buildings in Buckinghamshire and Milton Keynes, as a result of an AFA (compared with 378 false alarms in non-domestic buildings attended in the three months before - 8 April 2024 to 7 July 2024). During the same period, Thames Valley Fire Control Service received a total of 328 alarm activations in non-domestic **medium** and **low risk** buildings across Buckinghamshire and Milton Keynes. Of these, there has been one occasion where firefighters were not initially mobilised to respond, but on further investigation at the building a fire was confirmed, and firefighters were then allocated to respond.

- 3.22 Over three quarters (76%) agreed that the data received from the first three months of the AFA pilot supports the response currently being piloted, with more than two fifths (43%) strongly agreeing with this. Almost a fifth (19%) disagreed, with around one-in-ten (9%) strongly disagreeing, while 5% neither agreed nor disagreed (Figure 3).
- 3.23 Respondents living in Buckinghamshire (as opposed to elsewhere) are significantly more likely than all respondents to agree that the pilot data supports the response currently being piloted (88% vs 76% overall).

**Figure 3: Considering the data received from the first three months of the AFA pilot, to what extent do you agree or disagree that this supports the response currently being piloted?**



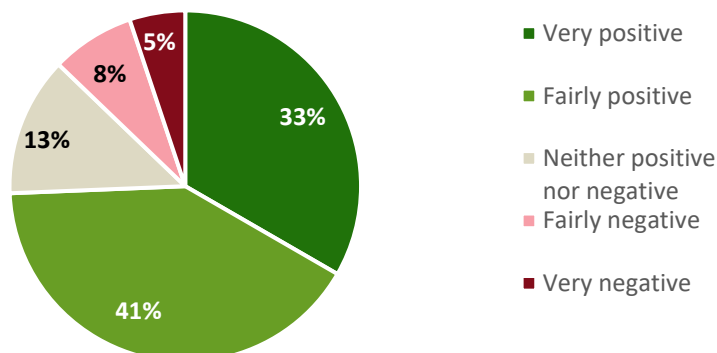
**Base: All respondents who gave a valid response (80)**

#### *The proposed changes to BFRS's response to AFA activations overall*

- 3.24 Almost three quarters of respondents (74%) felt that the changes to BFRS's response to AFA activation will have a positive impact on the overall effectiveness of Buckinghamshire Fire and Rescue Service, with a third (33%) feeling it would be very positive. Around one-in-eight (13%) felt it would have a negative impact while the same proportion (13%) felt it would have neither a positive nor negative impact (Figure 4).
- 3.25 Respondents aged 45 or above (86%) and those living in Buckinghamshire (as opposed to elsewhere) (91%) are significantly more likely than all respondents (74%) to feel the changes would have a positive impact on the overall effectiveness of BFRS.



**Figure 4: Do you feel that the changes to BFRS’s response to AFA activation will have a positive or negative impact on the overall effectiveness of Buckinghamshire Fire and Rescue Service?**



**Base: All respondents who gave a valid response (78)**

- 3.26 When asked for suggestions on how BFRS firefighters could be spending extra working capacity that is expected to be generated from the change in response to AFA activations, around two thirds (68%) said they would like to see more time spent on firefighter training, while around half (48%) said there should be more time spent on collaboration such as training exercises with partners.
- 3.27 Around a third or more of respondents felt BFRS firefighters could spend more time on fire prevention activity in the community (38%), site specific visits/learning about BFRS’s business community (37%), enforcement activities (33%) and fire protection education with BFRS’s business community (32%) (Figure 5).
- 3.28 Respondents who are members of the public (are not employed by an FRS) are significantly more likely to have suggested collaboration such as training exercises with partners (67% vs 48% overall), fire prevention activity in the community (62% vs 38% overall) and enforcement activities (67% vs 33% overall).

**Figure 5: Changing the response to AFA activations is expected to generate extra working capacity for BFRS’s operational crews. How would you like to see BFRS firefighters spending this time?**

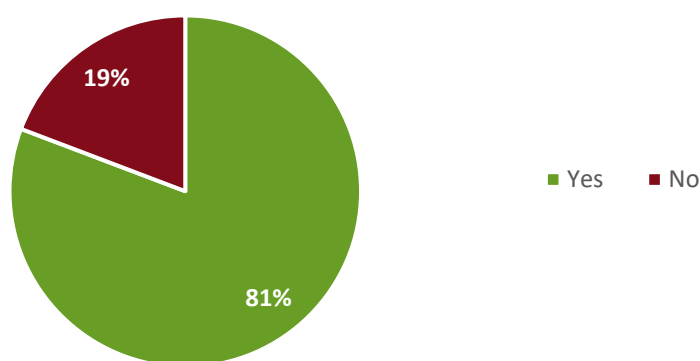


**Base: All respondents who gave a valid response (79), number of responses (208)**

- 3.29 Other suggestions included responding to medical incidents, school visits, and targeted prevention in high-risk groups/those causing high false alarms.

- 3.30 Considering all the information given overall there is a high level of support for the proposed changes with more than four-in-five (81%) saying that BFRS should implement the response to AFA activations currently being piloted as standard once the pilot is complete (Figure 6). However, around a fifth (19%) said no, BFRS should not implement the changes currently being piloted as standard.
- 3.31 Respondents living in Buckinghamshire (as opposed to elsewhere) are significantly more likely than all respondents to say that BFRS should implement the response to AFA activations currently being piloted as standard once the pilot is complete (91% vs 81% overall).

**Figure 6: Considering all the information overall, should BFRS implement the response to AFA activations currently being piloted as standard once the pilot is complete?**



**Base: All respondents who gave a valid response (78)**

#### *Other comments and positive/negative impacts*

- 3.32 Respondents were asked if they had any other comments and, also whether they felt there are any positive or negative impacts from the decisions being proposed that should be taken into account. Overall, there was a positive response to the proposal to only attend AFA activations in higher-risk buildings. The general public identified one benefit of the proposal to be that the Service would not lose as much time to false alarms and that this would lead to reduced costs and provide additional time which can be allocated to enforce other requirements.
- 3.33 It was emphasised that the most important factor to be considered is the harm to life, and the risks of not attending an AFA activation that turns out to be legitimate. The majority of respondents felt confident that the Service would still respond to AFA activations where there is an expected risk to life, and that the advantages outweighed this risk.

*“The negative factor would be the outcome of not attending a call that wasn’t in fact a false alarm. However as mentioned earlier this is a small percentage.”*

- 3.34 There were concerns, however, about relying on 999 calls to confirm an AFA activation, which may cause a slower response time.

*“Whilst legitimate AFA calls may be minimal, when they do happen, the reliance on a 999 call to confirm it will lead to a slower turnout. There could be circumstances when an AFA is triggered, and no-one calls it in due to the time of day, location or no immediately visible flames which would lead to an even longer delay in turnout and greater risk of destruction of property or loss of life.”*

- 3.35 One firefighter respondent pointed out the negative ‘ripple effects’ and the amount of resources wasted under current provision. This included things such as additional cost of fuel and the subsequent environmental impacts of fuel wastage, quicker wear and tear on the fire engines and appliances needed when attending an AFA, and firefighters’ time being taken away from real emergencies and other useful activities. It was also felt by the same respondent that some businesses developed complacency as a result of having AFAs fitted and give insufficient attention to their legal fire safety duties.
- 3.36 A positive impact of the proposal was said to be less risk for road users as there would be less frequent fast-moving emergency response vehicles.
- 3.37 A number of respondents who were firefighters themselves felt that attending all AFA activations was beneficial as it provides useful opportunities to identify risks, safety concerns and potential safeguarding issues in spaces that they would not ordinarily have access to.

*“By not attending AFAs, interactions will not be had with businesses. The current interaction helps to identify issues with alarm systems, which might not be identified otherwise, leaving people in those buildings more at risk. The current attendance allows a foot in the door to identify other fire safety issues.”*

- 3.38 In addition to this, it was also pointed out that these attendances were good examples of training opportunities for new staff and should be maximised. Also, some felt that attending AFA activations allowed for a more prominent image of the Service in the community as they are ‘seen’ more often.

*“At a time where the fire service has gone through some tough public scrutiny, I cannot see how reducing our attendance and effectiveness as frontline crews can be meaningfully sold as a positive.”*

- 3.39 Schools were a point of contention for one firefighter respondent as they felt that schools were not in fact high risk due to their “fantastic discipline” and evacuation times. It was argued that an average secondary school has no sleeping risk, is not a high rise, has no hazardous storage and no public access. However, it was noted that boarding schools and creches should be in the high-risk category. Similarly, another respondent felt that too many premises were still in the high-risk category, meaning the Service will still respond to lots of false alarms.
- 3.40 The other major concern for respondents was around communicating the changes to the public so as not to cause fear. The fact that the changes and adaptations will lead to better protection of life and property will need to be emphasised to mitigate public fears. Transparent fact sharing, listening and offering of mitigations was said to be needed, along with more education on the new procedures for those with AFAs currently fitted.

*“If a low-resolution narrative occurs it will be likely that business owners will receive the misconception that their business will be left by the fire service to burn down as the fire service will not automatically come if their fire alarm goes off.”*

- 3.41 One mitigation mentioned was for the Service to increase the number of inspections to ensure that fire safety precautions and building use legislation is being adhered to.
- 3.42 One alternative suggestion to the proposal was to still respond to AFA activations but only send one firefighter or manager in a blue light response car to check if there is an emergency without the whole fire appliance attending. The single-crewed car could then call for more resources should they be needed.

## 4. Resident focus groups

### Introduction

- 4.1 This chapter reports the views from five deliberative focus groups with members of the public across Buckinghamshire and Milton Keynes, which were independently facilitated by ORS.
- 4.2 The meeting format followed a pre-determined topic guide which allowed space for a general discussion of the key questions under consideration. A series of information slides were shared at set points during the sessions, which ensured that participants had sufficient background information to actively deliberate on the issues.
- 4.3 This is not a verbatim transcript of the five sessions, but an interpretative summary of the issues raised by participants in free-ranging discussions - and as the focus groups did not differ materially in their views, this report combines the findings from all the meetings in a single account. Any significant differences in views have been drawn out where appropriate.
- 4.4 All participants were encouraged to express their opinions freely and to ask questions throughout, and all the meetings were successful in stimulating wide-ranging and informed debate on the issues under consideration.

### Main findings

- 4.5 In the focus groups, feedback on the AFA pilot was largely positive. Most participants agreed with the need to reduce attendance to unwanted fire signals (UwFS) to enhance efficiency and effectiveness; and were reassured by the statistical evidence already emerging from the pilot. Indeed, many participants across the five groups asked why the policy being trialled had not been implemented sooner.
- 4.6 Despite recognising the arguments and evidence supporting the AFA pilot, some participants were nervous about the prospect of BFRS not attending a possible fire, particularly in premises that are not classed as medium- or high-risk but can contain many people at certain times (football stadia for example).
- 4.7 There was some concern at Buckingham and Chesham that the AFA trial and anticipated reduction in the number of fire engine/firefighter mobilisations will eventually lead to resource reductions. Reassurance was sought that this is not the motivator for the trial, and that any efficiencies made would be used to improve other areas of the Service.
- 4.8 There was also discussion around the implications of the pilot for businesses and other premises that would not be attended under the trialled policy. A few participants suggested that this could be seen as 'penalising' businesses given the risk of damage and loss if an unattended UwFS turns out to be a fire; a circumstance that could also have 'PR' impacts for BFRS. Conversely, other participants acknowledged that 'responsible persons' are now responsible for fire safety within the built environment and so should ensure they have the proper measures and processes in place.
- 4.9 Finally, if it is decided to implement the policy being trialled on a permanent basis, it was considered imperative that BFRS continue to support and inform those potentially impacted by it to ensure they are aware of the changes.

## Automatic fire alarms (AFAs) pilot

- 4.10 Participants were shown the following slide before being asked to give their views on BFRS's current Automatic Fire Alarms (AFA) pilot.

### Automatic Fire Alarms (AFAs) Pilot

- AFAs alert to potential fires, but many activations are false alarms or 'Unwanted Fire Signals (UwFS)'
- These take resources away from genuine emergencies and risk public safety
  - 2022-23 → BFRS responded to 2,961 false alarms (39.5% of all incidents)
- Aim = enhance efficiency/effectiveness by reducing attendance to (UwFS)
- Key changes...
  - BFRS will not respond to any fire calls generated by AFA systems in non-domestic, medium, and low-risk premises unless a fire is confirmed via a 999 call or there are visible signs of a fire at the location
  - Exemptions include premises...
    - ... With sleeping risks (domestic premises, sheltered housing, hospitals, care homes)
    - ... that are known to BFRS as being a high-risk site for something other than sleeping

- 4.11 Feedback on the AFA pilot was largely positive. Most participants agreed with the need to reduce attendance to unwanted fire signals (UwFS) to enhance efficiency and effectiveness; and were reassured by the statistical evidence already emerging from the pilot.

*"I agree with it... It's obviously something that you have to take as an accepted risk to improve efficiency overall." (Milton Keynes)*

*"So, if you hadn't have done this trial, you would have gone to 97 more false alarms? Its making a difference already!" (Aylesbury)*

- 4.12 Indeed, many participants across the five groups asked why the policy being trialled had not been implemented sooner.

*"I'm surprised that these changes haven't been made sooner." (Buckingham)*

- 4.13 Despite recognising the arguments and evidence supporting the AFA pilot, some participants were nervous about the prospect of BFRS not attending a possible fire however, particularly in premises that are not classed as medium- or high-risk but can contain many people at certain times (football stadia for example).

*"It makes me feel a bit nervous... I think the evidence is there, it's very fair not to [attend], but just for me... it's that 1% that doesn't get the call out." (Chesham)*

- 4.14 There was some concern at Buckingham and Chesham that the AFA trial and anticipated reduction in the number of fire engine/firefighter mobilisations will eventually lead to resource reductions. Reassurance was sought that this is not the motivator for the trial, and that any efficiencies made would be used to improve other areas of the Service.

*“If they’re going out less, will that affect firefighters? Could you then be like, ‘We don’t need as many firefighters?’” (Chesham)*

*“There must be a concern within the service that this could be a covert way of cutting the budget...” (Buckingham)*

- 4.15 There was also discussion (especially at Chesham and High Wycombe) around the implications of the pilot for businesses and other premises that would not be attended under the trialled policy. A few participants suggested that this could be seen as ‘penalising’ businesses given the risk of damage and loss if an unattended UwFS turns out to be a fire; a circumstance that could also have ‘PR’ impacts for BFRS.

*“If I had a commercial premises that I’d paid to have a fire alarm for, which went off and there was a fire; if the fire service didn’t turn out, I’d be really annoyed.” (High Wycombe)*

*What happens if someone blames you in that 1% of the time where it is an emergency? (Buckingham)*

- 4.16 On a related note, one Chesham participant was especially concerned that medium- and low-risk non-domestic properties are being ‘punished’ because of the high number of UwFSs in high-risk premises.

*I don’t think this is fair. If most of those unwanted false alarms were from sleeping risk, then I don’t see why businesses should have to suffer ....” (Chesham)*

- 4.17 Conversely, other participants acknowledged that ‘responsible persons’ are now responsible for fire safety within the built environment and so should ensure they have the proper measures and processes in place.

*“Time can be focused on real emergencies because it is the responsibility of those businesses to look after their own premises.” (Buckingham)*

*“As a business, we can’t just rely on everyone else to look after our property... We can’t just rely on the fire service to come in and save us as we have a level of responsibility for ourselves, and the building we’re responsible for.” (Chesham)*

- 4.18 Moreover, several people highlighted advancements in modern technology that could support the pilot, including the use of drones and cameras to confirm a fire.

*“I think this day and age, they can easily install many cameras in their premises, and they can easily verify a fire or not remotely. So that takes pressure off the fire service.” (Chesham)*

- 4.19 Finally, if it is decided to implement the policy being trialled on a permanent basis, it was considered imperative that BFRS continue to support and inform those potentially impacted by it to ensure they are aware of the changes.

*"I hope you've got the education piece behind it down if you're changing this. To make sure someone who has an AFA isn't like, 'They're going to come because they come for all of them.'"*  
(Milton Keynes)

4.20 It was also suggested that BFRS should publicise the "amount of lives you saved as a projection so people can see that by not responding to AFAs, they will save x amount of lives." (Buckingham)



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## Appendix 2

### Consultation findings and BFRS responses

#### Other comments and positive/negative impacts – Online survey – Page 20

**ORS report Page 20 - 3.32** “Respondents were asked if they had any other comments and, also whether they felt there are any positive or negative impacts from the decisions being proposed that should be taken into account. Overall, there was a positive response to the proposal to only attend AFA activations in higher-risk buildings. The general public identified one benefit of the proposal to be that the Service would not lose as much time to false alarms and that this would lead to reduced costs and provide additional time which can be allocated to enforce other requirements.”

*Response: Some of the benefits identified as part of planning arrangements for this project were:*

- *Optimises capacity to deal with an increase in higher risk incident types*
- *Improved utilisation of work time for activities such as Prevention, Protection and Training*
- *Reduces mobilisation of appliances, therefore reducing inherent road risk from fewer blue-light (emergency response) appliance movements*
- *Reduces costs and improves environmental impact through reduced vehicle movements*
- *Increases the availability of the nearest appliance for real emergencies*
- *Reduces attendance of neighbouring fire and rescue services attending AFAs within BFRS, therefore reduces the cost to the Service of 13/16 agreement payments*

*Results from the pilot show that for the first four full months of the pilot (August to November 2024) compared to the last four full months (March to June 2024) prior to the AFA pilot, we have seen a 40% reduction in our attendance at false alarms in non-domestic properties. This has therefore resulted in less disturbances in attending unwanted AFAs, enabling this time to be utilised for other activities.*

*The Protection department have seen a two thirds reduction in managing UwFS over the period of the AFA pilot.*

**ORS report Page 20 - 3.33** “It was emphasised that the most important factor to be considered is the harm to life, and the risks of not attending an AFA activation that turns out to be legitimate. The majority of respondents felt confident that the Service would still respond to AFA activations where there is an expected risk to life,

and that the advantages outweighed this risk. “The negative factor would be the outcome of not attending a call that wasn’t in fact a false alarm. However as mentioned earlier this is a small percentage.” “

*Response: High risk premises, including all properties with a sleeping risk, continue to receive a response to all AFA activations, without call-challenge by TVFCS.*

*We acknowledge that there is a low risk that TVFCS will not mobilise an appliance to an AFA activation in a low or medium risk building which subsequently turns out to be a real fire.*

*This could mean that our crews respond to a fire later than they would have done before the pilot, when our policy was to respond to all AFA activations.*

*During the pilot period, there was only one occasion where this situation did occur. On 8 July 2024, TVFCS received a call to an AFA, they correctly challenged this call as it was at a low risk commercial premises. The caller was asked to check for fire or signs of fire by the fire control operator. There was a subsequent call from the site stating there were signs of fire and the correct response for a building fire was dispatched from the local fire station. The outcome was that smoke from an external source had made its way into the building.*

*On investigation TVFCS control operators followed correct procedures.*

**ORS report Page 20 - 3.34** “There were concerns, however, about relying on 999 calls to confirm an AFA activation, which may cause a slower response time.”

*Response: Based on the data during the pilot period. There has been no discernible difference reported in the call handling times. This will be monitored over the next 12 months.*

**ORS report Page 21 - 3.35** “One firefighter respondent pointed out the negative ‘ripple effects’ and the amount of resources wasted under current provision. This included things such as additional cost of fuel and the subsequent environmental impacts of fuel wastage, quicker wear and tear on the fire engines and appliances needed when attending an AFA, and firefighters’ time being taken away from real emergencies and other useful activities. It was also felt by the same respondent that some businesses developed complacency as a result of having AFAs fitted and give insufficient attention to their legal fire safety duties.”

*Response: Results from the pilot show that for the first four full months of the pilot (August to November 2024) compared to the last four full months (March to June*

2024) prior to the AFA pilot, we have seen a 40% reduction in our attendance at false alarms in non-domestic properties.

As well as information published on our website, we have a dedicated team of Protection Officers who work alongside our Business Engagement Team, engaging and collaborating with local businesses to provide advice and support to navigate fire safety regulations, offer guidance on fire risk assessments, and provide ongoing support for compliance.

**ORS report Page 21 - 3.36** “A positive impact of the proposal was said to be less risk for road users as there would be less frequent fast-moving emergency response vehicles.”

*Response: Results from the pilot show that for the first four full months of the pilot (August to November 2024) compared to the last four full months (March to June 2024) prior to the AFA pilot, we have seen a 40% reduction in our attendance at false alarms in non-domestic properties. This translates into a reduction of 212 appliance movements.*

**ORS report Page 21 - 3.37** “A number of respondents who were firefighters themselves felt that attending all AFA activations was beneficial as it provides useful opportunities to identify risks, safety concerns and potential safeguarding issues in spaces that they would not ordinarily have access to.”

*Response: Our staff will continue to address identified risks in the community. This will be developed and reported through local station area plans.*

*Our Firefighters will continue to work within the local community, in conjunction with our specially trained Protection Officers, and those working on business engagement, to liaise with local businesses and the public to ensure site risk assessments are undertaken, and fire safety duties are being undertaken in all business premises in Buckinghamshire and Milton Keynes.*

**ORS report Page 21 - 3.38** “In addition to this, it was also pointed out that these attendances were good examples of training opportunities for new staff and should be maximised. Also, some felt that attending AFA activations allowed for a more prominent image of the Service in the community as they are ‘seen’ more often.”

*Response: Our operational response staff will continue to identify and assess risks in the community through both Site-Specific Risk Inspections (SSRI) and through*

*Prevention domestic Home Fire Safety Visits (HFSVs). Staff will therefore continue to be visible in the community, carrying out more preventative and educational work with both members of the public and our local business community.*

**ORS report Page 21 - 3.39** “Schools were a point of contention for one firefighter respondent as they felt that schools were not in fact high risk due to their “fantastic discipline” and evacuation times. It was argued that an average secondary school has no sleeping risk, is not a high rise, has no hazardous storage and no public access. However, it was noted that boarding schools and creches should be in the high-risk category. Similarly, another respondent felt that too many premises were still in the high-risk category, meaning the Service will still respond to lots of false alarms.”

***Response:** It was agreed through the alignment with our Thames Valley Fire and Rescue Service partners that schools will be included. This is due to the potential wider community impact this may result in. We will regularly review the risks within the methodology.*

**ORS report Page 21 - 3.40** “The other major concern for respondents was around communicating the changes to the public so as not to cause fear. The fact that the changes and adaptations will lead to better protection of life and property will need to be emphasised to mitigate public fears. Transparent fact sharing, listening and offering of mitigations was said to be needed, along with more education on the new procedures for those with AFAs currently fitted.”

***Response:** We agree that communicating the changes is important, as well as providing updates on how the changes have impacted on our Service and the community. We are currently working on plans to ensure we make best use of the resources we have to do this, which includes our website and social media channels, e-mail marketing and direct contact through our staff.*

*We have a dedicated team of Protection Officers who work alongside our Business Engagement Team, to engage and collaborate with local businesses throughout Buckinghamshire and Milton Keynes to provide advice and support to navigate fire safety regulations. They also offer guidance on fire risk assessments and provide ongoing support for compliance.*

*While looking for new approaches, we will also use these existing channels to provide advice and guidance to those responsible for business and commercial buildings on:*

- *Fire risk assessment and compliance – helping businesses understand their legal obligations and ensuring fire safety compliance through robust fire risk assessment.*
- *Fire safety equipment and systems – making sure businesses have the right fire safety systems in place, such as fire doors, alarms and extinguishers.*
- *Fire safety training and preparedness – equipping teams with the skills and knowledge to respond effectively to fire emergencies.*
- *Inspections and enforcement – ensuring businesses understand why we undertake fire safety inspections and how to stay compliant to avoid the need for us to undertake enforcement action.*

**ORS report Page 22 - 3.41** “One mitigation mentioned was for the Service to increase the number of inspections to ensure that fire safety precautions and building use legislation is being adhered to.”

***Response:** We have a dedicated team of Protection Officers who work alongside our Business Engagement Team, to provide advice and support to navigate fire safety regulations, offer guidance on fire risk assessments, and provide ongoing support for compliance to businesses across Buckinghamshire and Milton Keynes. Our firefighters also respond to investigate concerns raised by members of the public around fire safety concerns in non-domestic buildings.*

*For anyone interested, **Fire safety: guidance for those with legal duties – GOV.UK** provides comprehensive information on risk assessment and other crucial topics in line with current fire safety laws for the employer, the owner or someone else who has control of workplaces and common parts of buildings containing two or more domestic premises (ie the designated Responsible Person).*

*We encourage anyone with concerns around fire safety in a non-domestic building, or business owners with questions about Fire Safety to get in touch through [our online contact us form](#).*

**ORS report Page 22 - 3.42** “One alternative suggestion to the proposal was to still respond to AFA activations but only send one firefighter or manager in a blue light response car to check if there is an emergency without the whole fire appliance attending. The single-crewed car could then call for more resources should they be needed.”

***Response:** This is an interesting suggestion; however, we feel that if we took this approach we would simply be sending a different response, and therefore would still*

*be recording high response rates to automatic fire alarms - the majority of which our data indicates are false alarms.*

### **Main findings – Focus groups – Page 23**

**ORS report Page 23- 4.5** “In the focus groups, feedback on the AFA pilot was largely positive. Most participants agreed with the need to reduce attendance to unwanted fire signals (UwFS) to enhance efficiency and effectiveness; and were reassured by the statistical evidence already emerging from the pilot. Indeed, many participants across the five groups asked why the policy being trialled had not been implemented sooner.”

***Response:** In our Public Safety Plan (PSP) 2020-2025, we pledged to review our approach to attending AFAs, and committed to address our AFA mobilising policy in year four of the PSP. This report completes that commitment.*

*The decision to consider changes was not taken lightly and required us to review our existing practices and consider the potential benefits a more tailored and risk-based approach could bring.*

*Our aim has always been to enhance our service delivery, reduce unnecessary disruptions, and ensure that our resources are utilised where they are needed most, we believe this solution helps to deliver that, and the evidence gathered during the pilot supports this. However, we will continue to monitor the data and evaluate our new AFA response procedure.*

**ORS report Page 23- 4.6** “Despite recognising the arguments and evidence supporting the AFA pilot, some participants were nervous about the prospect of BFRS not attending a possible fire, particularly in premises that are not classed as medium- or high-risk but can contain many people at certain times (football stadia for example).”

***Response:** We acknowledge that there is a low risk that TVFCS will not mobilise an appliance to an AFA activation in a low or medium risk building which subsequently turns out to be a real fire.*

*This could mean that our crews respond to a fire later than they would have done before the pilot, when our policy was to respond to all AFA activations.*

*The BFRS Business engagement team will work with the responsible person for medium and low risk premises to ensure that they understand their responsibilities in regards AFA’s and fires. Anyone who feels their business could benefit from our support or who has any questions will always be encouraged to get in touch with us. Our online contact us form is one method available to them.*



**ORS report Page 23 - 4.7** “There was some concern at Buckingham and Chesham that the AFA trial and anticipated reduction in the number of fire engine/firefighter mobilisations will eventually lead to resource reductions. Reassurance was sought that this is not the motivator for the trial, and that any efficiencies made would be used to improve other areas of the Service.”

*Response: The motivator for our pilot, and the review of our attendance to AFAs, has always been to reduce the number of times our firefighters respond to unnecessary false alarms, ensuring that our resources are available for life-risk incidents which enhances the overall safety and efficiency of our operations.*

*The decision to consider changes was not taken lightly and required us to review our existing practices and consider the potential benefits a more tailored and risk-based approach could bring.*

*During this review we identified other potential benefits such as:*

- Improved use of work time for activities such as Prevention, Protection and Training.*
- Reduced inherent road risk from fewer blue-light appliance movements.*
- Reduced costs and environmental impacts through fewer appliance movements.*
- Reduced use of over the border appliances.*

*Reducing our own firefighter and fire appliance resource is not considered or raised as a benefit of this review.*

**ORS report Page 23 - 4.8** “There was also discussion around the implications of the pilot for businesses and other premises that would not be attended under the trialled policy. A few participants suggested that this could be seen as ‘penalising’ businesses given the risk of damage and loss if an unattended UwFS turns out to be a fire; a circumstance that could also have ‘PR’ impacts for BFRS. Conversely, other participants acknowledged that ‘responsible persons’ are now responsible for fire safety within the built environment and so should ensure they have the proper measures and processes in place.”

*Response: : [Fire safety: guidance for those with legal duties – GOV.UK](#) provides comprehensive information on risk assessment and other crucial topics in line with current fire safety laws for the employer, the owner or someone else who has control of workplaces and common parts of buildings containing two or more domestic premises (ie the designated Responsible Person).*

*According to UK law, every fire and rescue authority (FRA) must make provision for extinguishing fires, and for protecting life and property in the event of fires. Each FRA must also make arrangements for dealing with calls for help when there is a fire.*

*However, there is no legal duty on the FRA to respond to calls originating from AFA systems for the purpose of establishing whether there is a fire.*

*If a fire is confirmed firefighters will be mobilised in response. Our Protection Officers, supported by those working on Business Engagement, will provide advice and support to navigate fire safety regulations, offer guidance on fire risk assessments, and provide ongoing support for compliance to businesses across Buckinghamshire and Milton Keynes.*

*Anyone who feels their business could benefit from our support or who has any questions will always be encouraged to get in touch with us. [Our online contact us form](#) is one method available to them.*

**ORS report Page 23 - 4.9** Finally, if it is decided to implement the policy being trialled on a permanent basis, it was considered imperative that BFRS continue to support and inform those potentially impacted by it to ensure they are aware of the changes.

**Response:** *We provide advice and guidance to those responsible for business and commercial buildings throughout Buckinghamshire and Milton Keynes on:*

- Fire risk assessment and compliance – helping businesses understand their legal obligations and ensuring fire safety compliance through robust fire risk assessment.*
- Fire safety equipment and systems – making sure businesses have the right fire safety systems in place, such as fire doors, alarms and extinguishers.*
- Fire safety training and preparedness – equipping teams with the skills and knowledge to respond effectively to fire emergencies.*
- Inspections and enforcement – ensuring businesses understand why we undertake fire safety inspections and how to stay compliant to avoid the need for us to undertake enforcement action.*

*As well as information published on our website, we have a dedicated team of Protection Officers who work alongside our Business Engagement Team, engaging and collaborating with local businesses to provide advice and support to navigate fire safety regulations, offer guidance on fire risk assessments, and provide ongoing support for compliance.*

# **Southern Region Fire Brigades Union submission**

## **Thames Valley Brigades: Consultation on Options for Responding to Automatic Fire Alarms**



03 April 2024

### **Introduction**

This is the Fire Brigades Union (FBU) submission to the Thames Valley (Buckinghamshire, Berkshire & Oxfordshire Fire and Rescue Services) consultation on Options for Responding to Automatic Fire Alarms. The FBU is the democratic, professional voice of firefighters and other workers within fire and rescue services across the UK. The union represents the vast majority of wholetime (full-time), retained (part-time, on-call) and volunteer operational firefighters and operational fire control staff across the UK.

As a collective response to the three fire and rescue services within the region, this document reflects a thorough review conducted through the structures of each brigade committee and collectively the Southern Region of the Fire Brigades Union. We have coordinated our response, aligning with the consultation processes and associated documents from each service. The committees acknowledge that this initiative stems from directives by HMICFRS and NFCC and has been adopted by various fire services across the UK. In evaluating the proposed changes, we have analysed the number of Automatic Fire Alarms (AFAs) attended in each service and engaged with station representatives to gauge their views and insights.

### **Consultation with FBU representatives**

The FBU, the representative staff body of firefighters and those within the three Thames Valley fire and rescue services in our view have not been adequately consulted and normal channels for consultation have been bypassed. Not allowing for meaningful dialogue prior to public consultation is an indication that the views of staff have not been fully considered at this point in time. As this is a proposal that covers the three fire and rescue services a discussion involving the FBU in each brigade we believe would have assisted in providing productive feedback and the ability to explain our position to our members and the service.

Significant proposals such as those detailed should in our view be based on a review conducted over a period of time. Yet the consultation signposts to a public “survey” that will be carried out in two of the three services and allowing staff engagement at the same time - those that understand in detail what these proposals mean and how they will impact / change the response being provided to the public.

Moreover, we expect the review process detailed in each service to fully involve the Fire Brigades Union, to review openly the feedback from different organisations such as schools, universities, NHS establishments and others listed in the three categories of risk detailed in the proposals. It would be informative to learn how many organisations feed back into this process and what lengths each service has taken to consult and reach out to key stake holders in their respective counties.

### **Risks to wholetime and retained firefighters**

The FBU locally do not feel we have been consulted on this proposal nor had the opportunity to feed in our concerns through the recognised processes and we feel these proposals represent a

significant risk to firefighter safety and to the communities we serve. We will outline some of those concerns in this response.

The consultation notes that only a small per cent of automatic fire alarms (AFA) actuations that are received are actual confirmed fires, and many of these requiring no action – what this does mean is a number of incidents did require action and intervention by fire crews, clearly the risk remains but now it is being proposed that the three services should not address and manage this risk fully but should ignore it – firefighters and the public would be concerned if this were to be the case.

The FBU also has issues with the back to front argument being made in the consultation. On the one hand, the consultation complains that despite attending AFAs the service has no legal duty to attend. On the other hand, it sees the solution, as not providing statutory footing and resources to aid these efforts but to place more responsibility on duty holders, whose judgements on AFAs is clearly an area of concern. Additionally, the argument we have seen before that the majority of other UK fire and rescue services now require a confirmed fire before they send fire appliances is a part of a race to the bottom and we propose that each of the three fire and rescue services demand more resources and extra capacity to deal with AFAs safely and properly.

Attendance at AFAs are never unwanted nor would we imagine unwelcome to the vast majority of occupiers. The reassurance of knowing a professional response is on its way to assist, advise and if necessary commence an early attack on a fire, cannot be overstated. Seconds save lives and a reduction in responses only increases the chances of fires going undetected until it is too late, or a delayed call for assistance when an incorrect assessment is made by a member of the public as opposed to the judgement of a professionally trained, qualified and experienced Firefighter.

AFAs are a sizable portion of a firefighter's work and aid familiarisation of premises in the station's grounds; they can conduct fire safety checks and disseminate fire safety advice to the duty holder. This is valuable work that serves our communities and protects the public.

Firefighters have raised over many years, concerns around reductions in crewing levels, appliance availability, non positive crewing of specialist vehicles such as ALPs in some brigades and changes to responses and PDAs. What is needed is an urgent injection of funding into the fire and rescue service that will bring numbers back to at least 2010 levels. We've lost a fifth of our workforce nationally – in no sector could you do that without it having some impact.

The fire and rescue service needs more resources and pursuing these proposals, kicks the can for more resources down the road and puts our members and the public at risk.

The prevalence of false alarms from automatic fire alarm is acknowledged; however, it's imperative to recognise the potential risks associated with low-risk premises listed in the consultation. Factors such as complex layouts, those that are scientific in nature, and high-value contents can significantly elevate the risk in such settings. The time delay in attending to alarms could result in more developed fires, posing hazards to both firefighters and the public. The financial implications of a more developed fire are substantial and can lead to severe consequences for businesses, potentially resulting in total loss. It's crucial to emphasise that expecting untrained individuals to confirm a fire before involving the fire service contradicts established safety protocols and sound advice provided by the fire service themselves, "to get out, call the fire service out and stay out". This delay increases the risk of greater damage and endangers both property and lives.

## **Risks to control staff**

The FBU has issues with the impact of the proposals on firefighters in control. These include moral pressures, increased workload from increased call challenging, and the potential for increased stress and lower morale. Given that the FBU has not had prior consultation - our control staff members have not been consulted widely on these proposals and lack the thorough and considered consultation they deserve.

The issue we consider regarding the 'call challenge' system in relation to AFAs. The main purpose of call challenging is to ascertain if there is a fire within the premises. This is currently the legal responsibility of the duty holder but custom has resulted in this investigation being undertaken by fire crews – without fire crews on the ground. Call times will likely increase due to call challenging, diminishing the ability of control firefighters to respond to other emergencies. The call challenge approach arguably puts undue pressure and responsibility on control members, relying on the public to spot signs of fire and building damage and therefore the three fire and rescue services are potentially abdicating responsibility.

We are planning to meet and discuss these proposals with our Control members to ascertain any concerns regarding the robustness of the system and current practice and potential impact these proposals will have. As staff utilise a flow chart to the letter, there are no assurances that alarm companies and switchboards can answer all questions being asked of them which at present they are often unable to do. Also, there are no assurances that every alarm company/stakeholder will be made aware of these proposals, made their staff aware and confirmed this to the service as potentially we could see control staff having to explain the process to alarm company staff. It is clear that these proposals lack the robustness and rigour to ensure our control members are best able to perform their role.

## **Conclusion**

The FBU has not been properly consulted on this proposal nor had the opportunity to feed in our concerns through the recognised processes. They don't improve the management of risk or protect firefighters and public safety. It is worth noting that firefighters don't get turned out to UFAS; they only know that it's an unwanted/false alarm once they leave the incident, having established and confirmed that conditions in and around the premises are safe. These proposals will ultimately put public safety at risk for alleged efficiencies when what is required, is more resources and investment in Buckinghamshire, Berkshire and Oxfordshire fire and rescue services.

The broader context of declining resources within the fire and rescue service nationally is a significant concern. With over 12,000 firefighters lost since 2010 and longer response times for attending incidents, there is a pressing need for investment in frontline firefighters and fire protection/prevention roles. The current practice of crews riding appliances with four members compromises firefighter safety, particularly in the absence of a dedicated Breathing Apparatus Entry Control Officer (BAECO). Given these proposals, the critical necessity of crewing fire appliances with five riders becomes apparent. Plus ensuring there is no downgrading of fire cover and the number of fire appliances available during the night as is being proposed in the region is also of grave concern based on the concerns we have raised in this response. Investment in the fire and rescue service is essential to ensure the safety of both firefighters and the public they serve. We ask for the three services to look again at these proposals and consult properly with the FBU to ensure firefighter and public safety are not negatively compromised.



## **Appendix 3**

### **FBU consultation submission and BFRS response**

*Buckinghamshire Fire and Rescue Service acknowledges the letter ‘Thames Valley Brigades: Consultation on Options for Responding to Automatic Fire Alarms’ dated 03 April 2024. This is a letter to all three of the Thames Valley Fire and Rescue Services (BFRS, OFRS, RBFRS).*

*BFRS was the last FRS in the UK to make changes to their AFA response. As part of this project BFRS consulted with other FRS to identify learning that those FRS had following changes to their AFA response procedures.*

*BFRS presented the proposal for changes to the AFA response at the February 2024 Joint Consultation Forum, in which the BFRS FBU representative took an active part in the discussion on the subject.*

*A presentation on the changes to the AFA response was delivered to operational crews across the Service. Updates were also provided at the Operational Supervisory Manager Engagement days.*

*The AFA consultation was open to all BFRS staff to respond with their views on the changes to the AFA response.*

*BFRS have considered requests for changes to AFA response during the pilot period and where required made changes to reflect further consideration of risk (the inclusion of schools to the high risk premises category).*

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## Appendix 4

### **Events and challenges that BFRS have responded to during the pilot period;**

1. 08 July 2024, TVFCS received a call to an AFA, they correctly challenged this call as it was a low risk commercial premises. The caller was asked to check for fire or signs of fire by the fire control operator. There was a subsequent call from the site stating there were signs of fire and the correct response for a building fire was dispatched from the local fire station.

The outcome was that smoke from an external source had made its way into the building.

On investigation TVFCS control operators followed correct procedures.

2. BFRS AFA project team were challenged by an Alarm Receiving Centre (ARC) asking if we would respond to AFA's at a number of sites that they manage including a pub and two schools a primary and grammar school  
BFRS response, if the pub has a sleeping risk (owners, staff or guests) then we will respond to AFA's, however if there is no sleeping risk then the pub was low risk and we would not respond unless there were signs of fire.

3. The same Grammar School as mentioned above separately contacted BFRS to query their level of risk and if we will attend their site.

An agreement was reached between all Thames Valley Fire and Rescue services that we will continue to attend school buildings from primary through to GCSE settings, so these school issues were resolved.

4. Alarm Management Company enquired about then challenged the level of risk we had set for a Lithium Ion battery testing facility that they managed the alarms for. BFRS has the risk as medium with no sleeping risk, so we won't attend AFA's there.

BFRS response, if the battery testing company's responsible person wishes to contact BFRS Protection department, we will review the risk information we hold alongside the company Fire Risk Assessment and if necessary, change the level of risk recorded. The company did not make contact with BFRS.

5. TVFCS mobilised to an out building at a site where the main building was a listed building and defined as high risk in the BFRS site specific risk information. The main building also included a sleeping risk.

TVFCS should have mobilised to the AFA as the site is recorded as high risk by BFRS. TVFCS risk information has since been updated.

6. The Open University (OU) contacted BFRS Protection department, to enquire about the BFRS response to AFA's at their site. BFRS has the OU as medium risk. The OU challenged this recorded level of risk.

A BFRS Protection officer has engaged with the site, to explain the AFA process and risk information process. The OU are happy with the outcome.

7. Transport for London (TfL) have queried the AFA response to underground train line stations within Buckinghamshire. All TfL train stations are recorded as medium or low risk by BFRS. BFRS will not respond to AFA's in TfL train stations in Buckinghamshire.

TfL have not responded back to this information.

### ***Ongoing Business Engagement***

BFRS Communications team have designed an AFA web page for the public and companies to find out more about their responsibilities for AFA's and the BFRS response to AFA's.

The BFRS AFA project team have worked with the Protection department to develop a process map to deal with any AFA queries. This process map enables queries that cannot be resolved to be escalated within the department.

Officers will continue to seek business engagement opportunities moving forward. This will include providing an update to the businesses who were contacted as part of the AFA consultation.

## Appendix 5

### BFRS definitions of High, Medium, Low risk premises

High Risk	<p>High risk buildings are those that specifically house vulnerable people or provide sleeping accommodation for people or, they represent a critical community asset that would be locally, nationally or internationally damaging if lost or seriously damaged by fire. High risk buildings are also those that might pose a significant risk to firefighter or community safety or to the safety of animals and the environment. High risk buildings include:</p> <ul style="list-style-type: none"> <li>• Private homes/dwellings including residential flats</li> <li>• Residential care homes, nursing homes, children’s homes</li> <li>• Sheltered housing for more vulnerable persons</li> <li>• Schools, from primary to GCSE settings</li> <li>• School boarding accommodation</li> <li>• Secure facilities including prisons, young offender institutions and detention centres</li> <li>• Hospitals and hospices</li> <li>• Hotels</li> <li>• Buildings housing animals such as kennels or veterinary surgeries</li> <li>• High profile heritage buildings such as Blenheim Palace</li> <li>• Buildings that we have determined represent a high or very high risk due to the potential impact on the environment, local community or economy.</li> <li>• Critical community infrastructure such as telecoms and utilities infrastructure (e.g., pumping stations, substations, exchanges)</li> </ul>
Medium Risk	<p>Medium risk buildings are those that are considered to be important community assets. Medium risk buildings include:</p> <ul style="list-style-type: none"> <li>• Police &amp; ambulance stations</li> <li>• Health centres</li> <li>• Local and central government buildings</li> <li>• Major transport hubs such as train stations</li> </ul>
Low Risk	<p>Low risk buildings include those that do not house people sleeping and which do not otherwise pose a significant risk to firefighter or community safety or to the safety of animals and the environment. Low risk buildings include:</p> <ul style="list-style-type: none"> <li>• Commercial buildings (unless classified as a medium or high risk for another reason)</li> <li>• Further education buildings</li> <li>• Major sporting stadia</li> <li>• Entertainment buildings such as cinemas, theatres and night clubs</li> <li>• Other buildings not classified elsewhere in this table</li> </ul>

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# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Fire Authority, 12 February 2025

**Report title:** 2025-2026 Annual Delivery Plan

**Lead Member:** Councillor Simon Rouse, Chairman

**Report sponsor:** Chief Fire Officer Louise Harrison

**Author and contact:** Anne-Marie Carter, Head of Technology, Transformation and PMO – [acarter@bucksfire.gov.uk](mailto:acarter@bucksfire.gov.uk)

**Action:** Decision

**Recommendations:**

1. That the 2025-2026 Annual Delivery Plan be approved by the Authority
2. That approval of the reformatting of the document in line with corporate branding before publication is delegated to the Chief Fire Officer/Chief Executive.

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**Executive summary:**

The 2025-2026 Annual Delivery Plan (Appendix 1) details the Year One programme of work arising out of the 2025-2030 Community Risk Management Plan (CRMP) which was approved by the Fire Authority on 11 December 2024.

The Annual Delivery Plan will provide direction for the service for the next year within the context of the CRMP. It defines the scope of the Service's activities in terms of specific actions to deliver business change, and ongoing activities to mitigate and respond to risks in our community. It will match the activities of the Service to the environment in which it operates so that it maximises opportunities, minimises threats, and will synchronise the Service's activities to its resource capacity.

The Annual Delivery Plan supports the delivery of the Service's Objectives and Enablers.

- Prevention: Reducing risk and keeping our community safe
- Protection: Protecting People from risk in the built environment
- Response & Resilience: Responding quickly and effectively to emergencies
- Workforce: An inclusive, healthy and engaged workforce
- Finance & Assets: Making the most of our finance and assets
- Digital, data and Technology: Optimising our technology and data

Ongoing progress against the Annual Delivery plan will be reviewed through the internal governance process monthly and up to Members annually,

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**Financial implications:** The Annual Delivery Plan is set with reference to Medium Term Financial Plan.

**Risk management:** Alongside the Community Risk Management Plan and Medium-Term Financial Plan, the Annual Delivery sets out how the strategic risks facing the Authority over the period to March 2030 will be mitigated.

**Legal implications:** There are no legal implications arising from this report.

**Privacy and security implications:** There are no Privacy and security implications arising from this report.

**Duty to collaborate:** There are several items on the plan that will be approached in a collaborative manner.

**Health and safety implications:** There are no Health and Safety implications arising from this report. Some elements of the programme of activities set out in the Annual Delivery Plan may have health and safety implications. Detailed assessments of any health and safety implications will be conducted within the scope of the individual projects and work streams

**Environmental implications:** There are no direct environmental implications arising from this report. Environmental impact assessments of changes arising from implementation of changes specified in the Annual Delivery Plan will be carried where required or appropriate.

**Equality, diversity, and inclusion implications:** Where required, detailed Equality Impact Assessments will be undertaken within the scope of the individual projects and work streams identified in the Annual Delivery Plan.

**Consultation and communication:**

The Annual Plan will be available on the intranet to provide a single access point for all staff to view and see progress and to assist with planning and decision-making. In addition, it will be published on the BFRS website for the public.

Next steps -

- 2025-26 Annual Delivery Plan to be updated in line with our branding guidelines

**Background papers:**

11 December 2024 – Fire Authority: Community Risk Management Plan 2025-2030:  
[Fire Authority Meeting - 11 December 2024 - Buckinghamshire Fire & Rescue Service](#)

<b>Appendix</b>	<b>Title</b>	<b>Protective Marking</b>
1	2025-2026 Annual Delivery Plan	N/A

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Buckinghamshire Fire & Rescue Service

# Annual Delivery Plan

2025-2026

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# INTRODUCTION

**Welcome to the Buckinghamshire Fire and Rescue Service Annual Delivery Plan for 2025-2026.** This document outlines our strategic priorities, key objectives, and the initiatives we will undertake to help ensure the safety and well-being of our community. Our commitment to excellence in fire prevention, emergency response, and community engagement remains steadfast as we navigate the challenges and opportunities of the coming year.

This year's plan is guided by our new **Community Risk Management Plan (CRMP)**, which identifies and addresses the specific risks and needs of our community. The CRMP highlights our strategies for reducing risk, protecting people in the built environment, and responding effectively to emergencies. It also emphasises our dedication to fostering an inclusive, healthy, and engaged workforce, optimising our financial and physical resources, and leveraging technology and data to enhance our service delivery.

We strive to be an **excellent, modern** and **agile** fire and rescue service. Our **professionalism** is reflected in our commitment to continuous improvement and innovation, ensuring that we remain at the forefront of fire and rescue sector. **Inclusivity** is at the heart of our workforce and community engagement efforts, as we aim to create a service that reflects and respects the diversity of our community. **Agility** is demonstrated through our ability to adapt to changing circumstances and emerging risks, ensuring that we can respond effectively and efficiently to any situation.

We encourage you to explore this plan and join us in our mission to protect and serve the people of Buckinghamshire and Milton Keynes.

## Making A Difference Together!

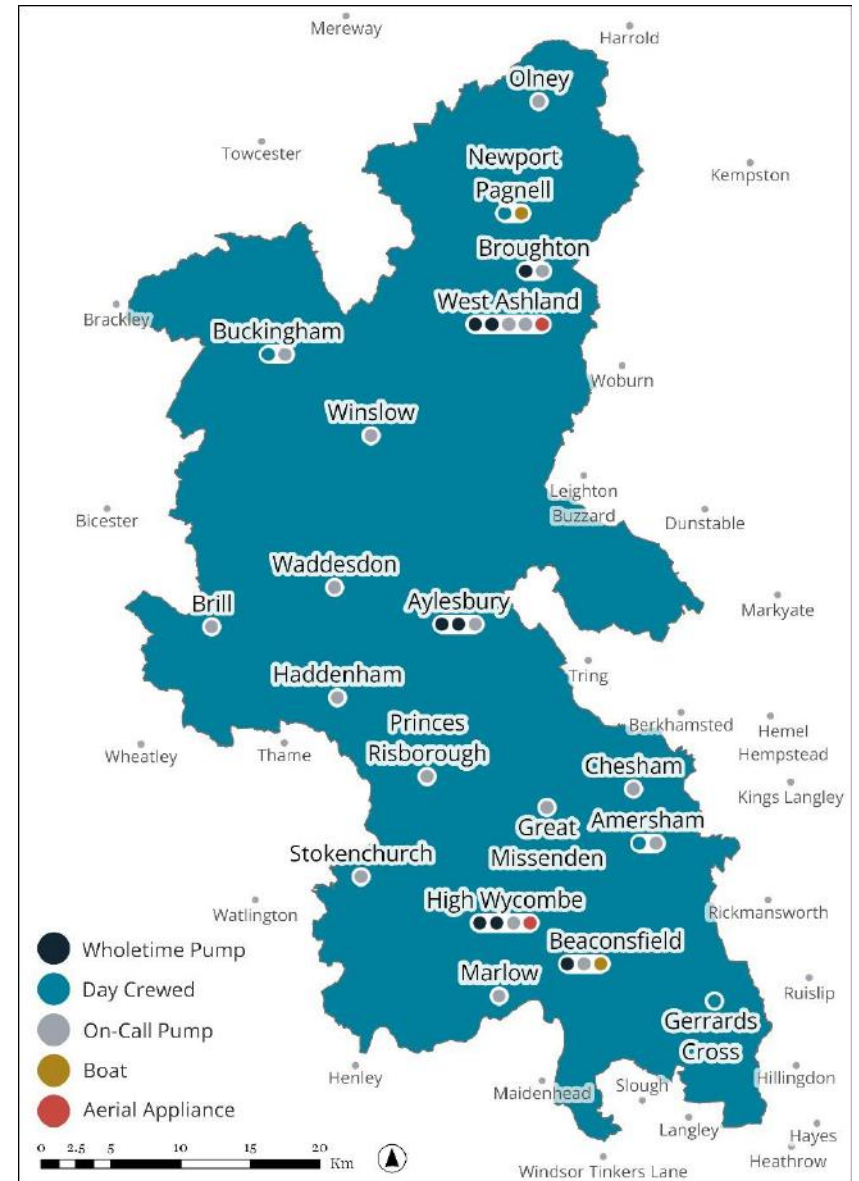
## SERVICE AREA OVERVIEW

We serve over 800,000 people across diverse rural and city settings which includes the River Thames, the M1, M25 and M40 motorways, as well as rail infrastructure. This demands the expertise of nearly 500 highly skilled firefighters and support teams.

We currently operate 19 fire stations across our community, housing 30 fire engines (known as pumps) along with a range of specialist and support vehicles. We also host 1 of the 19 Urban Search and Rescue (USAR) teams that are strategically located across England.

Our pumps are deployed to meet daily demands and provide resilience and capacity to handle occasional large-scale incidents or multiple, smaller incidents simultaneously.

Map A displays our fire station locations and pump types.



Map A: Station Locations and Pump Types

# COMMUNITY RISK MANAGEMENT PLAN (CRMP)

Our CRMP details how we aim to mitigate identified risks and improve community safety by aligning available resources with our key objectives set in this Annual Delivery Plan. As a high-level strategic document, the CRMP informs the specific actions and initiatives in the Annual Delivery Plan, ensuring we focus on the most critical risks while using resources efficiently.

The Annual Delivery Plan converts these broad goals into specific, actionable steps for the year ahead, with detailed actions reflected in station and team-specific plans.

Informed by a comprehensive understanding of current and future risks, our CRMP ensures that the Annual Delivery Plan is responsive to the evolving needs of our community.



# OUR PROMISE AND OUR CULTURE

A review of our previous vision and values led to the development of a new promise to the public and a redefined set of our core values; Compassion, Integrity and Respect. These values underpin our commitment to providing an **excellent, modern, and agile** fire service that is both responsive to community needs and dedicated to continuous improvement.

Our promise is not only to the communities we serve but also to our staff. We strive to create a **welcoming, engaging, and inclusive environment** that inspires **pride** in our people. This is achieved through transparent communication and a culture where every staff member feels safe and confident in offering feedback, sharing ideas, and speaking up when things are not right.

The combination of our promise, values, and behaviours drives the direction of our culture, shaping how we engage with our communities and one another. These principles empower our staff to make the right decisions and deliver on the commitments of this Annual Delivery Plan over the coming year—and into the future.

## Our Promise

### COMMITTED

to providing an excellent, modern and agile FRS for our community.

### DEDICATED

to having the right people, at the right time, with the right skills, to keep you safe.

### TOGETHER

we will work to protect and safeguard people and places.

## Our Core Values



### COMPASSION



### INTEGRITY



### RESPECT

## Our Core Behaviours



### PROFESSIONAL



### CONNECTED



### EMPOWERING



### AMBITIOUS

# OUR STRATEGIC OBJECTIVES & ENABLERS

The risks we face are evolving due to factors such as climate change, new technologies, and changing legislation. In response to these challenges, our **2025-2026 Annual Delivery Plan** reflects the strategic direction set out in our **CRMP** and prioritises three key objectives: **Prevention**, **Protection**, and **Response**. These objectives are supported by three enablers: **Workforce**, **Finance and Assets**, and **Digital, Data and Technology**.

For each objective and enabler, we have **identified clear actions and performance indicators** that will guide our work throughout the year. These initiatives are directly aligned with the strategic priorities outlined in the CRMP but are tailored to ensure effective delivery for 2025-2026.

The successful implementation of these objectives relies on collaboration across the functional areas of prevention, protection, and response. We will continue to **monitor progress** against key performance indicators to ensure that we are making measurable progress in each of these areas. Further detail on these priorities and initiatives can be found on pages **11-16**.



# HOW IT ALL LINKS TOGETHER

At the core of everything we do is **Our Promise to the Public**, which shapes our approach and is the foundation upon which all of our actions are built.

This promise guides the development of our **CRMP**, a high-level strategic document that translates our promise into actionable strategies and goals.

The CRMP informs our **Annual Delivery Plan** (outlined in this document), detailing the specific actions we will take to achieve our goals over the year.

This Annual Delivery Plan is then used to build **Station and Team Plans**, ensuring every part of the service is aligned.

Every action we take is tied to our **Service behaviours**, ensuring a cohesive approach that reflects our promise to the public in everything we do.





# OUR ANNUAL DELIVERY PLAN 2025/2026

## Prevention

- Define our 5-year Safety Centre partnership plan
- Deliver a safeguarding review and implement agreed findings
- Develop our youth inclusion capability
- Optimise Online Home Fire Safety Checks with our partners and the public
- Embed the NFCC FireSense and Staywise education platforms
- Embed the new NFCC Prevention Quality Assurance process and Evaluation framework

## Protection

- Embed and evaluate our business engagement programme
- Continue to support the Thames Valley Forensic Fire Investigation Project
- Strengthen partnership arrangements to effectively manage, resolve and enforce within multi-occupied residential buildings
- Develop Protection team resilience through succession planning
- Trial the use of operational station-based staff resolving fire safety complaints
- Review of the PRMS system and associated processes to identify opportunities to enhance productivity and efficiencies

## Response & Resilience

- Define and deliver year one of our On-Call Improvement Programme
- Ensure operational preparedness for infrastructure developments including High Speed 2
- Launch, embed and evaluate new SSRI process and system
- Develop a collaborative plan to implement new Firefighting national guidance
- Complete a specialist vehicle capability review
- Optimise the productivity and capacity of operational core working hours

## People

- Enhance our reward and recognition framework
- Review our health and wellbeing proposition
- Empower our leaders, with training and support, to performance manage
- Embed our talent management programme
- Develop our coaching and mentoring programme
- Provide training and toolkits on our people management processes to give staff the confidence to challenge unacceptable behaviour

## Finance & Assets

- Launch new workwear offering
- Deliver year 1 of the property standards programme by investing £500k in station facilities
- Start build on local training facility (subject to agreement)
- Evaluate options for fleet and specialist vehicle investment
- Scope options for improving High Wycombe Fire Station
- Investigate housing options across the service

## Digital & Data

- Introduce a new maintenance of competency system
- Implement the updated Home Office Incident Recording System
- Enhance technology on our fire engines
- Develop and implement comprehensive branding standards, including digital and physical assets and integration into cross-departmental operating practices
- Develop and embed a corporate communications framework, including a social media policy and events/engagement strategy
- Deliver comprehensive system security and cyber awareness training programmes for all staff

# STRATEGIC OBJECTIVE 1: PREVENTION

## Reducing risk and keeping our community safe

Our goal is to enhance the health, safety and wellbeing of our community. Our focus is on preventing fires and other incidents in homes, neighbourhoods, on roads and in the environment. To achieve this, we work closely with our partners to identify, safeguard and support those most at risk. Together, through community engagement and education, we aim to create a safer and more resilient environment for everyone.

### *We will continue to:*

- Use our evidence base to identify who is at most risk in our communities to ensure our resourcing is targeted
- Deliver Home Fire Safety Visits to the most vulnerable in our community
- Work in partnership with the Safety Centre to extend the reach of our Prevention work, securing funding for future years
- Work with our partner agencies to ensure high quality referrals for the most vulnerable
- Embed the NFCC FireSense and Staywise platforms, leading to a more safety-conscious community

### *In addition, we will*

- Deliver a Safeguarding review to enhance the safety and well-being of all individuals involved, ensuring a secure and supportive environment
- Develop our youth inclusion capability to support engaging with young people in our communities
- Optimise Online Home Fire Safety checks with our partners and the public through the use of technology and ongoing engagement
- Embed the NFCC Prevention Quality Assurance process and Evaluation framework to ensure we are giving consistently the best service to the public

## STRATEGIC OBJECTIVE 2: PROTECTION

### Protecting people from risk in the built environment

Our goal is to enhance the safety and wellbeing of our community by reducing risks and incidents in the built environment. Fire safety legislation applies to around 30,000 buildings within Buckinghamshire and Milton Keynes. We are committed to providing fire safety education to those responsible for keeping these buildings safe and, where required, taking proportionate and robust intervention. To achieve this, we will deliver efficient and effective protection activity ensuring our services are accessible to all members of the community.

#### *We will continue to:*

- Address and respond to the Grenfell Tower Inquiry Phase 2 Report, focusing on the Recommendations that have implications for BFRS and those we regulate
- Evolve our Risk Based Inspection Programme to ensure it continues to prioritise the highest risk buildings
- Invest in quality training for our Protection team to support the delivery of targeted inspections
- Embed our business engagement programme fostering better communication and collaboration with local businesses
- Support the Thames Valley Forensic Fire Investigation unit working with Thames Valley Police

#### *In addition, we will*

- Implement and deliver new requirements under the Building Safety Act and Fire Safety Regulations, to support and protect people living in flats and other high-rise buildings
- Trial the use of operational station-based staff resolving fire safety complaints, enhancing fire safety knowledge and providing support and advice to businesses
- Strengthen the resilience of the Protection team through succession planning
- Develop our PRMS system and associated processes to identify opportunities to enhance productivity and efficiencies

# STRATEGIC OBJECTIVE 3: RESPONSE & RESILIENCE

## Responding quickly and effectively to emergencies

Our goal is to respond to emergencies in the most effective and safe way, prioritising the protection of, and limiting damage to, life, property and the environment. To achieve this, we are dedicated to ensuring operational preparedness as we respond safely and efficiently to all incidents. This includes acting independently as a single Service, collaborating seamlessly with local or regional Services and other partners, and actively engaging with the National Resilience Capabilities.

### *We will continue to:*

- Ensure we maintain response standards by continuously optimising resource management and allocation
- Make available accurate, relevant and timely risk information supporting prevention, protection and resilience activities
- Use our call challenge policy to reduce the burden of Automatic Fire Alarms from commercial buildings
- Implement the recommendations and learning from the Manchester Arena Inquiry
- Maintain operational preparedness for infrastructure developments, including High Speed 2
- Continue to review our specialist capabilities ensuring they are located in the right location v's the risk they serve

### *In addition, we will*

- Deliver Year 1 of our On-Call development programme through contract reviews, introduction of resilience contracts, systems refresh and resource rationalisation, supported with targeted recruitment to help build a more competent, motivated, and resilient On-Call workforce
- Launch, embed and evaluate our new SSRI process and system to provide accurate and up-to-date information about specific risks at various sites
- Develop a collaborative plan to meet the revised Firefighting National Operational Guidance (NOG) ensuring that all fire and rescue services operate under the latest consistent set of guidelines
- Introduce a system to monitor the productivity and capacity of our operational staff's core working hours, and optimise efficiencies realised through reduced attendance at false alarms

# STRATEGIC ENABLER 1: WORKFORCE

## **An inclusive, healthy and engaged workforce**

Our goal is to optimise the contribution and wellbeing of everyone at BFRS. To achieve this, we are committed to being connected with our staff, ensuring wellbeing is prioritised and empowering all to be professional and ambitious in serving the community. This commitment starts from the moment someone expresses an interest in joining our Service. It continues throughout their working life with us, and even after they have left.

### *We will continue to:*

- Provide clear leadership to ensure everyone who works for our Service understands the pivotal role their individual contribution plays in contributing to achieving our plan and serving our communities
- Develop a culture that is unaccepting of inappropriate behaviour not in keeping with our values, by providing training on challenging unacceptable behaviour
- Be uncompromising in our commitment to inclusion, diversity and cohesion
- Collect and analyse people related data in order to make evidence-based decisions that improve the performance of our Service
- Identify and share organisational learning of local and national events to reduce the likelihood of reoccurrence
- Embed our Talent Management programme focusing on career development, succession planning, and recognising outstanding performance

### *In addition, we will*

- Develop our reward and recognition framework improving job satisfaction and retention rates, reducing turnover and the associated costs
- Review our health and wellbeing proposition to ensure it is up to date with the latest best practices and helping our staff maintain optimal physical and mental health
- Empower our leaders with training and support, to performance manage, allowing them to get the best from their staff
- Establish a structured coaching and mentoring system to support the professional growth of all staff members

## STRATEGIC ENABLER 2: FINANCE & ASSETS

### Making the most of our finances and assets

Our goal is to make sure that we deliver the best possible service and value for money with the finances and assets that we have been trusted with. To achieve this, we are committed to upholding the highest professional standards in financial management and ensuring the provision of top-tier facilities and equipment essential for our staff to deliver our duties to our community effectively and safely.

#### *We will continue to:*

- Develop and agree a medium-term financial plan, set a balanced budget for each financial year, and manage and report spend against it
- Evaluate and deliver 25/26 plans to develop, maintain and modernise our estate, fleet and equipment provisions, ensuring they are fit for purpose, cost effective, and consider the impact they have on the environment and service delivery
- Deliver improvements towards achieving the Government's carbon reduction targets and our own commitment to sustainability
- Further implement our contaminants plan, particularly focusing on vehicles, buildings and behaviours

#### *In addition, we will*

- Invest £500k in our fire stations, including updates to internal decoration, new flooring, gym upgrades and improved welfare facilities at stations across our estate
- Initiate work to build the new training centre and stores facilities in an environmental and financially sustainable way
- Launch our new workwear offering allowing staff to perform their duties more effectively and comfortably, even in challenging conditions
- Scope options for improving High Wycombe Fire Station to ensure the station meets current and future needs and challenges
- Investigate options for housing in our community to support our staff

# STRATEGIC ENABLER 3: DIGITAL, DATA & TECHNOLOGY

## Optimising our technology and data

Our goal is to increase our use of data and business intelligence tools, through secure and resilient systems, to help us better understand and respond appropriately to the risks we, and our community, face. To achieve this, we will use technology to balance the need for security and resilience with the desire to innovate and introduce new, efficient ways of working.

*We will continue to:*

- Develop our system roadmap to incorporate future major systems including ESMCP and Thames Valley control mobilising
- Progress changes to our systems including greater integration to improve ease of use, productivity and data intelligence
- Develop how we see data to inform local plans, performance measures and frontline work – benchmarking our productivity against others where possible
- Enhance our system and cyber security through the delivery of comprehensive training programmes for all staff

*In addition, we will*

- Introduce a new maintenance of competency system to ensure our Firefighters stay up to date with the latest practices and technologies
- Implement the updated Home Office Incident Recording system allowing us to capture an updated data set
- Enhance technology on appliances, across tablets, smartphones and Mobile Data terminals, streamlining administrative tasks, allowing firefighters to focus more on their core duties
- Develop and embed a corporate communications framework, ensuring alignment with Service goals focusing on broad public engagement tactics like social media, messaging, and public information campaigns
- Develop and implement comprehensive brand standards establishing a professional and reliable image, building trust and credibility with staff, stakeholders, and the community


## FINANCES

As a public service we are committed to ensuring taxpayers' money is spent efficiently. We work hard to ensure we deliver efficiencies without compromising on the quality of the services we deliver to the communities of Buckinghamshire and Milton Keynes.

Our funding comes from a combination of council tax, central government grants, and business rates. Our total net budget for the Service is £42.7 million. To manage this budget, we produce a Medium Term Financial Plan (MTFP), which outlines how we plan to manage our finances and respond to future financial challenges.

Our MTFP recognises the financial pressures that we face, including uncertainty around future funding levels, and the impact of increased costs e.g. National Insurance and inflation. Additionally, potential future costs are not yet fully accounted for, such as high court pension rulings and further operational requirements arising from the Manchester Arena Inquiry, the Grenfell Tower Inquiry, and the Building Safety Act 2022, not already factored into the budget.

In 2024-2025 we successfully achieved our savings target of £238k (2.2% of our non-payroll budget) and will continue to meet the target of 2% efficiencies against non-payroll costs in 2025/26. We remain committed to investing in our Service with £8.5 million allocated for capital investment in our buildings, vehicles, and equipment.



How we spend our money		
<b>Total Budget (£000)</b>	<b>£</b>	<b>42, 715</b>
Employees	£	31,863
Premises	£	2,368
Transport	£	1,337
Supplies and Services	£	6,410
Income	-£	1,650
Capital Financing	£	2,387



# COMMUNICATION AND ENGAGEMENT

Effective **communication and engagement are essential** for ensuring our plans and objectives are understood, supported, and acted upon. Clear, transparent communication fosters trust and strengthens relationships with staff, stakeholders, and the community.

## Key Communication Principles

Our **Key Communication Principles** ensure that all our messages are clear, consistent, and empathetic, guiding how we engage with both internal and external audiences. These principles are aligned with our core **values of Integrity, Compassion, and Respect:**



**Transparent Inclusivity:** Communicate openly and inclusively, ensuring everyone feels valued and informed.



**Human-Centred Approachability:** Communicate in a relatable and empathetic way, creating a connection with the audience.



**Elevated Professionalism:** Communicate clearly, concisely, and with authority, balancing professionalism and approachability.

These principles will guide our communication efforts and will be embedded into our branding standards to ensure consistent messaging across all channels.

## How we will engage with our communities, staff and partners

Our goal is to enhance communication both internally and externally, ensuring alignment with Service objectives. We aim to foster trust, encourage active engagement, and ensure that feedback is captured and used effectively to guide planning and decision making and support the delivery of our CRMP.

### *We will continue to:*

- Collaborate with our local partners to ensure the safety and well-being of our communities.
- Work with Community Boards to bring together local people, organisations, and the council to work on local issues, with the goal to identify local needs and find ways to improve them.
- Hold an Annual Staff Survey gathering feedback from our staff on their working experiences, opinions about the service's culture, job satisfaction, and areas for improvement.
- Develop staff networks to ensure employees can come together to support each other, raise awareness about specific issues related to their shared experience, and advocate for a more inclusive workplace by influencing policies and practices within the service.

### *In addition, we will*

- Integrate a Community Engagement and Events Framework facilitating regular, localised dialogue with community members and stakeholders through events, meetings, and activities.
- Develop Advisory panels to provide an independent 'critical friend' of the Service, providing challenge and feedback on our proposals and thinking.
- Enhance our customer feedback process to allow us to improve service quality and better understand and meet the needs of our community

These actions provide the structure and tools to engage meaningfully with our staff, stakeholders, and the public. They also ensure that feedback is captured and incorporated, creating a two-way communication process that fosters collaboration and transparency.

# GOVERNANCE

It is important that management, strategic oversight and governance is in place to ensure that we deliver on our promises made within this plan. We have realigned our internal governance structure to support delivery of the objectives and enablers contained within this CRMP.

## Delivery Groups

The Service Delivery Group will ensure delivery against all our objectives, while the people, and finance and assets delivery groups will ensure the enabling functions are working effectively to support delivery of the objectives. The delivery groups will all report into the CRMP Performance and Programme Boards to maintain strategic oversight of directorate plans and to ensure performance and risk is co-ordinated across all departments.

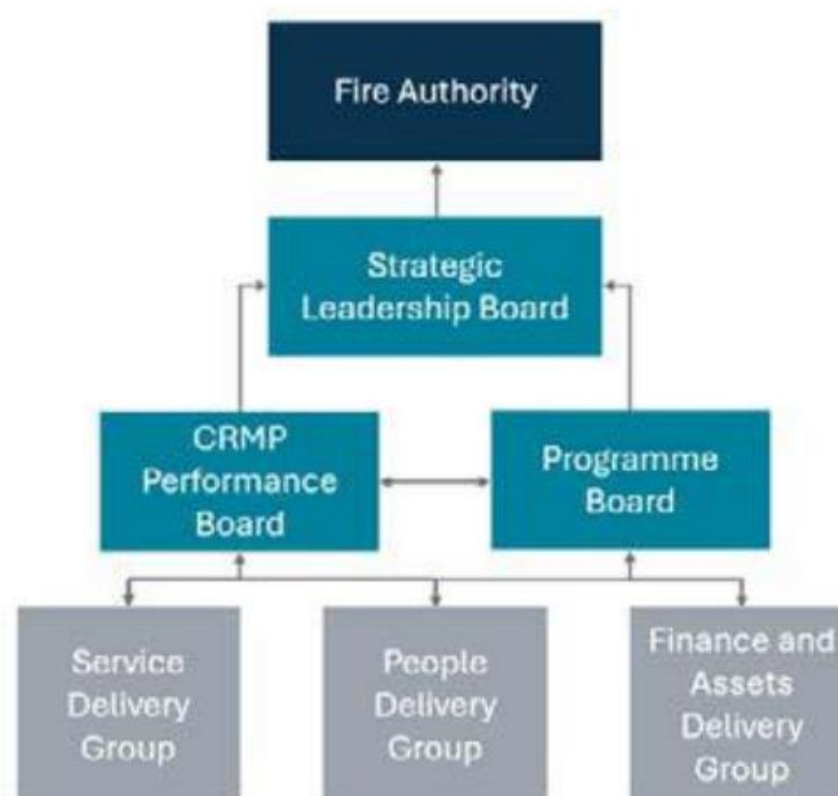
## CRMP Performance Board

Ongoing analysis of performance data supports decision-making across the service. Management teams review and monitor data and information regularly. The CRMP Performance Board monitors performance across the Objectives and Enablers on a monthly basis.

## Programme Board

The Programme Board is established to drive and support the change required to deliver our Community Risk Management Plan (CRMP) and Annual Delivery Plan, by providing strategic direction, monitoring progress, and addressing any issues that may arise during the execution of projects.

Strategic oversight will be provided by the Strategic Leadership Board and ultimately the Fire Authority (and its committees). The Fire Authority consists of elected Members and is responsible for making decisions on policy, finance, and resources.



# CORPORATE RISK MANAGEMENT

Corporate Risk Management is integral to our daily operations and service management, ensuring the protection of assets and reputation while supporting strategic priorities. Our Risk Management Framework outlines how we manage risks at all levels within the service, linking into broader processes for consistency.

Achievement of our objectives is influenced by various internal and external factors, creating uncertainty and risk. To address this, we have developed a comprehensive Risk Management Policy and framework for monitoring and managing risks. Each risk is scored on a Matrix (1-25) and recorded on the Risk Register. Strategic risks and high-scoring project or service plan risks are escalated to the Corporate Risk Register, monitored monthly by the Senior Leadership Team, and reported quarterly to the Audit and Governance Committee. Treatments are identified to minimise the likelihood or impact of risks, with regular reviews to monitor progress. Health and safety risks and community risks are managed separately through occupational health and safety management and the CRMP Programme.

## Assurance

To ensure high-quality services and cost-effective spending, we undertake a number of assurance activities.

### 1) Statement of Assurance

Our statement of Assurance is an annual document that confirms that we have effective arrangements for managing operational, financial and governance matters. It provides assurance to the Government, stakeholders, and the community that the service meets the requirements of the Fire and Rescue National Framework for England. This includes details on how the service ensures high standards in areas like prevention, protection, response, and resilience. This can be found on our website.

### 2) Audit Plan

Audits are an important part of providing the Fire Authority and the public with the assurance that the Service is run properly and in ways that have been agreed by our Officers and Members. They demonstrate that the business is conducted in accordance with relevant legislation, Government expectations, good practice and organisational policy. The audits contribute towards the annual Statement of Assurance. Our Internal Annual Audit Plan is developed in collaboration with our auditors, Director of Finance & Assets, and approved by the Overview and Audit Committee. Each audit is linked to a risk on our Corporate Risk Register. In addition, a number of audits are performed on an annual basis to provide assurance around the effectiveness of internal controls.

### 3) His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)

Independent assurance is provided by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS). HMICFRS inspects each fire and rescue service (FRS) approximately every two years, assessing 11 key areas that can be categorised into Effectiveness, Efficiency and People. We were first inspected in 2021 and again in 2023. Progress on the remaining cause of concern and areas for improvements identified by HMICFRS in the 2023 report have been incorporated into our plans and we continue to work to deliver the necessary changes.

We will be inspected again during 2025. The Inspection report will highlight any areas for improvement and potentially, causes for concern. Until HMICFRS have completed their inspection and published the report, these are unknown and so action plans to work on these will need to be scheduled into our planning and may affect our priorities and delivery of our Annual Plan. For more information on the inspection of Fire and Rescue Services, please visit the HMICFRS website.

### 4) Fire Standards

The Fire Standards Board was established to create and uphold professional standards for fire and rescue services across England. To date, 19 standards have been released, detailing the necessary measures that services could implement to achieve the desired outcome, as well as the expected benefits of meeting the standard.

## Performance

To ensure a thorough understanding of our performance against the delivery plan, we produce monthly and quarterly reports that track our progress. These reports analyse data from various sources, supplemented by local intelligence, to identify areas for improvement and implement necessary actions.

Our Quarterly Performance Report is reviewed through our governance framework, providing four opportunities annually to scrutinise progress, implement actions, and ensure results. We will continue to measure success through KPIs and internal metrics like staff satisfaction surveys. Progress towards our priorities will be regularly monitored by the Programme Board and the Strategic Leadership Board and reported biannually to our governing fire and rescue service.

We will continue to embed our approach to evaluating our work, ensuring our services are evidence based.

# GLOSSARY

## ***Building Safety Act***

The Building Safety Act (BSA) 2022 is a law that regulates the design, construction, and management of higher-risk residential buildings in England. The BSA was introduced in response to the Grenfell Tower disaster in 2017.

## ***Contaminants Plan***

A plan focusing on managing contaminants that firefighters may be exposed to, particularly in relation to vehicles, buildings, and equipment.

## ***CRMP (Community Risk Management Plan)***

A strategic document used to assess and manage the risks faced by a community, focusing on reducing incidents and improving safety.

## ***ESMCP***

The Emergency Services Mobile Communications Programme ([ESMCP](#)) is a cross- government, multi-agency programme that will deliver a new communication system to the emergency services and other public safety users throughout Great Britain.

## ***FireSense***

Online training sessions for people who work with or support people across Buckinghamshire and Milton Keynes to help them identify and reduce the risk of fire.

## ***Fire and Rescue National Framework for England***

The Fire and Rescue National Framework for England is a strategic plan for managing risks that are too large or complex for local resources to handle. The framework is part of the Fire and Rescue Services Act 2004.

## ***Fire Standards Board***

The Fire Standards Board has been set up to oversee the identification, organisation, development and maintenance of professional Standards for fire and rescue services in England.

## ***High Speed 2 (HS2)***

A high-speed railway project in the UK that may pose new infrastructure challenges and risks for emergency services.

### ***Home Fire Safety Checks***

A service provided by fire services to assess and improve fire safety in homes, particularly for vulnerable individuals.

### ***National Operational Guidance (NOG)***

A set of guidelines developed for fire and rescue services to ensure consistent and safe operational practices across the country.

### ***National Resilience***

Refers to a country's ability to withstand, adapt to, and recover from major disruptions like natural disasters, terrorist attacks, or economic crises, by maintaining essential functions and systems across its social, economic, environmental, and infrastructure sectors.

### ***NFCC***

National Fire Chiefs Council is the professional voice of the UK fire and rescue service. NFCC drives improvement and development throughout the UK FRS, while supporting strong leadership.

### ***On-Call Development Programme***

A program focused on reviewing our On-Call provision to ensure the right resources are in place to meet 2025 – 2030 response standards.

### ***Premises Risk Management System (PRMS)***

A system we use to identify, assess, and mitigate risks associated with various properties and locations within a community.

### ***Risk Based Inspection Programme (RBIP)***

A process developed by the National Fire Chiefs Council (NFCC) that prioritises fire safety inspections of premises based on risk. It is part of the NFCC's Community Risk Programme (CRP), which aims to reduce community risk and vulnerability.

### ***Risk Management Framework***

A structured approach for identifying, assessing, and managing risks that could affect the performance and objectives of the fire service.

### ***Safeguarding Review***

A review process aimed at ensuring the safety and well-being of vulnerable individuals in the community, particularly those at risk of harm.

### ***SSRI (Site-Specific Risk Information)***

A system for providing firefighters with specific information about the risks associated with a particular site or building.

**Staywise**

A 'one-stop shop' of applied learning resources for teachers and community safety practitioners to call upon, when delivering key messages.

**Talent Management Programme**

A program designed to develop and nurture talent within the fire service, focusing on career development and succession planning.

**Thames Valley Forensic Fire Investigation Unit**

A collaborative unit between fire services and Police in the Thames Valley region dedicated to investigating fire incidents and their causes.

**Thames Valley Control Mobilising**

A system for managing emergency response operations within the Thames Valley area, specifically the dispatch of resources during incidents.

**Youth Inclusion Coordination**

A program or function designed to engage and support young people within the community, particularly in relation to fire safety and prevention initiatives.





# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Fire Authority, 12 February 2025

**Report title:** Auditor's Annual Report – Year ended 31 March 2024

**Lead Member:** Councillor Matthew Walsh

**Report sponsor:** Mark Hemming, Director of Finance & Assets

**Author and contact:** Katie Henry – Director – KPMG [Katie.Henry7@KPMG.co.uk](mailto:Katie.Henry7@KPMG.co.uk)

**Action:** Noting.

**Recommendations:** That the content of the report, and the disclaimed opinion with the reasons provided by the auditors, be noted.

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## **Executive summary:**

The purpose of this report is to provide a summary of the findings and key issues arising from the 2023/24 audit. The report contains an executive summary, results & findings from the work completed on audit of the financial statements and value for money.

This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office and is required to be published by the Authority alongside the annual report and accounts.

The backstop date of 28 February 2025, and the wider requirements of the local audit system reset and recovery has resulted in KPMG issuing a disclaimer of opinion on the 2023/24 financial statements. This is due to KPMG being unable to perform the procedures required to obtain sufficient appropriate audit evidence ahead of the set backstop date.

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## **Financial implications:**

No direct impact.

## **Risk management:**

The results of the audit give reassurance regarding entries in the accounts and value for money arrangements.

## **Legal implications:**

The audit of the financial statements is a statutory requirement. The legal basis for the 'backstop date' is set out in in the Auditor's Audit Report.

**Privacy and security implications:**

No direct impact.

**Duty to collaborate:**

No direct impact.

**Health and safety implications:**

No direct impact.

**Environmental implications:**

No direct impact.

**Equality, diversity, and inclusion implications:**

No direct impact.

**Consultation and communication:**

No direct impact.

**Background papers:**

None

Appendix	Title	Protective Marking
1	BMKFA – Auditor's Annual Report - Year Ended 31 March 2024	
2	BMKFA – Year end report – Year Ended 31 March 2024	



# Auditor's Annual Report for Buckinghamshire and Milton Keynes Fire Authority

Year-ended 31 March 2024

February 2025

# Contents



**DRAFT FOR DISCUSSION PURPOSES ONLY**

## Key Contacts

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**Bilal Ahsan**  
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This report is addressed to Buckinghamshire and Milton Keynes Fire Authority (the Authority). We take no responsibility to any member of staff acting in their individual capacities, or to third parties.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public 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.

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**01**

# **Executive Summary**



# Executive Summary



**DRAFT FOR DISCUSSION PURPOSES ONLY**

## Purpose of the Auditor’s Annual Report

This Auditor’s Annual Report provides a summary of the findings and key issues arising from our 2023-24 audit of Buckinghamshire and Milton Keynes Fire Authority (the ‘Authority’). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office and is required to be published by the Authority alongside the annual report and accounts.

## Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014. In line with this we provide conclusions on the following matters:



**Accounts** - We provide an opinion as to whether the accounts give a true and fair view of the financial position of the Authority and of its income and expenditure during the year. We confirm whether the accounts have been prepared in line with the CIPFA/LASSAC Code of Practice in Local Authority Accounting (‘the Code’).



**Narrative report** - We assess whether the narrative report is consistent with our knowledge of the Authority.



**Value for money** - We assess the arrangements in place for securing economy, efficiency and effectiveness (value for money) in the Authority’s use of resources and provide a summary of our findings in the commentary in this report. We are required to report if we have identified any significant weaknesses as a result of this work.



**Other powers** - We may exercise other powers we have under Local Audit and Accountability Act. These include issuing a Public Interest Report, issuing statutory recommendations, issuing an Advisory Notice, applying for a judicial review, or applying to the courts to have an item of expenditure declared unlawful.

In addition to the above, we respond to valid objections received from electors.

## Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities.

<b>Accounts</b>	<p>We issued a disclaimed opinion on the Authority’s accounts on [Date]. We do not express an opinion on the financial statements. Due to the significance of the matters described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.</p> <p>We have provided further details of the key risks we identified and our response on page 8.</p>
<b>Narrative report</b>	<p>We did not identify any significant inconsistencies between the content of the narrative report and our knowledge of the Authority.</p>
<b>Value for money</b>	<p>We are required to give an opinion as to whether the Authority has appropriate arrangements in place to secure economy, efficiency, and effectiveness in the use of resources.</p> <p>Our opinion is that the Authority does have appropriate arrangements in place. We identified no significant weaknesses in respect of arrangements to secure economy, efficiency, and effectiveness in the use of resources. Further details are set out on page 10.</p>
<b>Other powers</b>	<p>See overleaf.</p>

# Executive Summary



**DRAFT FOR DISCUSSION PURPOSES ONLY**

There are several actions we can take as part of our wider powers under the Local Audit and Accountability Act:

## Public interest reports

We may issue a Public Interest Report if we believe there are matters that should be brought to the attention of the public.

If we issue a Public Interest Report, the Authority is required to consider it and to bring it to the attention of the public.

**We have not issued a Public Interest Report this year.**

## Judicial review/Declaration by the courts

We may apply to the courts for a judicial review in relation to an action the Authority is taking. We may also apply to the courts for a declaration that an item of expenditure the Authority has incurred is unlawful.

**We have not applied to the courts this year.**

## Recommendations

We can make recommendations to the Authority. These fall into two categories:

1. We can make a statutory recommendation under Schedule 7 of the Local Audit and Accountability Act. If we do this, the Authority must consider the matter at a general meeting and notify us of the action it intends to take (if any). We also send a copy of this recommendation to the relevant Secretary of State.
2. We can also make other recommendations. If we do this, the Authority does not need to take any action, however should the Authority provide us with a response, we will include it within this report.

**We made no recommendations under Schedule 7 of the Local Audit and Accountability Act.**

**We have raised no other recommendations.**

## Advisory notice

We may issue an advisory notice if we believe that the Authority has, or is about to, incur an unlawful item of expenditure or has, or is about to, take a course of action which may result in a significant loss or deficiency.

If we issue an advisory notice, the Authority is required to stop the course of action for 21 days, consider the notice at a general meeting, and then notify us of the action it intends to take and why.

**We have not issued an advisory notice this year.**

In addition to these powers, we can make performance improvement observations to make helpful suggestions to the Authority. Where we raise observations we report these to management and the Audit and Overview Committee. The Authority is not required to take any action to these, however it is good practice to do so and we have included any responses that the Authority has given us.

**02**

# **Audit of the financial statements**





# Audit of the financial statements



**DRAFT FOR DISCUSSION PURPOSES ONLY**

The table below summarises the key financial statement audit risks that we identified to our audit opinion as part of our risk assessment and how we responded to these through our audit.

Significant financial statement audit risk	Procedures undertaken	Findings
<p><b>Management override of controls</b></p> <p>Auditing standards require us to identify a significant financial statement audit risk linked to fraudulent manipulation of the financial statements. This is because management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> <li>We assessed accounting estimates for bias by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicated a possible bias;</li> <li>We evaluated the selection and application of accounting policies;</li> <li>We tested accounting entries posted into the ledger which meet a heightened risk profile.</li> </ul>	<p>We did not identify any material misstatements relating to this risk.</p>
<p><b>Valuation of post retirement benefit obligations</b></p> <p>The Authority is a member of the Buckinghamshire Pension Fund, a Local Government Pension Scheme, and the Firefighters' Pension Scheme. Accounting standards require that the value of the liabilities to be paid to current and future pensioners.</p> <p>The valuation of these liabilities is subject to complex actuarial judgements and assumptions. This means that a small change in an assumption or judgement can have a significant impact on the valuation reached.</p>	<ul style="list-style-type: none"> <li>We evaluated the competency, objectivity of the actuaries to confirm their qualifications and the basis for their calculations;</li> <li>We evaluated the design and implementation of controls in place for the Authority to determine the appropriateness of the assumptions used by the actuaries in valuing the liability;</li> <li>We challenged, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data;</li> <li>We confirmed that the accounting treatment and entries applied by the Authority are in line with IFRS and the CIPFA Code of Practice; and</li> <li>We considered the adequacy of the Authority's disclosures in respect of the sensitivity of the deficit or surplus to these assumptions.</li> </ul>	<p>We did not identify any material misstatements relating to this risk.</p>

**03**

# **Value for Money**

# Value for Money



DRAFT FOR DISCUSSION PURPOSES ONLY

## Introduction

We are required to consider whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources or ‘value for money’. We consider whether there are sufficient arrangements in place for the Authority for the following criteria, as defined by the National Audit Office (NAO) in their Code of Audit Practice:



**Financial sustainability:** How the Authority plans and manages its resources to ensure it can continue to deliver its services.



**Governance:** How the Authority ensures that it makes informed decisions and properly manages its risks.



**Improving economy, efficiency and effectiveness:** How the Authority uses information about its costs and performance to improve the way it manages and delivers its services

## Approach

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

We are required to report a summary of the work undertaken and the conclusions reached against each of the aforementioned reporting criteria in this Auditor’s Annual Report. We do this as part of our commentary on VFM arrangements over the following pages.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Authority. We make performance improvement observations where we identify opportunities to improve in areas where we have not identified any weaknesses.

## Summary of findings

	Financial sustainability	Governance	Improving economy, efficiency and effectiveness
<b>Commentary page reference</b>	12	13	14
<b>Identified risks of significant weakness?</b>	✗ No	✓ Yes	✓ Yes
<b>Actual significant weakness identified?</b>	✗ No	✗ No	✗ No
<b>2022-23 Findings</b>	No significant weakness identified	Significant weakness identified	Significant weakness identified
<b>Direction of travel</b>	↔	↑	↑

# Value for Money



**DRAFT FOR DISCUSSION PURPOSES ONLY**

## National context

We use issues affecting Fire Authorities nationally to set the scene for our work. We assess if the issues below apply to this Fire Authority.

### Financial performance

Fire Authorities are generally funded through council tax, business rates and other government grants. Over recent years, Fire Authorities have been expected to do more with less, experiencing a real-term decrease in funding over the years when compared to inflation. This has caused Fire Authorities to change the way that services are delivered in order to remain financially viable and affordable.

As part of the 2021/22 Spending Review, the National Fire Chiefs Council and the Local Government Association proposed that across Fire and Rescue Authorities in England, the fire and rescue sector could create 2% of non-pay efficiencies and increase productivity by 3% by 2024/25. It is a requirement that all Fire Authorities publish their Efficiency and Productivity Plan on the Authority's website, explaining how they intend to plan and report on efficiencies and outline the savings they plan to deliver, as well as the plan to increase productivity outputs and their commitment to increasing efficiency where possible to enable reinvestment and maintain a sustainable financial position.

### Culture and workforce

Culture in the Fire and Rescue Service has faced significant national scrutiny in 2023/24 following adverse media at some authorities and a focus on culture as part of inspections performed by HM Inspectorate of Fire and Rescue Services.

Fire Authorities are very people-intensive organisations, with circa 77% of total expenditure being made up of staff costs. The culture a Fire Authority embeds across the organisation therefore plays a big part in how successfully the Authority is able to provide and deliver services and achieve their priorities. This requires an effective strategy and culture to be established to ensure a highly-skilled, motivated and diverse workforce are in place to deliver services to the communities they serve, without feeling discriminated or harassed within the workplace.

## Local context

Buckinghamshire and Milton Keynes Fire Authority is a provider of fire and rescue services across the two unitary authorities of Buckinghamshire and Milton Keynes.

The Authority has been working to improve following adverse inspection results from HM Inspectorate of Fire and Rescue Services in 2021.

During the year, the Inspectorate said that the Authority placed too much reliance on neighbouring authorities to deliver core services. In addition, the Authority was criticised for its approach to diversity, as part of a sector-wide focus on culture by the Inspectorate.

The Authority has recently refreshed its senior leadership team. Louise Harrison was appointed as Chief Fire Officer in late 2023 and has taken charge on improving the quality of services provided by the Authority.

In addition, the Authority has been working to increase the number of firefighters it employs to meet its own minimum thresholds for what makes a safe service.

The Authority has been building its reserves over time and was able to approximately double the value of available reserves at 31 March 2024. This supports the Authority's investment ambitions, such as to purchase new vehicles and renovate fire stations.

# Financial Sustainability



**DRAFT FOR DISCUSSION PURPOSES ONLY**

## How the Authority plans and manages its resources to ensure it can continue to deliver its services.

We have considered the following in our work:

- How the Authority ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Authority plans to bridge its funding gaps and identifies achievable savings;
- How the Authority plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Authority ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the Authority identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

## Budget setting and financial outturn

The budget for 2023/24 was set at a full Authority meeting in February 2023, figures were based on the final financial settlement announced by Central Government. The government increased the referendum threshold from 2% to 3% for 2023/24. Furthermore, the government proposals included additional precept flexibility to FRAs to increase their precept by up to £5 for 2023/24 only without the need to hold a referendum. This additional flexibility was welcomed and helped fund towards the increased inflationary pressures that had been seen in particular the rising cost of utilities.

The remainder of total expenditure is then funded through Central Government Grants, National Non-Domestic Rates (NNDR) redistribution and income for the recovery of costs from other agencies including grants for specific responsibilities. Considering the size and complexity of the Authority, this demonstrates a strong financial outturn and a rigorously set budget for the year.

A key change in how the Authority sets its budget during 2024/25 was the introduction of a Medium Term Financial Strategy (MTFS). A MTFS shows a precise budget for the coming year, and then an indicative budget over future periods, in the Authority's case for a further two years. Introduction of a MTFS brings the Authority in line with its peers.

The Authority reviews and sets balanced budget each year in line with corporate priorities. The MTFP is expressed as a detailed annual budget for the first year, with outline indicative budgets for the following four years showing that sufficient reserves are available in case Authority goes over budget.

## Monitoring ongoing financial performance

Various stakeholders, including the committee members, closely monitor and scrutinise the financial position. Quarterly revenue and capital performance monitoring reports are presented to the Audit and Overview Committee, encompassing funding budgets and capital allocations.

As per Budget Monitoring Report (April 2023 to March 2024), the budget and provisional outturn for each Directorate as at the end of 2023/24 financial year. The budget of £36.450m compared to the forecast outturn of £36.346m gives a forecast yearend underspend of £0.104m. Furthermore, the level of funding is showing a favourable variance of £0.086m which has resulted in an overall net underspend of £0.189m against expenditure budget.

# Governance



**DRAFT FOR DISCUSSION PURPOSES ONLY**

## How the Authority ensures that it makes informed decisions and properly manages its risks.

We have considered the following in our work:

- how the Authority monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Authority approaches and carries out its annual budget setting process;
- how the Authority ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Authority ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Authority monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or members' behaviour.

## Risk management

The Authority has a risk management process in place, which allows the Authority to identify and monitor risks. All identified risks are subject to scrutiny and challenge to ensure an appropriate risk score and mitigations in place. Our review of the risk register found this was sufficiently detailed to effectively manage key risks, and sufficient actions identified which set out how the Authority intends to achieve a target risk level. Relevant reporting of current and open risks take place on a quarterly basis to Audit and Overview Committee.

Risk registers are maintained at project, departmental and directorate levels. Corporate risks are those that have been escalated from these levels for scrutiny by the Strategic Management Board (SMB) because of their magnitude, proximity or because the treatments and controls require significant development. The risks, as presented to the Committee, indicated the key actions being taken by the Authority to mitigate the risk and trends in risk scores over time. We also note that the register includes key areas of pressure we know the Authority to be facing, including those linked to significant Value for Money risks within this report.

The Authority have in place a corporate structure and financial regulations which are aligned to best practice and show clear delegated responsibilities. There are Terms of References for Committees which are reviewed on regular basis to ensure they remain fit for purpose.

The Authority undertakes a number of measures to prevent and detect fraud. There are policies and procedures including whistleblowing, anti-fraud, bribery and corruption incorporating the National Fraud Initiative, in place to monitor any frauds and related risks. The policies are reviewed regularly to ensure that these are up to date.

Internal audit services are outsourced, and management responses and action plans are devised to address any deficiencies identified in the audit recommendations.

## Decision Making

The Authority operates under the oversight of the Audit and Overview Committee which is responsible for managing and approving critical decision. The Terms of Reference governing Fire and Rescue Authority operations undergo regular review to ensure compliance and effective in monitoring processes.

## Response to reports from regulators

The most recent HMICFRS inspection report was released in October 2023. The report highlighted a number of areas for improvements. The Authority has developed an improvement action plan to respond the findings. Due to the importance of proper governance arrangements over an improvement plan, we have determined a risk of significant weakness in relation to the Governance domain.

# Improving economy, efficiency and effectiveness



DRAFT FOR DISCUSSION PURPOSES ONLY

## How the Authority uses information about its costs and performance to improve the way it manages and delivers its services

We have considered the following in our work:

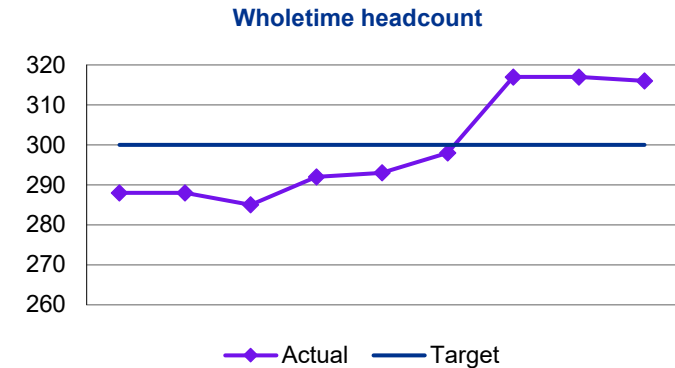
- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Authority evaluates the services it provides to assess performance and identify areas for improvement;
- how the Authority ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Authority commissions or procures services, how it assesses whether it is realising the expected benefits.

## Recruitment

The Authority has identified a key measure for improving its external quality inspection reviews (see overleaf) is to increase headcount. This is partially driven by the inspectors review that the Authority is heavily dependent on neighbouring forces to cover all the incidents it is required to attend.

During 2023/24, the Authority set itself a target of 300 wholetime firefighters (i.e. full time staff, in addition the Authority has on-call firefighters). Performance against this target was tracked over the course of the year.

By October the Authority had exceeded its target by approximately 17 individuals, which gave the authority headroom to cover retirements that the Authority anticipated over the course of the coming year.



Data published up to March 2024 covers period from April to December 2023

## Estates

As part of our financial statement audit work, we identified that the Authority's fire station estate is becoming increasingly old and in poor condition. The Authority commissioned a survey of its operational estate which fed into the valuation of land and buildings, and this survey identified some buildings in an extremely poor condition which was independently validated by the Authority's valuation firm. In particular, the High Wycombe fire station was felt to be in the worst condition.

The Authority has appropriately reflected the need to invest in its estate as part of the capital plan, starting with the refurbishment of towers used to train firefighters to work in tall buildings. The High Wycombe fire station, in particular, has substantial capital investment set out in the capital plan.

We are satisfied that the Authority has effectively responded to a matter it identified which may affect the quality of services provided in the future, and therefore is taking action to prevent service degradation from occurring.

# Improving economy, efficiency and effectiveness



DRAFT FOR DISCUSSION PURPOSES ONLY

## External inspections

The Authority's principal regulator is HM Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS). The Authority received a critical inspection in December 2021 where the Authority was found to need improvement on several areas under the review of HMICFRS. They also identified causes of concern in relation to prevention and equality, diversity, and inclusion.

In October 2023, a re-inspection found that the Authority required improvement on nearly all areas under the HMICFRS' purview, with one area (protecting the public through fire regulation) found to be inadequate. HMICFRS did not believe that the causes of concern above were remedied and identified a further cause of concern in relation to protecting the public from fire.

During 2023, the Authority entered the "engage" phase. According to HMICFRS, "If a service is not responding to a cause of concern, or if it is not succeeding in managing, mitigating or eradicating the cause of concern, it is probable it will be moved to the Engage phase. The service may receive support from external organisations such as the National Fire Chiefs Council and Local Government Association."

**On account of the criticism received by the Authority from HMICFRS during 2023/24, and following on from matters raised in previous Auditors' Annual Reports, we have identified a significant risk that arrangements to secure value for money may be insufficient. We have set out overleaf our work in response to that risk, and our findings.**

In the previous Auditors' Annual Report, a significant weakness in arrangements were identified on account of the Authority entering the Engage phase. We have focused our work on whether the Authority had effective arrangements to respond to the issues raised by HMICFRS and well-governed procedures to ensure their successful implementation. We were satisfied that the Authority does, so we have not identified a significant weakness.

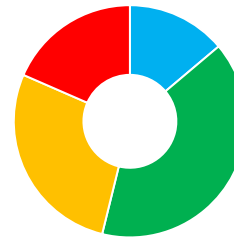
## Operational performance

The Authority maintains a performance report, made up of a suite of 69 KPIs aligned to four strategic priorities: Public impact; Response; Great place to work; and Public value.

The KPI report is reported quarterly to the Senior Management Board and the Executive Committee. The fact it is reported to Executive Committee supports public oversight of the Authority's performance. However, we noted that the Quarter 2 report was presented to Executive Committee in February, some five months after the end of quarter 2, which means the KPIs are not reported on a timely basis.

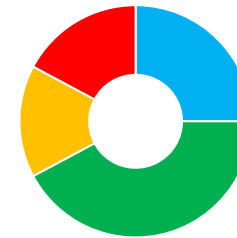
We noted that the KPI report uses a "RAGB" basis – with a B score for Better than Expected. This helps the authority to identify where it is over-performing so the reason for that over-performance can be identified and learnt from.

Q3 Performance Report



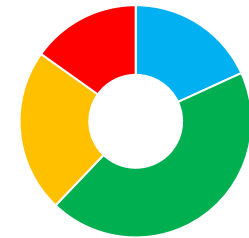
■ B ■ G ■ A ■ R

Q2 Performance Report



■ B ■ G ■ A ■ R

Q3 Performance Report



■ B ■ G ■ A ■ R

The trend in performance reported to meetings during 2023/24 suggested the Authority was on an upwards trend in performance. Therefore, it does not indicate that the Authority is significantly under-performing. Whilst the reporting did show trends in performance over time, performance adverse to plan was not always justified in sufficient detail as to what action would be taken. However, we did not identify any KPIs showing any areas of significant performance issues.



# Significant Value for Money Risk

DRAFT FOR DISCUSSION PURPOSES ONLY



1

## HM Inspectorate of Constabulary and Fire and Rescue Services Inspection

Significant Value for Money risk linked to the domain of governance and improving economy, efficiency, and effectiveness

### Significant Value for Money Risk

In October 2023, HM Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) performed an inspection of the Authority.

The Inspector stated “I have concerns about the performance of Buckinghamshire Fire and Rescue Service in keeping people safe and secure from fire and other risks”.

Although HMICFRS did acknowledge improvements made since an inspection in 2021, the adverse inspection outcome by HMICFRS raises a risk that the Authority does not have appropriate arrangements to ensure its services are effective. We have therefore identified a Significant Value for Money Risk in relation to the domain of Improving economy, efficiency and effectiveness.

The Authority has implemented a plan to improve its effectiveness and is engaging with HMICFRS to ensure the successful implementation of its plan. Due to the importance of proper governance arrangements over an improvement plan, we have also linked this risk in relation to the Governance domain.

### Our response

We performed the following procedures:

- Evaluate whether the Authority has developed appropriate governance arrangements to support its improvement plan; including whether key actions have been identified and monitored to ensure their implementation;
- Evaluate how the Authority works with HMICFRS to assess whether the improvement plan is appropriately designed and is progressing as planned; and
- Understand if actions from the improvement plan have any capital investment implications, in particular for estates, and whether these have been fed into the capital plan.

### Our findings

The Authority developed an appropriate governance arrangement in response to the inspection outcome. The Authority has a clearly defined action plan with measurable targets and identified owners against each key action needed to implement the action plan.

We could see evidence that the action plan was subject to regular review and challenge throughout the Authority’s governance structure. This included presenting the Authority’s progress externally as part of the Fire Protection Oversight Group, which includes HMICFRS.

We are satisfied that none of the actions needed in the plan had a capital investment implication.

We note that the Authority is moving to business as usual as each action is implemented and data supports that changes are embedded in the organisation.

#### Conclusion

We were able to conclude that the Authority had sufficient arrangements in place during 2023/24 to ensure improvement following the inspection outcome.

# Significant Value for Money Risk: Recommendations



**DRAFT FOR DISCUSSION PURPOSES ONLY**

Below we have set out our findings from following up recommendations raised in respect of significant weaknesses identified in prior periods:

#	Issue, Impact and Recommendation	Update as of January 2025
1	<p>Buckinghamshire and Milton Keynes Fire Authority needs to continue to address the areas for improvement raised in the HMICFRS inspection report.</p> <p>The Authority are in regular communication with HMICFRS to provide updates on the progress against the action points.</p>	<p>We are satisfied this recommendation has been implemented. Refer to the previous page.</p>



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**Document Classification: KPMG Public**



# Year End Report to the Audit and Overview Committee

**Buckinghamshire and Milton Keynes Fire Authority**

**Year end report for the year ended 31 March 2024**

February 2024

# Introduction

## To the Audit and Overview Committee of Buckinghamshire and Milton Keynes Fire Authority

We are pleased to have the opportunity to meet with you on 17 July 2024 to discuss the results of our audit of Buckinghamshire and Milton Keynes Fire Authority as at and for the year ended 31 March 2024.

We are providing this report in advance of our meeting to enable you to consider our findings and hence enhance the quality of our discussions. This report should be read in conjunction with our audit plan, presented on 17 July 2024. We will be pleased to elaborate on the matters covered in this report when we meet.

## The engagement team

We expect to be in a position to sign our audit opinion on the approval of the financial statements and auditor's representation letter by the 28 February 2025, provided that the outstanding matters noted on page 3 of this report are satisfactorily resolved.

We will be issuing a disclaimer audit opinion for the reasons outlined on page 4.

We draw your attention to the important notice on page 3 of this report, which explains:

- The purpose of this report
- Limitations on work performed
- Status of our audit and the implications of the statutory backstop.

Yours sincerely,

**Katie Henry**

**Director**

January 2025

## How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when audits are:

- Executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality management and
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

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Audit risks and our audit approach	8
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# Important notice

**This report is presented under the terms of our audit under Public Sector Audit Appointments (PSAA) contract.**

The content of this report is based solely on the procedures necessary for our audit.

## Purpose of this report

This Report has been prepared in connection with our audit of the statement of accounts of Buckinghamshire and Milton Keynes Fire Authority (the 'Authority'), prepared in accordance with [International Financial Reporting Standards ('IFRSs')] as adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, as at and for the year ended 31 March 2024.

This Report has been prepared for the Authority's Audit and Overview Committee, a sub-group of those charged with governance, in order to communicate matters that are significant to the responsibility of those charged with oversight of the financial reporting process as required by ISAs (UK), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this Report, or for the opinions we have formed in respect of this Report.

This report summarises the key issues identified during our audit but does not repeat matters we have previously communicated to you by the written communication on 17 July 2024.

## Limitations on work performed

This Report is separate from our audit report and does not provide an additional opinion on the Authority's financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors.

We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this Report.

The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit.

## Status of our audit and implications of the statutory backstop

Page 4 'Our audit and the implications of the statutory backstop' explains the impact of the statutory backstop and our resulting conclusion to issue a disclaimer opinion on the financial statements.

Our audit is not yet complete, and matters communicated in this Report may change pending signature of our audit report. We will provide an oral update on the status. Page 6 'Our Audit Findings' outlines the outstanding matters in relation to the audit. Our conclusions will be discussed with you before our audit report is signed.

This report is addressed to Buckinghamshire and Milton Keynes Fire Authority (the 'Authority'). We take no responsibility to any member of staff acting in their individual capacities, or to third parties.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public 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.



# Our audit and the implications of the statutory backstop



## Measures to resolve the backlog

The Government has introduced measures to resolve the local government financial reporting and audit backlog. Amendments have been made to the Accounts and Audit Regulations and NAO's Code of Audit Practice which have allowed auditors to give disclaimed opinions over any open, incomplete audits up to the period ending 31 March 2023. These were required to be delivered by 13th December 2024. For the Authority this has resulted in a disclaimed audit opinion for the financial year 2022/23.

Those same amendments to the Accounts and Audit Regulations require the Authority to publish its audited 2023/24 financial statements and accompanying information on or before 28 February 2025. In accordance with the Code, as auditors we are required to provide our audit report on those financial statements in sufficient time to enable the Council to publish its audited financial statements by this date, irrespective of if the audit is complete or not.

The Appendix 'Local Audit - Reset and Recovery' provides more detailed information regarding this. The appendix also provides more detail on the implication of this in future audits, in respect of rebuilding assurance.

## Impact on our audit of the financial statements

The impact of the above means that for the financial year 2023/24 we have not been able to obtain sufficient appropriate audit evidence in respect of the 2023/24 opening balances and the comparatives balances relating to 2022/23. The work we have performed in 2023/24 is explained on the next page.

As explained in the previously referenced appendix, the level of rebuilding assurance has been limited in 2023/24 as we have determined that there is insufficient time to complete our audit to obtain sufficient appropriate audit evidence, and, in our view, this is pervasive to the financial statements as a whole.

As a result of the above and irrespective of the level of work completed on 2023/24 balances, we intend to issue a disclaimer opinion on the financial statements.

## Other matters

As required by the ISAs (UK) when we are disclaiming our audit opinion, our audit report will not report on other matters that we would usually report on, most notably the use of the going concern assumption in the preparation of the financial statements; the extent to which our audit was considered capable of detecting irregularities, including fraud; and whether there are material misstatements in the other information presented within the Statement of Accounts.

Although we are disclaiming our audit opinion we have, in this report, reported matters that have come to our attention and, where appropriate, we intend to include in our audit report.

## Value for Money

The amendments to the Accounts and Audit Regulations do not impact on our responsibilities in relation to the Authority's Value for Money arrangements. We are responsible for forming a view on the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources. Page 15 provides a summary of our findings. Further details are also available in our Auditor's Annual Report for 2023/24.

# Our audit and the implications of the statutory backstop



## Work completed in 2023/24

Our audit plan, presented to you on 17 July 2024 set out our audit approach including our significant risks and other audit risks. We have updated our response to those significant risks, in the pages overleaf, identifying the work we have and have not been able to complete.

Although we are disclaiming our audit opinion, we have reported matters that have come to our attention during the audit and, where appropriate, we intend to include in our audit report.

Specifically in relation to 2023/24 we have completed our work on the following areas in addition to our planning and risk assessment work:

### Significant risks

- Management override of controls
- Valuation of post retirement benefit obligations

### Other areas

- Income
- Expenditure and creditor
- Staff costs
- Cash and cash equivalent
- Going concern
- Other various areas of accounts

We have been unable to complete our work on the following areas:

- Opening balances;
- Movements in usable and unusable reserves for the year ended 31 March 2024;
- Pension Fund statement

## Challenges with progressing work

As well as the impact of the backstop reported on the previous page we experienced some delays in responses to audit queries from the pension actuaries.

We have considered the impact of this on our audit. We are in communication with the actuaries have received requested responses now in Jan 2025. We are trying to completed necessary testing.

Due to the nature of the audit opinion being issued this does not have a wider impact on our work, however we will work with the finance team and actuaries to establish an agreed way of working for the 2024/25 audit to reduce the risk of similar delays occurring next year.





# Our audit findings

We have set out below the status of our work and key findings from the work we were able to perform before the backstop date. On page 4 we have discussed the reasons for the disclaimer audit opinion.

## Significant audit risks Page 8

Significant audit risks	Our findings
Management override of controls	Our final procedures in respect of the risk are complete. We have no matters to report as a result of our work.
Valuation of post retirement benefit obligations	Our work is still ongoing on valuation of post retirement benefit obligation. We have no matters to report as a result of our work.

## Key accounting estimates Page 12

Valuation of land and building	Our final procedures in respect of the risk are complete. We have no matters to report as a result of our work.
Valuation of Pension Liabilities	Our work is still ongoing on valuation of pension liabilities. We have no matters to report as a result of our work.

## Audit Misstatements Page 27

Under UK auditing standards (ISA (UK) 260) we are required to provide the Audit and Standards Committee with a summary of audit differences (including disclosures) identified during the course of our audit whether factual, projected or judgemental. We have two identified adjustments in the financial statements.

## Number of Control deficiencies Page 28

We have identified two control deficiency in relation to:

- Review of the bank reconciliation.
- Revenue from contract with customers under IFRS 15

## Outstanding matters

Our audit is substantially complete [except for the following outstanding matters:

- Post retirement benefit obligations
- Disclosures
- Final review of the Narrative statement
- Receipt of signed Management representation letter
- Receipt of Final signed Statement of Accounts

Our audit file is subject to final Director review and clearance of review notes as well as completion of final procedures linked to the final signed version of accounts.



# Key changes to our audit plan

We have not made any changes to our audit plan as communicated to you on 17 July 2024, other than as follows (excluding the implications of the statutory backstop which are dealt with on page 20):

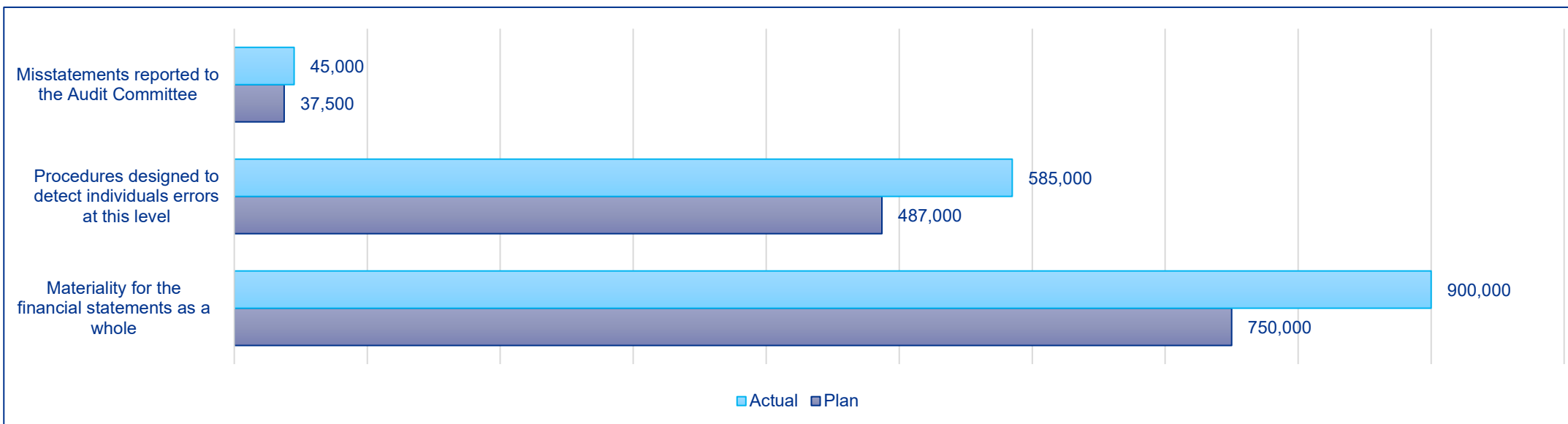
## Materiality

We determined materiality for the entity financial statements at a level which could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. We used a benchmark of total forecast expenses which we consider to be appropriate given the sector in which the entity operates, its ownership and financing structure, and the focus of users.

We considered qualitative factors such as stability of legislation, borrowing levels, and lack of shareholders when determining materiality for the financial statements as a whole.

Materiality has been revised because the benchmark, expenditure for the 2023/24 financial year, has increased significantly as a result of difference between budget and the actual results.

However, we have used materiality at 2% of the benchmark amount which is consistent with the plan.





# Audit risks and our audit approach

## 1 Management override of controls<sup>(a)</sup>

Fraud risk related to unpredictable way management override of controls may occur

### Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit at this stage.

### Our response

Our audit methodology incorporates the risk of management override as a default significant risk. We have performed the following procedures designed to specifically address this significant risk:

- We have assessed accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.
- We have evaluated the selection and application of accounting policies.
- In line with our methodology, evaluate the design and implementation of controls over journal entries and post closing adjustments.
- We have assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- We have assessed the business rationale and the appropriateness of the accounting for significant transactions that are outside the entity's normal course of business or are otherwise unusual (if any).
- We have analysed all journals through the year using data and analytics and focus our testing on those with a higher risk such as journals impacting cash, journals posted containing fraud or error in its descriptions, and journals posted without description.

Note: (a) Significant risk that professional standards require us to assess in all cases.



# Audit risks and our audit approach (cont.)

## 1 Management override of controls<sup>(a)</sup> (cont.)

Fraud risk related to unpredictable way management override of controls may occur

### Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit at this stage.

### Our findings

Based on the procedures performed:

- We identified 21 journal entries meeting our high-risk criteria and have not identified any issues with these journals.
- We noted that formal IT process to ensure segregation of duties over journal postings and authorisation is not currently in place. Management have ultimate ownership over the journal postings and management perform a review of journals. The level of documentation of this review is not sufficient for us to place reliance on the control. We are aware that management have implemented a review process for all manual journals to provide an element of segregation but there is no restricted access or segregation of duties to posting & approving of journals. We have made no recommendation in respect of this control, but we are required to report this deficiency to you.
- Our procedures to identify high risk journal entries undertake testing of these journals is complete. Our procedures did not identify any significant unusual transactions. We have no issues to report as a result of our work.

Note: (a) Significant risk that professional standards require us to assess in all cases.

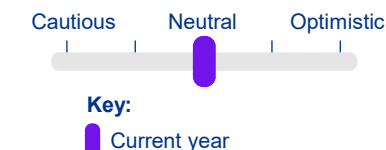


# Audit risks and our audit approach (cont.)

2

## Valuation of post retirement benefit obligations

An inappropriate amount is estimated and recorded for the defined benefit obligation



### Significant audit risk

- The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Authority's pension liability could have a significant effect on the financial position of the Authority.
- The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Authority in completing the year end valuation of the pension deficit and the year on year movements.
- We have identified this in relation to the following pension scheme memberships:
  - Local Government Pension Scheme, and
  - Firefighters pension scheme.



### Our response

We have performed the following procedures designed to specifically address this significant risk:

- We understood the processes the Authority have in place to set the assumptions used in the valuation;
- We evaluated the competency, objectivity of the actuaries to confirm their qualifications and the basis for their calculations;
- We performed inquiries of the accounting actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets;
- We agreed the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation;
- We evaluated the design and implementation of controls in place for the Authority to determine the appropriateness of the assumptions used by the actuaries in valuing the liability;
- We challenged, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data;
- We confirmed that the accounting treatment and entries applied by the Authority are in line with IFRS and the CIPFA Code of Practice; and
- We considered the adequacy of the Authority's disclosures in respect of the sensitivity of the deficit or surplus to these assumptions.

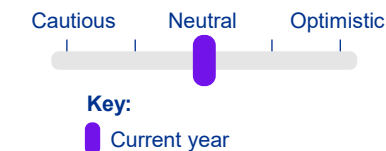


# Audit risks and our audit approach (cont.)

2

## Valuation of post retirement benefit obligations (cont.)

An inappropriate amount is estimated and recorded for the defined benefit obligation



### Significant audit risk

- The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Authority's pension liability could have a significant effect on the financial position of the Authority.
- The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Authority in completing the year end valuation of the pension deficit and the year on year movements.
- We have identified this in relation to the following pension scheme memberships:
  - Local Government Pension Scheme, and
  - Firefighters pension scheme.



### Our findings

Based on the procedures performed:

- We were unable to identify a suitable and formal management control to respond to the significant risk of defined benefit obligations linked to estimation uncertainty. We have however considered management's response and consider it proportionate given the circumstances;
- Our specialists have assessed the overall assumptions used by the actuary to be balanced and within a reasonable range:
  - LGPS: All of the individual assumptions were assessed to be balanced with the exception of the discount rates which were optimistic but within appropriate range
  - Firefighters' pensions scheme: All of the individual assumptions were assessed to be balanced with the exception of the CPI which was optimistic and future improvements which was cautious but within appropriate range.
- As this is within the range and is a difference in estimation approach rather than an error, we have not requested that an amendment is made to the reported balance;
- Our procedures to undertake testing of this account is complete. We have no further issues to report as a result of our work.

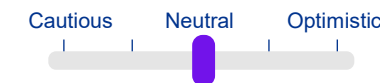


# Key accounting estimates and management judgements – Overview



## Our view of management judgement

Our views on management judgments with respect to accounting estimates are based solely on the work performed in the context of our audit of the financial statements as a whole. We express no assurance on individual financial statement captions.



Asset/liability class	Our view of management judgement	Balance (£m)	YoY change (£m)	Our view of disclosure of judgements & estimates	Further comments
<b>Defined benefit pension liability</b> Valuation of the Authority's Pension Scheme liability – LGPS		32	1		Our work is still ongoing on LGPS pension liability. As of now, we have not noted any indication of management bias has been indicated from our testing; the valuation is deferred to the administrator who provide them with a report which they directly input into the valuation. The related net liability in the balance sheet is £32m. the assumptions that underpin the assets valuation are deemed to be balanced.
<b>Defined benefit pension liability</b> Valuation of the Authority's Pension Scheme liability – Firefighters' pension scheme		223	11		Our work is still ongoing on Firefighters' pension scheme liability. As of now, we have not noted any indication of management bias has been indicated from our testing; the valuation is deferred to the administrator who provide them with a report which they directly input into the valuation. The related net liability in the balance sheet is £223m. the assumptions that underpin the assets valuation are deemed to be balanced.
<b>Valuation of land and Buildings</b>		53	10		We have performed our testing over the valuation of land and buildings. Our audit work has not noted any bias in the assumptions used by the valuer, or the accounting estimates adopted by the Authority related to this estimate. We have not noted an indication of management bias.



# Other matters

## Narrative report

While we are disclaiming our audit opinion and not reporting on the narrative report, we have read the contents of the statement of accounts and checked compliance with the requirements with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 ('the Code'). Based on the work performed to date:

- We have not identified any inconsistencies between the contents of the Narrative Report and the financial statements.
- We have not identified any material inconsistencies between the knowledge acquired during our audit and the statements of the Authority.

As Audit and Overview Committee members you confirm that you consider that the Narrative Report and financial statements taken as a whole are fair, balanced and understandable and provides the information necessary for regulators and other stakeholders to assess the Authority's performance, model and strategy.

However, we note that we have not obtained sufficient appropriate audit evidence to issue an unmodified audit opinion. Due to this, and the possible consequential effect on the related disclosures in the Narrative Report, we are unable to determine whether there are material misstatements in the Narrative Report.

## Annual Governance Statement

We have reviewed the Authority's 2023/24 Annual Governance Statement and based on the work performed to date, we confirmed that:

- It complies with Delivering Good Governance in Local Government: A Framework published by CIPFA/SOLACE; and
- It is not misleading and is consistent with other information we are aware of from our audit of the financial statements.

## Whole of Government Accounts

As required by the National Audit Office (NAO) we are required to provide a statement to the NAO. The guidance for auditors in regard to this work has not yet been published and as such we are unable to complete the work required. This is an issue which impacts all local authority audits.

This has the impact of us not being able to certify the audit as complete. We will report to the Audit and Overview Committee at a future date once we have an update in regard to this..

## Independence and Objectivity

ISA 260 also requires us to make an annual declaration that we are in a position of sufficient independence and objectivity to act as your auditors, which we completed at planning and no further work or matters have arisen since then.

## Audit Fees

Our PSAA 2023/24 audit scale fee for the audit was £100,388. We have also agreed fee variations of £2,300 with management. Refer to page 24 for more details.

We have not completed any non-audit work at the Authority during the year.



# Value for money





# Value for money

We are required under the Audit Code of Practice to confirm whether we have identified any significant weaknesses in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources irrespective of the statutory backstop as explained on page 4.

In discharging these responsibilities, we include a statement within the opinion on your accounts to confirm whether we have identified any significant weaknesses. We also prepare a commentary on your arrangements that is included within our Auditor's Annual Report, which is required to be published on your website alongside your annual report and accounts.

## Commentary on arrangements

We have prepared our Auditor's Annual Report, and a copy of the report is included within the papers for the Committee alongside this report. The report is required to be published on your website alongside the publication of the annual report and accounts.

## Performance improvement observations

As part of our work, we have identified one of Performance Improvement Observation, which are suggestions for improvement but not responses to identified significant weaknesses. See page 16

## Summary of findings

We have set out in the table below the outcomes from our procedures against each of the domains of value for money:

Domain	Risk assessment	Summary of arrangements
Financial sustainability	No significant risks identified	No significant weaknesses identified
Governance	No significant risks identified	No significant weaknesses identified
Improving economy, efficiency and effectiveness	No significant risks identified	No significant weaknesses identified



# Recommendations

We raised the following recommendations in response to our value for money procedures.

#	Recommendation	Management Response
1	<p>HMICFRS produced an inspection report on 19 October 2023, which triggered an Extraordinary Fire Authority meeting on 24 October 2023 to review the outcome.</p> <p>The report sets out the outcome of the inspection, a summary of the main findings, and the areas for improvement identified by HMICFRS. Responsibility to resolve the issues was assigned to the Head of Transformation &amp; PMO. An action plan was developed which was submitted to HMICFRS. It says that progress against the plan will be presented to O&amp;A and FA meetings.</p> <p>The plan was dated November 2023. Page 4 of the report sets out the governance arrangements for the report, which we consider to be appropriate. The plan sets out actions, which are linked to each recommendation raised by the HMICFRS, with an accountable lead, deadlines, KPIS, and RAG ratings.</p> <p>We saw updates on the action plan taken to meetings of the Fire Authority, Overview and Audit, and Executive Committee. This flagged matters which were on risk to progress.</p> <p>A report in February 2024 sets out an improvement board with clear terms of reference for responding to the issues raised. The updates to the progress report show changes in RAG status over time, so trends in performance can be assessed, and detailed commentary on progress made against each action. This includes explanations for why actions were at risk where relevant. Overall, we are satisfied the process set out above is adequate in ensuring good governance in resolving the issues raised. We asked Anne-Marie Carter, Head of Transformation &amp; PMO when actions would transfer to BAU. We were told this was when there was clear evidence of the improvements being embedded. We understand this happened post year-end.</p> <p>We will raise a low priority PIO to recommend that the authority closes all actions on a prompt basis and builds KPIs into the authority's existing performance monitoring arrangements to ensure issues do not re-occur.</p>	<p><b>Management response:</b></p> <p><b>Due Date:</b></p> <p><b>Responsible officer:</b></p>

# Prior year auditor findings

## Significant weaknesses followed up from the prior year

In the predecessor auditor's annual auditor's report for the financial year 2022-23 it was reported that the Authority had a significant weakness in arrangements over governance and improving economy, efficiency and effectiveness surrounding update for significant weaknesses identified. As required by the Code of Audit Practice we have revisited this issue and set out in the table below an update in regards to the arrangements in this area.

#	Recommendation	Management Response	Current status
1	<p><b>Protecting the public through fire regulation</b></p> <p>As per His Majesty's Inspectorate of Constabulary and Fire &amp; Rescue Services (HMICFRS) report in 2023, the service hasn't done enough since the last inspection to address its areas for improvement and provide clear direction to make sure that its teams can prioritise work according to risk.</p>	<p>BMKFA have started to implement the recommendations from the HMICFRS report:</p> <ul style="list-style-type: none"> <li>clearly defines its risk-based inspection programme, within a revised protection strategy, which is aligned to its next public safety plan</li> <li>makes sure its increased number of staff complete a proportionate amount of activity to reduce risk and work to effective targets</li> <li>assures the system to record fire safety activity is robust and well supported to enable prioritisation of highest risk;</li> <li>makes sure it has an effective quality assurance process so that staff carry out audits to an appropriate standard.</li> </ul>	
2	<p><b>Preventing fires and other risks:</b></p> <p>As per HMICFRS report in 2023, some improvements in prevention have been made since the last inspection. The service has revised its prevention strategy, and this is giving its prevention and response teams better direction. But the service is still not adequately identifying and prioritising those most at risk from fire.</p>	<p>BMKFA have started to implement the recommendations from the HMICFRS report:</p> <ul style="list-style-type: none"> <li>The service should review its action plan to make sure that it has an effective system to define the levels of risk in the community</li> <li>its systems and processes for dealing with referrals from individuals and partner agencies effectively manage and prioritise those referrals with the highest identified risk.</li> </ul>	



# Prior year auditor findings

## Significant weaknesses followed up from the prior year

In the predecessor auditor's annual auditor's report for the financial year 2022-23 it was reported that the Authority had a significant weakness in arrangements over governance and improving economy, efficiency and effectiveness surrounding update for significant weaknesses identified. As required by the Code of Audit Practice we have revisited this issue and set out in the table below an update in regards to the arrangements in this area.

#	Recommendation	Management Response	Current status
3	<p><b>Ensuring fairness and promoting diversity</b></p> <p>As identified in the HMICFRS report in 2023, the service hasn't made enough progress since the last inspection to improve equality, diversity and inclusion. The service has done enough to complete one of the recommendations by reviewing its equality impact assessment process. But the other recommendations still require action to be taken or completed.</p>	<p>BMKFA have started to implement the recommendations from the HMICFRS report:</p> <ul style="list-style-type: none"> <li>clearly defines its risk-based inspection programme, within a revised protection strategy, which is aligned to its next public safety plan</li> <li>makes sure its increased number of staff complete a proportionate amount of activity to reduce risk and work to effective targets</li> <li>assures the system to record fire safety activity is robust and well supported to enable prioritisation of highest risk;</li> <li>makes sure it has an effective quality assurance process so that staff carry out audits to an appropriate standard.</li> </ul>	

# Appendices

## Contents

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# Local Audit - Reset and Recovery

## Background

It has been widely reported the level of delays in Local audit had grown to an unacceptable level. As a result, Central Government has been working with the Financial Reporting Council (FRC), as incoming shadow system leader and other system partners to develop proposals to address issues in the local audit. These consist of three stages:

Phase 1: **Reset** involving clearing backlog of historical audit opinions.

Phase 2: **Recovery** from Phase 1 in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycle.

Phase 3: **Reform** involving address systemic challenge in the local audit system and embedding timely financial reporting and audit.

## Implementation of Reset and Recovery

The Accounts and Audit (Amendment) Regulations 2024, introduced backstop dates by which local bodies must publish audited accounts and the NAO have also issued the revised 'Code of Audit Practice 2024' [Code of Audit Practice](#) that requires auditors to give an opinion in time to enable local bodies to comply with the backstop date. The table overleaf identifies the backstop dates and the status of your audits where impacted.

The NAO has also published Local Audit Rest And Recovery Implementation Guidance (LARRIGs), which have been prepared and published with the endorsement of the FRC and are intended to support auditors in meeting their requirements under the Act <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors>



# Local Audit - Reset and Recovery

Financial year	Date
Up to 2022/23	13 December 2024
2023/24	28 February 2025
2024/25	27 February 2026
2025/26	31 January 2027
2026/27	30 November 2027
2027/28	30 November 2028

## Recovery period and audit work

The implication of receiving a disclaimed audit opinion for the financial year 2022/23 means that for the financial year 2023/24 we have not been able to rely on the opening balances from 2022/23.

To obtain sufficient appropriate audit evidence over opening balances, auditing standards identify two approaches. One of those is to use the working papers and other information available on the prior year audit file, which as noted above has not been possible as the outgoing auditor has not been able to complete their audit. An alternative approach is the performance of specific audit procedures to obtain evidence regarding opening balances.

The LARRIGs, in particular LARRIG 05 *Rebuilding assurance following a disclaimed audit opinion*, was only finally published in September 2024 and further guidance, mentioned in the LARRIG in the format of a case study was only released in December 2024.

We also note there is an ongoing sector wide process, convened by the Financial Reporting Council (FRC) with other stakeholders to determine the appropriate level of work to perform to obtain sufficient appropriate audit evidence over opening balances. This, along with the backstop date for 2022/23 being only 2 months prior to that of the 2023/24 period, has limited the extent of building back assurance that has been possible in 2023/24.

During our audit of 2023/24 we have completed certain work on the closing balances for 2023/24 and in year transactions (see pages 4 to 6) and this will contribute to rebuilding assurance.

The table overleaf identifies an indicative pathway to returning to an unmodified opinion. However, it must be noted this is only an indicative pathway and the speed of progress will depend on a range of factors including the level of work required to provide assurance on opening balances, in particular PPE balances and reserves balances.





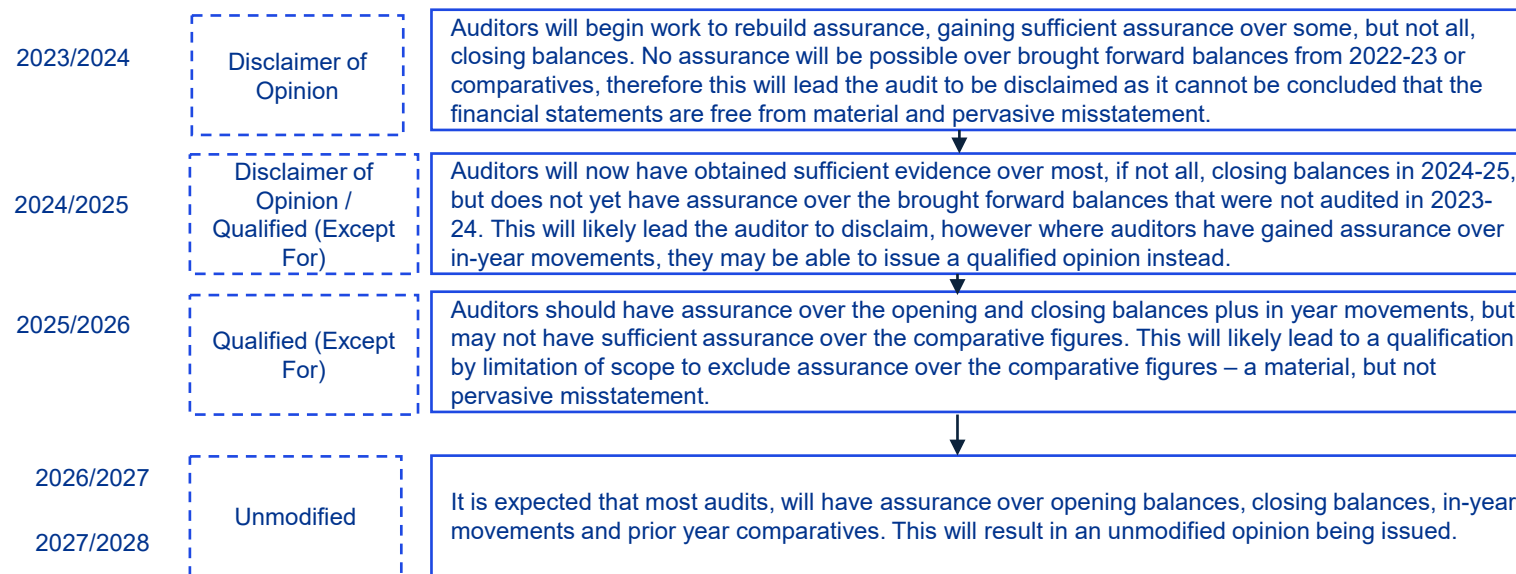
# Local Audit – Reset and Recovery

## Rebuilding assurance

Given the importance and complexity of reserves balances and management, a detailed risk assessment will be undertaken to understand the level of work required to obtain sufficient appropriate audit evidence on the reserves balances. As noted on the previous page, there is an ongoing sector wide process with other stakeholders to determine the appropriate level of work to perform to obtain sufficient appropriate audit evidence over opening balances.

We note there may be other factors which impact on the speed of this work – such as the support provided by the audited entity and availability and quality of audit evidence. Where such support is not provided and the availability and quality of audit evidence is not present this will significantly impact on the time taken to build back assurance and the likely cost of such a process in terms of audit fees. We note the challenges identified on page 5 regarding this year’s audit. As we complete our debrief with management, we can discuss how assurance can be gained on individual account balances and ultimately lead to a position that unmodified opinions can be issued in future years.

Indicative pathway based is reproduced from the LARRIGs





# Required communications

Type	Response
<b>Our draft management representation letter</b>	<input checked="" type="checkbox"/> OK We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2024.
<b>Adjusted audit differences</b>	<input checked="" type="checkbox"/> OK There were one adjusted audit differences.
<b>Unadjusted audit differences</b>	<input checked="" type="checkbox"/> OK There were no unadjusted audit differences.
<b>Related parties</b>	<input checked="" type="checkbox"/> OK There were no significant matters that arose during the audit in connection with the entity's related parties.
<b>Other matters warranting attention by the Audit Committee</b>	<input checked="" type="checkbox"/> OK There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
<b>Control deficiencies</b>	<input checked="" type="checkbox"/> OK We communicated to management in writing all deficiencies in internal control over financial reporting of a lesser magnitude than significant deficiencies identified during the audit that had not previously been communicated in writing.
<b>Actual or suspected fraud, noncompliance with laws or regulations or illegal acts</b>	<input checked="" type="checkbox"/> OK No actual or suspected fraud involving the Authority management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements identified during the audit.
<b>Issue a report in the public interest</b>	<input checked="" type="checkbox"/> OK We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters.

Type	Response
<b>Significant difficulties</b>	<input checked="" type="checkbox"/> OK No significant difficulties were encountered during the audit.
<b>Modifications to auditor's report</b>	<input checked="" type="checkbox"/> OK We do not express an opinion on the financial statements. Due to the significance of the matters described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.
<b>Disagreements with management or scope limitations</b>	<input checked="" type="checkbox"/> OK The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
<b>Other information</b>	<input checked="" type="checkbox"/> OK No material inconsistencies were identified related to other information published alongside of financial statements. This include the Narrative statement.
<b>Breaches of independence</b>	<input checked="" type="checkbox"/> OK No matters to report. The engagement team have complied with relevant ethical requirements regarding independence.
<b>Accounting practices</b>	<input checked="" type="checkbox"/> OK Over the course of our audit, we have evaluated the appropriateness of the Authority 's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
<b>Significant matters discussed or subject to correspondence with management</b>	<input checked="" type="checkbox"/> OK No significant matters arising from the audit were discussed, or subject to correspondence, with management.
<b>Certify the audit as complete</b>	<input type="checkbox"/> X We have not yet certified the audit as complete because our work on WGA is outstanding.
<b>Provide a report to the NAO on your WGA consolidation schedule</b>	<input type="checkbox"/> X As the Authority is below the reporting threshold we will not have to provide this report. As noted on page 13 we are not able to finalise our work in this area.

# Fees

## Audit fee

Our fees for the year ending 31 March 2024 are set out in the PSAA Scale Fees communication and are shown below.

Entity	2023/24 (£)	2022/23 (£)
Statutory audit	95,473	31,287 <sup>(a)</sup>
ISA315r*	4,915	-
Additional costs on migration*	2,300	
<b>TOTAL</b>	<b>102,688</b>	<b>31,287<sup>(a)</sup></b>

\* We are in the process of agreeing these with the PSAA.

We are yet to calculate our fee variation for ISA240, the value for money significant risk and our opening balances work as a result of the PY disclaimer and the impact on our reporting.

Note: (a) Fee charged by EY – your predecessor auditor.

## Billing arrangements

- Fees have been billed in accordance with the milestone completion phasing that has been communicated by the PSAA.
- As per PSAA's Scale Fees Consultation, the scale fees did not include new requirements of ISA315 revised (risk of material misstatement) or ISA 240 (auditor's responsibilities relating to fraud).
- Additional fees have been/will be subject to the fees variation process as outlined by the PSAA.



# Confirmation of Independence

**We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Partner and audit staff is not impaired.**

## To the Audit and Overview Committee members

### Assessment of our objectivity and independence as auditor of Buckinghamshire and Milton Keynes Fire Authority

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

### General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners/directors and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values.
- Communications.
- Internal accountability.
- Risk management.
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity.

### Independence and objectivity considerations relating to the provision of non-audit services

#### Summary of non-audit services

There are no non-audit services applicable.



# Confirmation of Independence (cont.)

## Summary of fees

We have considered the fees charged by us to the Group and its affiliates for professional services provided by us during the reporting period.

## Fee ratio

The ratio of non-audit fees to audit fees for the year is anticipated to be 0:1. We do not consider that the total non-audit fees create a self-interest threat since the absolute level of fees is not significant to our firm as a whole.

	2023/24
Statutory audit	102,688
Other Assurance Services	-
<b>Total Fees</b>	<b>100,388</b>

## Application of the FRC Ethical Standard 2019

Your previous auditors will have communicated to you the effect of the application of the FRC Ethical Standard 2019. That standard became effective for the first period commencing on or after 15 March 2020, except for the restrictions on non-audit and additional services that became effective immediately at that date, subject to grandfathering provisions.

AGN 01 states that when the auditor provides non-audit services, the total fees for such services to the audited entity and its controlled entities in any one year should not exceed 70% of the total fee for all audit work carried out in respect of the audited entity and its controlled entities for that year.

We confirm that as at 15 March 2020 we were not providing any non-audit or additional services that required to be grandfathered.

## Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Audit and Overview Committee.

## Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Director and audit staff is not impaired.

This report is intended solely for the information of the Audit and Overview Committee of the Authority and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP

# Corrected audit misstatements



Given we are disclaiming our audit opinion as described on page 4 there may be other audit misstatements our audit procedures would have identified if we completed our audit procedures as initially planned. In this section, we have reported corrected audit misstatements that we have identified.

Under UK auditing standards (ISA (UK) 260) we are required to provide the Audit [and Risk] Committee with a summary of corrected audit differences (including disclosures) identified during the course of our audit. The adjustments below have been included in the financial statements.

Corrected audit differences (£'000s)					
No.	Detail	Type	SOCI Dr/(cr) £'000	SOFP Dr/(cr) £'000	Comments
1	Dr Employer pension expense Cr Remeasurement of defined benefit liability	Factual	£1,596 (£1,596)	- -	This adjustment is recorded to align the pension contributions as per the trial balance with pension fund statement.
<b>Total</b>			-	-	

## Types of misstatement

**Factual:** Misstatements about which there is no doubt

**Projected:** Our best estimate of misstatements in the audited populations

**Judgemental:** Differences arising from judgments of management that we consider unreasonable or inappropriate



# Control Deficiencies

Although we are disclaiming our audit opinion we have reported recommendations as a result of our work in the current year are as follows:

## Priority rating for recommendations

- 1** **Priority one:** issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.
- 2** **Priority two:** issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.
- 3** **Priority three:** issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date
1	<b>3</b>	<p><b>Review of bank reconciliations</b></p> <p>It was noted that the bank reconciliation is completed as part of month end processes. Principal Accountant reviews bank recon as part of month end review process and challenge unexpected movements/differences in order to identify and review unusual postings.</p> <p>However, we do not consider that a material misstatement is driven by the nature of the review control in itself as there we no issues noted so far but lack of formal approval and the level of documentation is not deemed to be sufficient to meet the requirements as defined by Auditing Standards to enable us to conclude the controls are designed and implemented effectively. As such, we have not been able to place reliance on this control.</p> <p><i>Recommendation: We recommend that management should have formal review for all bank reconciliations to ensure that reconciling items are appropriate to reduce related risks to minimal.</i></p>	<p>Management response</p> <p>Due date</p> <p>Responsible officer</p>



[kpmg.com/uk](https://kpmg.com/uk)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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CREATE: CRT157310A





# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Fire Authority, 12 February 2025

**Report title:** Letter of Management Representation 2023/24

**Lead Member:** Councillor Matthew Walsh

**Report sponsor:** Mark Hemming, Director of Finance & Assets

**Author and contact:** Marcus Hussey [mhussey@bucksfire.gov.uk](mailto:mhussey@bucksfire.gov.uk)

**Action:** Decision.

**Recommendations:** That the Letter of Representation be approved for signature by the Chief Finance Officer and the Chairman of the Overview and Audit Committee.

---

## **Executive summary:**

The Authority is required to consider and sign the letter of representation to KPMG in order for the audit opinion and conclusion to be issued.

---

## **Financial implications:**

No direct impact.

## **Risk management:**

No direct impact.

## **Legal implications:**

The audit of the financial statements is a statutory requirement.

## **Privacy and security implications:**

No direct impact.

## **Duty to collaborate:**

No direct impact.

## **Health and safety implications:**

No direct impact.

## **Environmental implications:**

No direct impact.

## **Equality, diversity, and inclusion implications:**

No direct impact.

**Consultation and communication:**

No direct impact.

**Background papers:**

None

<b>Appendix</b>	<b>Title</b>	<b>Protective Marking</b>
1	Letter of Management Representation 2023/24	
2	Letter of Management Representation Definitions	



Katie Henry  
KPMG LLP  
1 Snowhill  
Queensway  
Birmingham  
B4 6GH

Our ref: Letter of Representation 2023/24  
Enquiries to: Mark Hemming  
Direct line: 01296 744687  
Date: 12 February 2025  
Email: mhemming@bucksfire.gov.uk

Dear Katie,

**Buckinghamshire & Milton Keynes Fire and Rescue Authority - Audit for the year ended 31 March 2024**

This representation letter is provided in connection with your audit of the Authority financial statements of Buckinghamshire and Milton Keynes Fire Authority ("the Authority"), for the year ended 31 March 2024, for the purpose of expressing an opinion:

- i. as to whether these give a true and fair view of the financial position of the Authority as at year end and of the Authority's income and expenditure for the year then ended;
- ii. whether the Authority's financial statements have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 ("CIPFA/LASAAC Code").

These financial statements comprise the following: the Authority Comprehensive Income and Expenditure Statement, the Authority Balance Sheet, the Authority Movement in Reserves Statement, the Authority Statement of Cash Flows, the Firefighter's Pension Fund Account and the notes, comprising material accounting policies and other explanatory information and the Expenditure and Funding Analysis.

The Authority confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Authority confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

**Financial statements**

1. The Authority has fulfilled its responsibilities, as set out in the Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendment) Regulations 2022, for the preparation of financial statements that:
  - i. give a true and fair view of the financial position of the Authority as at 31 March 2024 and of the Authority's income and expenditure for the year then ended;
  - ii. have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

The financial statements have been prepared on a going concern basis.



2. The methods, the data and the significant assumptions used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
3. All events subsequent to the date of the financial statements and for which IAS 10 Events after the reporting period requires adjustment or disclosure have been adjusted or disclosed.
4. In respect of the comparative information disclosed is complete and free from material errors. The Authority confirms that the comparative information is appropriate.

### **Information provided**

5. The Authority has provided you with:
  - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
  - additional information that you have requested from the Authority for the purpose of the audit; and
  - unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. The Authority confirms the following:

The Authority has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

8. The Authority has disclosed to you all information in relation to:
  - a) Fraud or suspected fraud that it is aware of and that affects the Authority and involves:
    - management;
    - members;
    - employees who have significant roles in internal control; or
    - others where the fraud could have a material effect on the financial statements; and
  - b) allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated by employees, former employees, members, analysts, regulators or others.



---

In respect of the above, the Authority acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Authority acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe we have appropriately fulfilled those responsibilities.

9. The Authority has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
10. The Authority has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
11. The Authority has disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 Related Party Disclosures and the CIPFA/LASAAC Code of Practice on Local Authority Accounting.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in IAS 24 and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

12. The Authority confirms that:
  - a) The financial statements disclose all of the matters that are relevant to the Authority's ability to continue as a going concern, including the key risk factors, assumptions made and uncertainties surrounding the Authority's ability to continue as a going concern as required to provide a true and fair view and to comply with IAS 1 Presentation of Financial Statements.
  - b) No material uncertainties related to events or conditions exist that may cast significant doubt upon the ability of the Authority to continue as a going concern.
13. On the basis of the process established by the Authority and having made appropriate enquiries, the Authority is satisfied that the actuarial assumptions underlying the valuation of defined benefit obligations are consistent with its knowledge of the business and are in accordance with the requirements of IAS 19 Employee Benefits.

The Authority further confirms that:

- a) all significant retirement benefits, including any arrangements that are:
  - statutory, contractual or implicit in the employer's actions;
  - arise in the UK and the Republic of Ireland or overseas;
  - funded or unfunded; and



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- 
- approved or unapproved,
  - have been identified and properly accounted for; and
  - all plan amendments, curtailments and settlements have been identified and properly accounted for.
- b) Information that is known only to management – e.g., liabilities, both actual and contingent; title to, or control over, assets, the liens or encumbrances on assets, and assets pledged as collateral; incidents that management has investigated or is in the process of investigating (e.g., cyber security incidents), or confirmation that there have been no such incidents, and aspects of laws, regulations and contractual agreements that may affect the financial statements, including non-compliance;
- c) Whether matters, such as liabilities, both actual and contingent, where relevant under the applicable financial reporting framework, have been recognised, measured, presented or disclosed in accordance with that framework.

This letter was tabled and agreed at the meeting of the Fire Authority on 12 February 2025.

Yours faithfully,

Cllr David Carroll  
Chairman of the Overview and Audit Committee

Mark Hemming  
Director of Finance & Assets and Chief Finance Officer

12 February 2025



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## **Appendix 2 – Appendix to the Authority Representation Letter of Buckinghamshire and Milton Keynes Fire Authority: Definitions**

### Financial Statements

A complete set of financial statements comprises:

- A Comprehensive Income and Expenditure Statement for the period;
- A Balance Sheet as at the end of the period;
- A Movement in Reserves Statement for the period;
- A Cash Flow Statement for the period; and
- Notes, comprising a summary of significant accounting policies and other explanatory information and the Expenditure and Funding Analysis.

A local authority is required to present group accounts in addition to its single entity accounts where required by chapter nine of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

A housing authority must present a Housing Revenue Account Statement.

A billing authority must present a Collection Fund Statement for the period showing amounts required by statute to be debited and credited to the Collection Fund.

A pension fund administering authority must prepare Pension Fund accounts in accordance with Chapter 6.5 of the Code of Practice.

An entity may use titles for the statements other than those used in IAS 1. For example, an entity may use the title 'statement of comprehensive income' instead of 'statement of profit or loss and other comprehensive income'.

### **Material Matters**

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state that:

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.

Information is obscured if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured:



- 
- a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
  - b) information regarding a material item, transaction or other event is scattered throughout the financial statements;
  - c) dissimilar items, transactions or other events are inappropriately aggregated;
  - d) similar items, transactions or other events are inappropriately disaggregated; and
  - e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Assessing whether information could reasonably be expected to influence decisions made by the primary users of a specific reporting entity's general purpose financial statements requires an entity to consider the characteristics of those users while also considering the entity's own circumstances.

Many existing and potential investors, lenders and other creditors cannot require reporting entities to provide information directly to them and must rely on general purpose financial statements for much of the financial information they need. Consequently, they are the primary users to whom general purpose financial statements are directed. Financial statements are prepared for users who have a reasonable knowledge of business and economic activities and who review and analyse the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena."

### **Fraud**

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

### **Error**

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.





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Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

## **Management**

For the purposes of this letter, references to “management” should be read as “management and, where appropriate, those charged with governance”.

## **Related Party and Related Party Transaction**

### **Related party:**

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity”).

- A person or a close member of that person’s family is related to a reporting entity if that person:
  - has control or joint control over the reporting entity;
  - has significant influence over the reporting entity; or
  - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to a reporting entity if any of the following conditions applies:
  - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - Both entities are joint ventures of the same third party.
  - One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - The entity is controlled, or jointly controlled by a person identified in (a).
  - A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).



- 
- The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a government that has control or joint control of, or significant influence over the reporting entity; and
- another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

**Related party transaction:**

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.



# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Fire Authority, 12 February 2025

**Report title:** Statement of Accounts – Year Ended 31 March 2024

**Lead Member:** Councillor Matthew Walsh

**Report sponsor:** Mark Hemming, Director of Finance & Assets

**Author and contact:** Marcus Hussey [mhussey@bucksfire.gov.uk](mailto:mhussey@bucksfire.gov.uk)

**Action:** Decision.

**Recommendations:**

That the Statement of Accounts for the financial year ended 31 March 2024 be approved for signing by the Chief Finance Officer and Chairman of the Overview & Audit Committee.

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**Executive summary:**

The Authority must prepare, in accordance with proper practices in relation to accounts, a statement of accounts for each year.

The Accounts and Audit (Amendment) Regulations 2024 (Statutory Instrument 2024/907) which came into force on 30 September 2024 requires the accountability statements for this financial year to be approved not later than 28 February 2025.

The backstop date of 28 February 2025, and the wider requirements of the local audit system reset and recovery has resulted in KPMG issuing a disclaimer of opinion on the 2023/24 financial statements. This is due to KPMG being unable to perform the procedures required to obtain sufficient appropriate audit evidence ahead of the set backstop date.

The Fire Authority are asked to consider any issues raised during the audit before approving the accounts for signing.

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**Financial implications:**

No direct impact.

**Risk management:**

No direct impact.

**Legal implications:**

The Statement of Accounts must, following consideration, be approved by the Authority or Committee of the Authority. The Accounts and Audit (Amendment) Regulations 2024 imposed a backstop date of 12 February 2025 by which date KPMG is required to issue its opinion on the 2023/24 Financial Statements. As set out in the KPMG Auditor’s Audit report, it has come to the conclusion that the time constraints imposed by the backstop date mean that it cannot complete all necessary procedures to support the opinion and fulfil all the objectives of all relevant professional standards for the auditing of financial information.

**Privacy and security implications:**

No direct impact.

**Duty to collaborate:**

No direct impact.

**Health and safety implications:**

No direct impact.

**Environmental implications:**

No direct impact.

**Equality, diversity, and inclusion implications:**

No direct impact.

**Consultation and communication:**

No direct impact.

**Background papers:**

None

Appendix	Title	Protective Marking
1	Statement of Accounts 2023-24	



**Unaudited**

# **Annual Financial Statements**

**for the year ending 31 March 2024**



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*we save lives*

## Table of Contents

The Annual Financial Statements contains the Statement of Accounts and additional accompanying statements.

The Statement of Accounts comprises the Statement of Accounting Policies, the Financial Statements (Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet and Cash Flow Statement) and the Notes to the Core Financial Statements. In addition, the Statement of Accounts also includes the Firefighters' Pension Fund Account and Notes to the Firefighters' Pension Fund Accounts.

The Auditor's Report and the Narrative Statement are outside the scope of the Statement of Accounts and therefore outside the scope of the responsible financial officer(s) true and fair certification.

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# Introduction

## Welcome to our Annual Financial Statements

This document sets out the financial activities of Buckinghamshire & Milton Keynes Fire Authority (the Authority) for the year ended 31 March 2024. It shows the financial detail of the services the Authority have provided together with explanatory notes, the resources consumed and the financial position at the end of the year compared with the previous year.

These statements are prepared for the Authority as a single entity. The Authority does not form part of a wider reporting group.

Buckinghamshire & Milton Keynes Fire and Rescue Service is a relatively small fire authority with limited resources both financially and in terms of numbers of personnel, but is constantly seeking to improve its services to the public, its performance and the value for money it delivers to its tax payers.

The economic pressures facing the country are reflected in the financial decisions being made by the Authority. These are explained in further detail in the Narrative Statement. The Authority are proactively working with our partners and the community to reduce the risks facing our communities.

Further details about the Service, our promise to the public and culture can be found on our website:

<https://bucksfire.gov.uk/about-us/our-culture/>

### **Cllr David Carroll**

Chairman of the Overview and Audit Committee

Date: 12 February 2025

### **Mark Hemming FCPFA**

Director of Finance and Assets & Chief Finance Officer, Buckinghamshire & Milton Keynes Fire Authority

Date: 12 February 2025

## **Narrative Statement**

In compiling these accounts the Authority have followed the Chartered Institute of Public Finance and Accountancy's Code of Practice on Local Authority Accounting in the United Kingdom 2023/24: Based on International Financial Reporting Standards (the Code).

The accounts are drawn up in accordance with the accounting policies set out in detail in the Statement of Accounting Policies.

The responsibility for the proper administration of the Authority's financial affairs is vested in the statutory officer (referred to as the Section 112 Officer). This is the Director of Finance and Assets & Chief Finance Officer who is required by law to confirm that the Authority's system of internal controls can be relied upon to produce an accurate Statement of Accounts.

The Statement of Accounts contains four main statements. Each of the four main statements is accompanied by supplementary notes providing additional detail to figures presented. The four main statements are:

- Movement in Reserves Statement - this statement shows the changes in the financial resources over the year. The total usable reserves held as at 31 March 2024 was £13.140m (as at 31 March 2023 was £6.921m);
- Comprehensive Income and Expenditure Statement - this statement shows the gains and losses that contributed towards the changes in resources shown in the Movement in Reserves Statement. The deficit on the provision of services for 2023/24 was £0.341m (2022/23 was a deficit of £13.047m);
- Balance Sheet - this statement shows how the resources available are held in the form of assets and liabilities. The net assets figure is balanced by the Total Reserves figure (see also Movement in Reserves Statement); and
- Cash Flow Statement - this statement shows how the movement in resources has been reflected in cash flows. The starting point for this statement is the net surplus/deficit on the provision of services (see also Comprehensive Income and Expenditure Statement). The net increase in cash and cash equivalents during the year 2023/24 was £1.141m (net decrease of £1.849m in 2022/23). Please refer to Note 17 for details of the movement.

These four statements are supported by notes to the accounts, which provide supplementary information to aid the understanding of these statements.

The Statement of Accounts also contains information regarding the Firefighters' Pension Fund Account.

This Narrative Statement provides information about the Authority, including the key issues affecting the Authority and its accounts. It also provides a summary of the financial position at 31 March 2024 and is structured as below:

- An Introduction to Buckinghamshire and Milton Keynes Fire Authority
- Key Facts about the Authority
- Financial Performance in 2023/24
- Corporate Risks



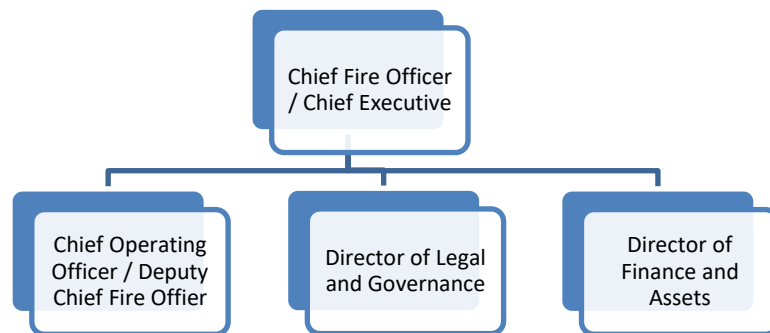
## **An Introduction to Buckinghamshire and Milton Keynes Fire Authority**

Buckinghamshire and Milton Keynes Fire Authority (BMKFA) is a local government body with responsibility for providing fire and rescue services for the County of Buckinghamshire and City of Milton Keynes. It oversees, on behalf of the public, the work of Buckinghamshire Fire and Rescue Service which undertakes the physical delivery of fire and rescue related safety and emergency response services. The Fire Authority, as at 12 June 2024 consists of 17 elected Councillors – eleven nominated by Buckinghamshire Council and six nominated by Milton Keynes Council in proportion to the number of local government electors in their area. The members of the Fire Authority make important decisions affecting the provision of fire and rescue services including:-

- Approving Buckinghamshire Fire & Rescue Service's plans, policies and strategies.
- Agreeing the staff, equipment and other resources needed to deliver an efficient and effective service.
- Setting the annual budget and Council Tax charge.

Our promise to the public is to provide an excellent, modern and agile fire and rescue service for our community, to have the right people, at the right time with the right skills to keep you safe and we will work to protect and safeguard people and places.

## **Senior Management Structure**



The Senior Management Board is responsible for the delivery of the services, directing improvements and future plans for the Authority. It provides managerial leadership and supports Councillors in:

- Developing strategies;
- Identifying and planning resources;
- Delivering plans; and
- Reviewing the Authority's effectiveness with the overall objective of providing excellent services to the public.

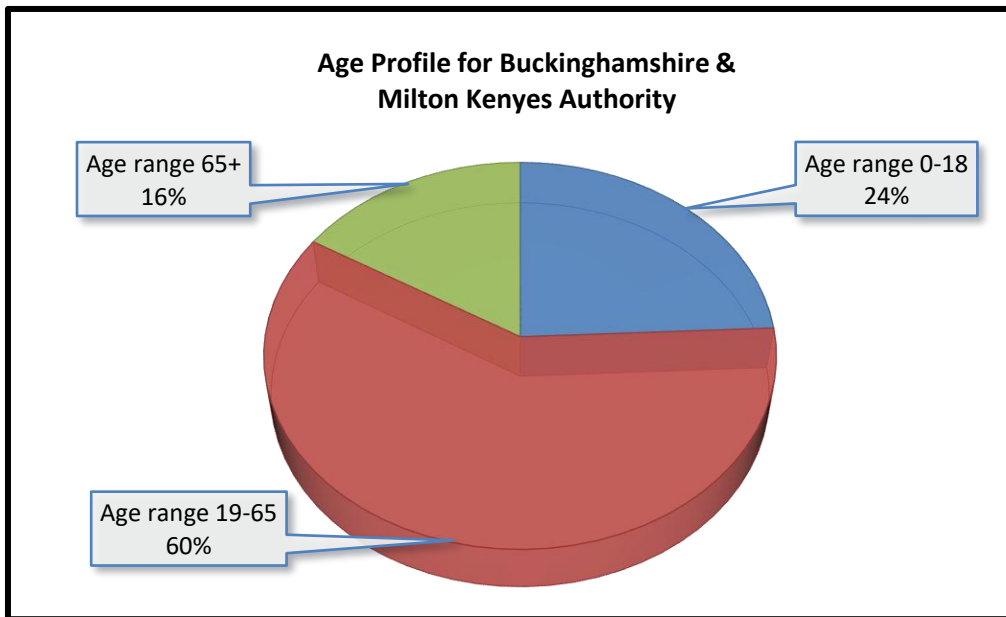
## **2020-2025 Public Safety Plan**

This Public Safety Plan (PSP) sets out Buckinghamshire and Milton Keynes Fire Authority's strategy for the provision of fire and rescue services for the five year period April 2020 to March 2025. The Plan has been developed using integrated risk management planning methods and is designed to conform to the Government's guidance in relation to the preparation of integrated risk management plans. The Public Safety Plan 2020-2025 can be viewed here:

[https://bucksfire.gov.uk/documents/2020/03/public\\_safety\\_plan\\_2020\\_to\\_2025.pdf/](https://bucksfire.gov.uk/documents/2020/03/public_safety_plan_2020_to_2025.pdf/)

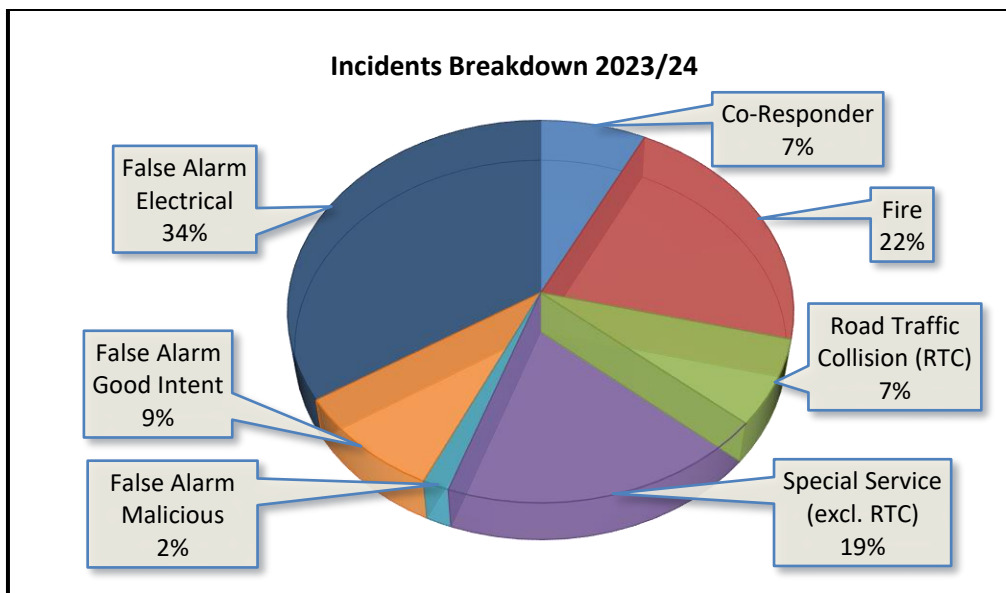
**Key Facts about the Authority**

The population for Buckinghamshire and Milton Keynes estimated by the Office for National Statistics (Mid-2022) was 852,589. The age profile is presented below:



**Incidents by type**

During 2023/24 the Service responded to 7,977 recorded incidents. False alarm electrical (34% of total incidents), fire (22%) and special service (19%) accounts for a large proportion of incidents recorded followed by, false alarm good intent (9%), co-responder (7%), road traffic collisions (7%) and false alarms malicious (2%).



In addition to attending incidents, fire-fighters and prevention staff carried out 5,024 fire & wellness visits. It is the Authority’s aim to target those who are most vulnerable and at risk from fire based upon our research and work with partners.

**Operational Resourcing**

The Authority has 19 stations located across the Buckinghamshire and Milton Keynes area. Each station will contain strategically placed operational assets. They are located at (listed in alphabetical order): Amersham, Aylesbury, Beaconsfield, Brill, Broughton, Buckingham, Chesham, Gerrards Cross, Great Missenden, Haddenham, High Wycombe, Marlow, Newport Pagnell, Olney, Princes Risborough, Stokenchurch, Waddesdon, West Ashland and Winslow.

These operational assets include fire engines, water rescue (boats), aerial appliances, urban search and rescue (USAR) and a number of specialist assets. There are several duty systems operated within the Authority, with the main three being Whole-time, Day-Crewed and On-call.

Our **Whole-time** stations provide full-time emergency response cover 24/7, every day of the year. These stations also have additional capacity offered by 'on-call' firefighters available on various turn-out time.

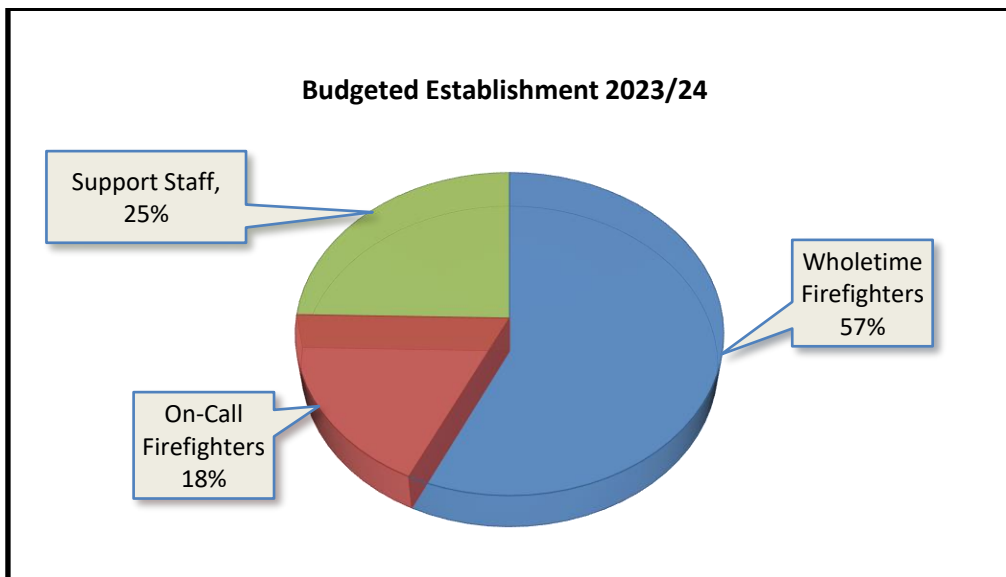
Our **Day-Crewed** stations provide full-time cover during the day (08:00-18:00 hours) and On-Call cover at night (18:00-08:00 hours).

Our **On-Call** stations use firefighters who live/work in the area and come in as and when required.

Since 2011, the Authority have been operating a **Co-Responding** service in partnership with South Central Ambulance Service. This partnership is delivered from several stations across the Buckinghamshire & Milton Keynes area.

**Establishment**

The breakdown of the Authority's budgeted establishment can be seen in the chart below;



(Figures in the table above are based on full-time equivalents)

## **Financial Performance in 2023/24**

### **Budget Setting 2023/24**

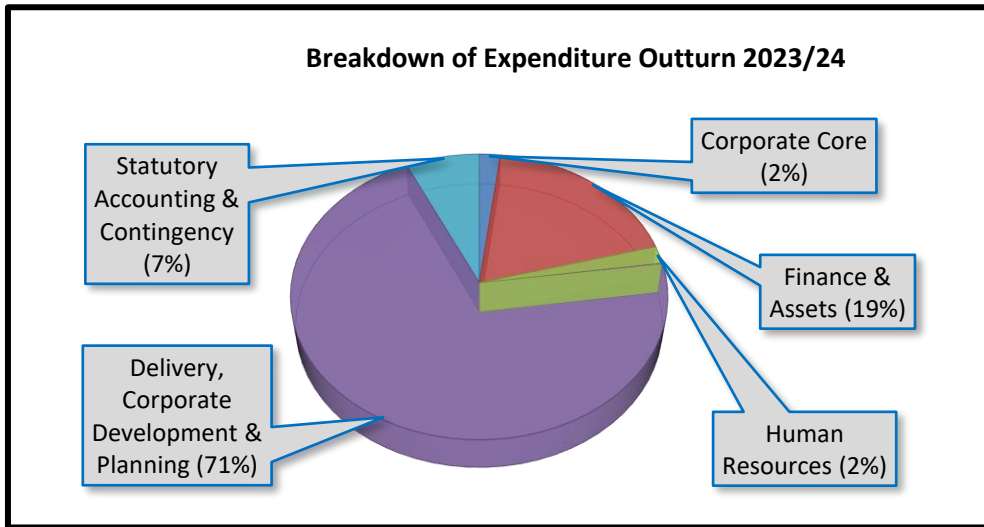
The budget for 2023/24 was set at a full Authority meeting in February 2023, figures were based on the final financial settlement announced by Central Government. The government increased the referendum threshold from 2% to 3% for 2023/24. Furthermore, the government proposals included additional precept flexibility to FRAs to increase their precept by up to £5 for 2023/24 only without the need to hold a referendum. This additional flexibility was welcomed and helped fund towards the increased inflationary pressures that had been seen in particular the rising cost of utilities. The £5 precept flexibility was approved by the Fire Authority which meant the amount paid by a band D taxpayer rose from £72.16 a year to £77.16 a year. This £5 increase, which equates to just under 10p a week, came into effect on 1 April 2023.

The remainder of total expenditure was funded through Central Government Grants, National Non-Domestic Rates (NNDR) redistribution and income for the recovery of costs from other agencies including grants for specific responsibilities such as Urban Search and Rescue Operations (USAR/New Dimensions).

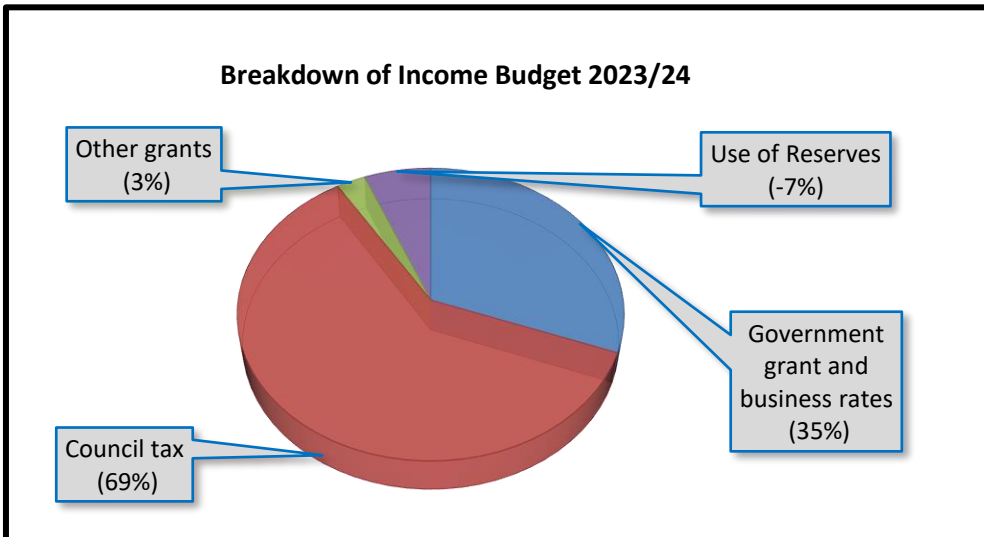
An additional unringfenced Services Grant was distributed to authorities. This grant is intended to provide funding to all tiers of local government in recognition of the vital services delivered at every level of local government. BMKFA received £0.199m. Furthermore, there were specific ring fence Protection grants which were distributed to Fire Services in year.

The Authority funds the capital programme predominantly through revenue funding, as the level of funding available via capital grants is limited to transformation initiatives. The capital programme was targeted to fund the essential refurbishment of our fire stations, the replacement of fire specialist equipment and appliances.

**Breakdown of Expenditure Outturn 2023/24**



**Breakdown of Income Budget 2023/24**



**Revenue Outturn**

The revenue budget for 2023/24 was £36,450m. This budget was set at the full Fire Authority meeting held in February 2023. The table below shows the revenue outturn position for the year. The Authority reported an underspend of £0.189m.

Directorate	Total Budget £000	Actuals £000	Provisional Year End Variance £000
Corporate Core	1,106	687	-419
Finance & Assets	6,878	7,018	140
Human Resources	551	567	16
Delivery, Corp. Dev. Planning	25,768	25,627	-141
Statutory Acc. & Contingency	2,147	2,448	301
<b>Total Expenditure</b>	<b>36,450</b>	<b>36,347</b>	<b>-103</b>
<b>Total Funding</b>	<b>-36,450</b>	<b>-36,536</b>	<b>-86</b>
<b>Net Position</b>	<b>0</b>	<b>-189</b>	<b>-189</b>

The underspend is predominantly due to a favourable variance being reported under employee costs (within Support and On-Call) and a reduction in bank costs in recent months due to the Operational establishment surpassing 300. Furthermore, due to the significant increase in the Bank of England base rate since the budget was approved, the investment returns were significantly higher than budgeted. The outturn reflects over £0.600m additional interest in investment returns than originally budgeted.

**Capital Outturn**

Capital expenditure is not shown in the Comprehensive Income and Expenditure Statement but is budgeted for and reported separately. The capital programme for 2023/24 was £3.634m, including £1.100m carry forward capital projects from 2022/23 and £0.297m in-year funding. The table below shows the final capital position at the end of 2023/24 for each capital programme.

Capital Programme	Total budget £000	Actuals £000	Slippage £000	Year End Variance £000
Property	1,388	427	958	-3
Fire Appliances & Equipment	1927	1,626	312	11
ICT	319	254	30	-35
<b>Total Capital Spend</b>	<b>3,634</b>	<b>2,307</b>	<b>1,300</b>	<b>-27</b>

The expenditure within Property relates to key capital projects completed during 2023/24. This includes the completion station improvements, infrastructure upgrades, air handling and various yard works. The level of spend seen within Fire Appliances & Equipment predominantly relates to the purchase of five red fleet appliances and associated operational equipment. ICT has seen the purchase of laptops, surface pros, and desktop PCs with monitors.

The outturn is reporting a slippage of £1.300m which relates to the delays in completing property capital works, delays in the purchase of white fleet vehicles being delivered and carried forward investment in ICT, which all will all be completed during financial year 2024/25.

The Authority’s loans are borrowed from the Public Works Loan Board (PWLb) and during 2023/24 no new loans were taken out, however the Authority it repay a maturing loan of £1.000m and repaid a loan of £0.627m early. The Authority’s total borrowing for capital purposes stands at £4.550m with loan repayments spread over the years 2027-2053.

### Capital Programme

The table below summarises the capital programme for 2024/25 to 2028/29. The Authority does not receive Central government funding for capital projects. Therefore, the capital programme for the Authority will be funded from in year revenue contributions to capital and capital receipts.

Capital Programme	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
Property	701	469	407	219	250
Fire Appliances & Equipment	1,582	525	496	1,281	1,308
ICT	160	85	90	95	100
Slippage	1300	0	0	0	0
<b>Total Budget</b>	<b>3,743</b>	<b>1,079</b>	<b>993</b>	<b>1,595</b>	<b>1,658</b>

### Reserves Balances

The level of reserves held by the Authority as at 31 March 2024 are shown in the table below:

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>	<b>Reserve Balances</b>	<b>£000</b>
(1,625)	General Fund Balance	(1,625)
<b>(1,625)</b>	<b>Sub Total Non-Earmarked General Fund Balance</b>	<b>(1,625)</b>
(500)	Workforce Planning Reserve	(882)
(617)	Control Room Reserve	(585)
(820)	Transformation Reserve	(3,298)
<b>(1,937)</b>	<b>Sub Total Earmarked Reserves - Revenue</b>	<b>(4,765)</b>
-	Usable Capital Receipts Reserve	(1,035)
(3,359)	Revenue Contribution to Capital	(5,715)
<b>(3,359)</b>	<b>Sub Total Earmarked Reserves - Capital</b>	<b>(6,750)</b>
<b>(6,921)</b>	<b>Total Usable Reserves</b>	<b>(13,140)</b>

Further information on these reserves is set out in Note 23.

### Pension Fund Liability

The accounting treatment for pensions follows International Accounting Standard 19 (IAS19), the purpose of which is to ensure that organisations' accounts reflect the net position of their pension funds and account for the liability to pay accumulated employee benefits in the future. In 2023/24, the Authority's share of the five Pension Fund's net liabilities increased by -£1.566m to £223.213m (for 2022/23 the net liability was £221.647m).

Effectively, the Pension Funds are in deficit by £223.213m compared with what is needed to pay the pensions of current scheme members, and the effect is to reduce the overall net worth of the Authority by that amount. However, statutory arrangements for the funding of the deficit, whereby the deficit will be made good by employer contributions over the remaining working life of employees as assessed by the scheme's actuaries, mean that the financial position of the Authority remains healthy.

**Corporate Risks**

The development, implementation and operation of effective corporate risk management structures, processes and procedures are considered critical to assure continuity of service to the public, compliance with relevant statutory and regulatory requirements and the successful delivery of the Authority’s strategic aims, priorities and plans.

<b>Risk Description</b>	<b>Consequence if untreated</b>	<b>Treatment of risk</b>
<p><b>Workforce availability, emerging risks of;</b></p> <p><b>1/ Staff inability or reduced ability to work due to disruption caused by factors such as Pandemic Flu, fuel supply issues, industrial action etc</b></p> <p><b>2/ Impact of Employment market conditions on attraction of new staff, retention of existing staff, and overall workforce stability (specifically the ratio of experienced / competent staff to inexperienced staff / staff in development.</b></p> <p><b>3/ Simultaneous loss of Principal Officers / Senior Management Team members</b></p>	<p>Potential detrimental effects on service delivery to the community and the Service’s reputation.</p> <p>Failure to discharge statutory duties.</p> <p>Loss of critical knowledge / skills / capacity /competency levels.</p> <p>Disruption to integrity and continuity of the incident command structure and / or Service strategic leadership structure.</p>	<ul style="list-style-type: none"> <li>• Business continuity plans in place &amp; uploaded to Resilience Direct.</li> <li>• Succession Plans in place for key leadership and management personnel.</li> <li>• Contingency arrangements in place to mitigate risks to Principal Officer operational rota capacity.</li> <li>• Peer review of the business continuity arrangements</li> <li>• Bank System</li> <li>• Flexi-Duty System Pilot</li> <li>• Staff Transfer Procedure</li> <li>• Employee assistance and welfare support</li> <li>• Training Needs Assessment process</li> <li>• Annual monitoring of staff ‘stability ratio’ relative to best practice and sector norms, presented to Workforce Planning Group</li> <li>• Review People Strategy and annual updates on progress to Fire Authority</li> <li>• Wider range of contracts offering more flexible ways of working</li> <li>• A variety of approaches are being adopted to replenish the workforce. These include more operational apprentices, transferees, and re-engagement options</li> <li>• Workforce planning data is regularly reviewed by the Workforce Planning Group</li> <li>• Growth bids to be considered to support future resourcing demands.</li> <li>• Organisational Development are reviewing the future promotion and career development options</li> <li>• Resourcing levels are constantly monitored to ensure coverage.</li> <li>• Pensions remedy consultation received, response to be drafted. Workforce planning to be reviewed for implications and plans put in place</li> <li>• On-call virtual awareness evenings held, and recruitment continues ensuring compliance with government guidance.</li> <li>• Analysis of feedback from staff leaver exit interviews</li> </ul>



<p><b>Disruption to key Service functions due to third party industrial action potentially leading to reduced staff availability and / or diversion of resources to help partner services maintain continuity of service.</b></p>	<p>Detrimental effects on service delivery to the community and the Service’s reputation.</p> <p>Increased risk to the public (including life and property), economy and the environment due to inadequate or insufficient response to emergency incidents.</p> <p>Failure to discharge statutory target duties.</p> <p>Disruption to service delivery and support functions due to loss of capacity.</p> <p>Delay to implementation of Service plans and projects due to loss of capacity.</p>	<ul style="list-style-type: none"> <li>• Business continuity plans in place &amp; uploaded to Resilience Direct.</li> <li>• Bank System</li> <li>• Wider range of contracts offering more flexible ways of working</li> <li>• Flexible and hybrid working procedures.</li> <li>• Remote working technologies.</li> <li>• Regular communication with staff, rep bodies and, where appropriate, third party organisations.</li> </ul>
<p><b>Funding Sustainability</b></p>	<p>The Medium-Term Financial Plan (MTFP) factors in several assumptions when forecasting the financial position. Future costs are significantly affected by the level of pay awards (which for most staff are determined nationally), general price inflation and changes to employer pension contributions. Future funding levels are affected by council tax referendum limits, growth in council tax and business rate bases, the level of general government funding and specific grants. If a number of these areas are significantly worse than forecast there is a risk the Authority will not meet its commitment to the PSP 2020 - 25 and that a fundamental rethink of service provision would be required</p>	<ul style="list-style-type: none"> <li>• Proactive management of the MTFP is in force and is very closely aligned to workforce planning.</li> <li>• As part of the budget setting process, Officers will seek to identify savings opportunities to address potential future cost pressures.</li> <li>• A risk-assessed General Fund reserve of £1.625m (circa five per cent of the net budget requirement) is held to cover a range of potential financial risks. In addition, earmarked reserves are held to fund specific anticipated future costs.</li> </ul>
<p><b>Court of Appeal ruling on the McCloud / Sargeant cases: potential impact on staff retirement profile, resourcing to implement required changes and financial impacts thereof.</b></p>	<p>Failure to discharge statutory duties.</p> <p>Failure to comply with legal requirements.</p> <p>Unknown / unquantified budgetary impacts.</p>	<ul style="list-style-type: none"> <li>• Potential impacts on costs to be factored into future Medium-Term Financial Planning process.</li> <li>• Recruitment of dedicated specialist resource to evaluate requirements arising from the Court of Appeal ruling and implement necessary administrative changes.</li> </ul>

<p><b>Information management* / security failure to -</b></p> <p><b>a) Comply with statutory or regulatory requirements</b></p> <p><b>b) Manage technology</b></p> <p><b>c) Manage organisational resources</b></p> <p><b>Deliberate: unauthorised access and theft or encryption of data. Accidental: loss, damage or destruction of data</b></p>	<p>Inability to access/use our e-information systems.</p> <p>Severe financial penalties from the Information Commissioner.</p> <p>Lawsuits from the public whose sensitive personal information is accessed causing damage and distress.</p> <p><i>*Information management is concerned with the acquisition, custodianship and the distribution of information to those who need it, and its ultimate disposition through archiving or deletion. Information security is the practice of protecting information by mitigating risks such as unauthorised access and its unlawful use, disclosure, disruption, deletion and corruption. As more and more information is held electronically risks have become systems, as well as process and people based and are therefore vulnerable to cyber-attacks. Cyber-crime is unrelenting and issues arise at a greater frequency than existing intrusion attempts can be resolved. is such, this is a constant on the CRR.</i></p>	<p><b>1. Appropriate roles:</b></p> <ul style="list-style-type: none"> <li>- SIRO has overall responsibility for the management of risk</li> <li>- Information and information systems assigned to relevant Information Asset Owners (IAO's)</li> <li>- Department Security Officer (DSO) the Information Governance &amp; Compliance Manager has day-to-day responsibility for the identification of information risks and their treatments</li> <li>- 'Stewards' assigned by IAO's with day-to-day responsibility for relevant information.</li> </ul> <p><b>2. Virus detection/avoidance:</b></p> <p>Anti-Malware report – no significant adverse trends identified which indicates that improved security measures such as new email and web filters are being successful in intercepting infected emails and links;</p> <p><b>3. Policies / procedure:</b></p> <p>Comprehensive review and amendment of the retention and disposal schedules / Information Asset Registers,</p> <ul style="list-style-type: none"> <li>• Current and tested business continuity plans / disaster recovery plans</li> <li>• Employee training/education</li> <li>• Tested data/systems protection clauses in contracts and data-sharing agreements</li> <li>• Integrated Impact Assessments (IIA)</li> <li>• Disincentives to unauthorised access e.g. disciplinary action</li> </ul> <p><b>4. Premises security:</b></p> <ul style="list-style-type: none"> <li>• Preventative maintenance schedule</li> <li>• Frequent audits at Stations and inventory aligned to asset management system.</li> <li>• Reduction in the number of CCTV requests following improved education and guidance in relation to the use of the same;</li> </ul> <p><b>5. Training:</b></p> <p>The biennial "Responsible for Information" training will be supplemented by the National Cyber Security Centre's new e-learning package 'Top Tips for Staff' which has been built into the Heat training platform as a mandatory biennial package.</p>
<p><b>Increased risk of wildfires, flooding, gales and altered hydrology due to effects of</b></p>	<p>Failure to protect people from the risks associated with climate change including potential damage to:</p> <ul style="list-style-type: none"> <li>• Infrastructure and local businesses</li> <li>• Housing</li> <li>• Agriculture</li> </ul>	<p>Provision of National Operational Guidance programme which adapts to changing environment. Adoption of guidance as best practice across Thames Valley. Strategic gap analysis underway to identify and close gaps relative to national best practice.</p>

<p><b>climate change.</b></p>	<ul style="list-style-type: none"> <li>• Food production and distribution</li> <li>• Forestry</li> <li>• Heritage</li> <li>• Sensitive environments</li> <li>• BFRS premises (building fabric)</li> <li>• Education</li> <li>• CNI sites</li> </ul> <p>Inability to effectively respond during extreme weather events.</p> <p>Inability to effectively deal with increasing incidents within recycling, electricity generation and distribution, largescale battery storage, and electric/hydrogen fuelled vehicles</p>	<p>Provision of equipment and training to deal with wildfire, water rescue and flooding, and extreme weather events. Adverse weather procedure in place and business continuity plans for all sites. Research and development officer continues to identify new equipment and practice to mitigate emerging risks (e.g. new equipment to reduce risk involving fires with photovoltaics).</p> <p>Access to and provision of specialist tactical advisors through national resilience framework. Urban Search and Rescue team in-service equipped to deal with major building / infrastructure collapse.</p> <p>Specialist boat rescue capability situated in north and south of county. Both included on national asset register. All staff trained appropriately in working in flood water.</p> <p>Site-specific risk assessments and risk information for high risk sites – being expanded to include broader risks such as wildfire, water rescue and flooding and transport. Access to wildfire severity index and flood forecasting data to assist planning.</p> <p>Targeted national and local prevention messaging to mitigate risks at key points in the calendar (e.g. water safety summer/winter – Barbecues spring/summer – Chimneys – Autumn).</p> <p>Back-up power generators to protect emergency response sites from power outages. Regular building surveys from facilities team. Fleet replacement programme ongoing.</p> <p>Bunkered fuel stocks and establishing fleet of alternative fuel vehicles where appropriate to mitigate risk of fuel disruption.</p> <p>Strategic infrastructure group in place to horizon scan and ensure preparedness for future risks.</p> <p>Engaged with NFCC to identify and prepare for longer term “fit for the future” considerations</p> <p>Engaged in local resilience groups for flood management.</p> <p>Isotonic supplements and cool boxes added to appliance inventories</p>
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<p><b>Risk of misconduct / behaviours at odds with Service Values on the part of individuals or groups in the employ of, or associated with, the Service and / or the Fire Authority.</b></p>	<p>Harm to members of the public and / or Service personnel.</p> <p>Potential exposure to litigation and financial loss</p> <p>Reputational damage resulting in negative publicity locally / nationally leading to public loss of confidence in the Authority / Service.</p> <p>Staff / member loss of confidence in Authority and / or Service leadership / management.</p>	<ul style="list-style-type: none"> <li>• Updated employee Code of Conduct approved by the Authority’s Executive Committee on 22 March 2023.</li> <li>• Updated Whistleblowing procedure and reporting process in place.</li> <li>• Since 2016, DBS checks on all relevant staff, including all frontline staff, undertaken. In 2019 additional vetting implemented with move to annual Enhanced with barred list DBS checks.</li> <li>• A range of support in place for staff to raise concerns, including access to the Welfare Officer and Occupational Health and also, in relation to investigations, the allocation of a point of contact who is not part of the investigation.</li> <li>• Procedure for members of the public to raise concerns and complaints in place and reported on annually to the Overview and Audit Committee.</li> <li>• Biennial staff surveys undertaken since 2017.</li> <li>• Quarterly performance reporting of key people related measures to Fire Authority members.</li> <li>• Thorough review of the Equality Impact Assessment process undertaken in 2022. This led to the update of the template and supporting guidance. A eLearning package was created and face to face support available across the service. This remains a key focus when items are presented at our governance meetings.</li> <li>• Ongoing engagement with the representative bodies issues to identify potential issues / concerns.</li> <li>• Analysis of feedback from staff leaver exit interviews.</li> <li>• Analysis of grievance / complaint procedure findings to identify recurring issues that could indicate systemic origins.</li> </ul>
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## Statement of Responsibilities for the Statement of Accounts

### The Authority's Responsibilities

The Authority is required to:

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

### The Responsibilities of the Director of Finance and Assets

The Director of Finance and Assets & Chief Finance Officer 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 Director of Finance and Assets & Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent; and
- Complied with the Code.

The Director of Finance and Assets & Chief Finance Officer has also:

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

### Certificate of the Director of Finance and Assets

I hereby certify that this Statement of Accounts presents a true and fair view of the financial position of the Authority as at 31 March 2024 and its income and expenditure for the financial year 2023/24.



### Mark Hemming FCPFA

Director of Finance and Assets & Chief Finance Officer, Buckinghamshire & Milton Keynes Fire Authority

Date: 12 February 2025

# **Independent Auditor's Report to Members of Buckinghamshire and Milton Keynes Fire Authority**

## **REPORT ON THE AUDIT OF THE AUTHORITY'S FINANCIAL STATEMENTS**

### **Disclaimer of opinion**

We were engaged to audit the financial statements of Buckinghamshire and Milton Keynes Fire Authority ("the Authority") for the year ended 31 March 2024 which comprise the Comprehensive Income and Expenditure Statement, Balance Sheet, Movement in Reserves Statement, Cash Flow Statement, and the related notes, including the Expenditure and Funding Analysis, the Firefighters' Pension Fund Account and the accounting policies in the Statement of Accounting Policies.

We do not express an opinion on the financial statements. Due to the significance of the matters described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### **Basis for disclaimer of opinion**

The Accounts and Audit (Amendment) Regulations 2024 (the "Amendment Regulations") require the Authority to publish its financial statements and our opinion thereon for the year ended 31 March 2024 by 28 February 2025 (the "Backstop Date").

We have been unable to obtain sufficient appropriate audit evidence over a number of areas of the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the financial statements ahead of the Backstop Date. These areas were the firefighters pension scheme disclosure; and the movements in usable and unusable reserves for the year ended 31 March 2024.

In addition, we have been unable to obtain sufficient appropriate evidence over the disclosed comparative figures for the year ended 31 March 2023 due to the Backstop Date. Therefore, we were unable to determine whether any adjustments were necessary to the opening balances as at 1 April 2023 or whether there were any consequential effects on the Authority's income and expenditure for the year ended 31 March 2024.

Any adjustments from the above matters would have a consequential effect on the Authority's net assets, the split between usable reserves and unusable reserves as at 31 March 2024 and 31 March 2023, and on its income and expenditure and cash flows for the years then ended.

### **Fraud and breaches of laws and regulations – ability to detect**

As stated in the Disclaimer of opinion section of our report, we do not express an opinion on the financial statements due to the reasons described in the Basis for disclaimer of opinion section of our report.

### **Other information**

The Director of Finance and Assets is responsible for the other information, which comprises the information included in the Annual Financial Statements, other than the financial statements and our auditor's report thereon. Any opinion on the financial statements would not cover the other information and we do not express an opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Due to the significance of the matters described in the Basis for disclaimer of opinion section of our report, and the possible consequential effect on the related disclosures in the other information, whilst in our opinion the other information included in the Annual Financial Statements for the financial year is consistent with the financial statements, we are unable to determine whether there are material misstatements in the other information.

### **Director of Finance and Assets' and Overview and Audit Committee responsibilities**

As explained more fully in the statement set out on page 17, the Director of Finance and Assets is responsible for the preparation of financial statements in accordance with CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the government of the intention to either cease the services provided by the Authority or dissolve the Authority without the transfer of its services to another public sector entity.

The Overview and Audit Committee is responsible for overseeing the Authority's financial reporting process.

### **Auditor's responsibilities**

Our responsibility is to conduct an audit of the financial statements in accordance with International Standards on Auditing (UK), and to issue an auditor's report. However, due to the significance of the matters described in the Basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

We have fulfilled our ethical responsibilities under, and are independent of the Authority in accordance with, UK ethical requirements including the FRC Ethical Standard.

## **REPORT ON OTHER LEGAL AND REGULATORY MATTERS**

### **Report on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources**

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the "NAO Code of Audit Practice"), we are required to report to you if we identify any significant weaknesses in the arrangements that have been made by the Authority to secure economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

### **Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

As explained more fully in the statement set out on page 17, the Director of Finance and Assets is responsible for ensuring that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are required under section 20(1) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We are also not required to satisfy ourselves that the Authority has achieved value for money during the year.

We planned our work and undertook our review in accordance with the NAO Code of Audit Practice and related statutory guidance, having regard to whether the Authority had proper arrangements in place to ensure financial sustainability, proper governance and to use information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

### **Statutory reporting matters**

We are required by Schedule 2 to the NAO Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 and Schedule 7 of the Local Audit and Accountability Act 2014; or
- we make written recommendations to the Authority under Section 24 and Schedule 7 of the Local Audit and Accountability Act 2014; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in this respect.

### **THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES**

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the Authority, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

### **DELAY IN CERTIFICATION OF COMPLETION OF THE AUDIT**

As at the date of this audit report, we have not yet completed our work in respect of the Authority's Whole of Government Accounts consolidation pack for the year ended 31 March 2024. Until we have completed this work, we are unable to certify that we have completed the audit of the financial statements of the Buckinghamshire and Milton Keynes Fire Authority for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the NAO Code of Audit Practice.

**Catherine Henry**  
**for and on behalf of KPMG LLP**

Chartered Accountants

Address: 1 Snowhill, Queensway, Birmingham, B4 6GH

Date: 12 February 2025



## **Statement of Accounting Policies**

### **i. General Principles**

The Statement of Accounts summarises the Authority's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2011, which is required to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and the Service Reporting Code of Practice 2023/24, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued.

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.

### **ii. Accruals of Income and Expenditure**

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 revenue 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 debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- The de-minimis level is set at £500 and anything below this will be accounted for in the year the transaction takes place regardless of which year the income or expense relates to.

### **iii. Acquisitions and Discontinued Operations**

There were no acquired or discontinued operations during the year.

### **iv. 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 are readily convertible to known amounts of cash with insignificant risk of change in value. Cash equivalents include cash on deposit that is held for short-term cash flow management rather than investment purposes.

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.

### **v. Exceptional Items**

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance. There were no exceptional items during 2023/24.

#### **vi. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment. There are no prior period adjustments for financial year 2023/24.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance.

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

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

The cost of holding fixed 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 fixed assets attributable to the service.

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement.

This contribution is referred to as the Minimum Revenue Provision (MRP):

- Debt relating to capital expenditure incurred prior to 1 April 2008 will be calculated broadly on the basis of 4% of the Authority's Capital Financing Requirement
- Debt relating to capital expenditure incurred from 1 April 2008 will be calculated broadly on the asset life (equal instalments) method. The amount is dependent upon the estimated life of the asset for which the debt has been raised.

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance by MRP, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

A discretionary charge is also made to the revenue account to contribute towards the Revenue Contribution to Capital reserve. This will be used to help fund the capital programme in future years due to the reducing levels of capital grant funding that are expected to be available.

#### **viii. Employee Benefits**

### 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 made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. 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.

### Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the appropriate service in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

### Post Employment Benefits

Employees of the Authority are members of two separate pension schemes:

- Uniformed Firefighters - 2015 Pension Scheme;
- The Local Government Pensions Scheme, administered by Buckinghamshire Council.

### Uniformed Firefighters

The funding arrangements for the Firefighters' Pension Scheme in England changed by statute with effect from 1 April 2006 and are contained within the Firefighter's Pension Scheme (Amendment) (England) Order 2006 (SI 2006/1810). Under the new funding arrangements the schemes remain unfunded but will no longer be on a pay-as-you-go basis as far as the individual fire authority is concerned.

Authorities no longer meet the pension outgoing directly: instead they pay an employer's pension contribution based on a percentage of pay into the Pension Fund and the amounts that must be paid into and paid out of the Pension Fund are specified by regulation.

Transactions in the Firefighters Pension Fund include:

#### Credits to the Pension Fund

- Employees' contributions from firefighters
- Transfer values received from other authorities
- The employer's contributions due from the Authority
- Additional contributions required from the Authority for ill health retirements.

#### Debits to the Pension Fund

- Awards payable under any provision of the pension scheme

- Transfer values payable to other authorities
- Any repayment to the Authority of contributions towards ill health retirements.

Subject to scrutiny and approval by the Secretary of State and Parliament, under the new arrangements the Pension Fund will be balanced to nil at the end of the year by either paying over to the Department for Levelling Up, Housing and Communities (DLUHC) the amount by which the amounts receivable by the Fund for the year exceed the amounts payable, or by receiving cash in the form of a pension top-up grant from the DLUHC equal to the amount by which the amount payable from the pension fund for the year exceeded the amount receivable.

#### Injury Awards

Under the Firefighters Compensation Scheme (England) Order 2006, a firefighter receives an injury award where they have retired and are permanently disabled because of an injury received in the execution of their duty. Under IAS 19 the Authority is required to account for contingent future injury benefits. The liability is based on an estimate of future benefits earned by members, and movements in the liability are treated in the same way as for the Firefighters pension schemes.

#### The Local Government Pension Scheme

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees;
- Liabilities are discounted to their value at current prices, using a discount rate (based on the indicative rate of return on the iBoxx 15 year corporate bond index).

The assets of the pension fund attributable to the Authority are included in the Balance Sheet at their fair value:

- Quoted securities – current bid price;
- Unquoted securities – professional estimate;
- Unitised securities – current bid price;
- Property – market value.

The change in the net pensions liability is analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs
- Net interest on the net defined benefit liability (asset), i.e. net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- Contributions paid to the pension fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

#### Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

#### **ix. 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.

#### **x. Financial Instruments**

##### Financial Liabilities

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.

For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus the accrued interest shown under short-

term borrowing); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement. During 2023/24 there was discounts of £0.046m following the repayment of a £0.627m PWLB loan.

#### Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The Authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest.

Financial Assets 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. For most of the financial assets held by the Authority, 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 relevant service (for receivables specific to that service) or 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.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

#### **xi Foreign Currency Translation**

Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective.

#### **xii. Heritage Assets**

The Authority does not hold any heritage assets.

### **xiii. 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 there is reasonable assurance that the conditions attached to the grant or contribution will be 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 there is not reasonable assurance that the conditions will be 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-ringfenced 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.

### **xiv. 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) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

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. 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 or abandonment 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 and (for any sale proceeds) the Capital Receipts Reserve.

### **xv. Interests in Companies and Other Entities**

The Authority has no material interests in companies or other entities which would require it to prepare group accounts.

**xvi. Inventories and Long Term Contracts**

Inventories are generally included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the First In First Out (FIFO) costing formula.

Where inventories are held for distribution at no charge or for a nominal charge they are measured at the lower of cost and current replacement cost. Replacement cost is defined as the cost the authority would incur to acquire the asset at the Balance Sheet date.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

**xvii. Investment Property**

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements 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 and (for any sale proceeds) the Capital Receipts Reserve.

The Authority has an asset under construction, which when complete will be an investment property with the sole purpose to earn rental income.

**xviii. Jointly Controlled Operations and Jointly Controlled Assets**

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the Authority in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Authority as a joint operator recognises:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its revenue from the sale of its share of the output arising from the joint operation
- its share of the revenue from the sale of the output by the joint operation
- Its expenses, including its share of any expenses incurred jointly.

The Joint Control (revenue expenditure) split is based on the population, tax base and number of incidents attended for each Authority. Therefore, the contribution agreed by each authority was as follow:

- Buckinghamshire and Milton Keynes Authority – 34.8%



- Royal Berkshire Fire Authority – 37.0%
- Oxfordshire Fire Authority – 28.2%

The capital assets for the Joint Control are recognised as an equal third on the balance sheet. The current net book value held on BMKFA is £0.102m, which relates to plant and equipment.

#### **xix. Leases**

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

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

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

#### The Authority as Lessee

##### Finance Leases

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

Lease payments are apportioned between:

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

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

The Authority is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in 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.

##### Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period Comprehensive Income and Expenditure Statement at the commencement of the lease).

##### The Authority as Lessor

### Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the as part of the gain or loss on disposal. A gain, representing the Authority's net investment in the lease, is 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 against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement.

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

### Operating Leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

In 2003/04 the Authority entered into a sale and leaseback agreement. The initial cost of the lease was matched by an increase in the value of land and buildings within fixed assets.

## **xx. Overheads and Support Services**

The segmental reporting structure in the Comprehensive Income and Expenditure Statement is now structured in the way the Authority report to management internally.

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

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

### Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an 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. The Authority's de-minimis level for capital expenditure is £0.006m.

### 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 whilst 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 – depreciated historical cost
- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value. Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value. Assets included in the Balance Sheet at fair value are revalued annually to ensure that their carrying amount is not materially different from their fair value at the year-end. Where amounts are materially different, the gross book value and accumulated depreciation are restated proportionately 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 Comprehensive Income and Expenditure Statement 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

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

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

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

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.

### Depreciation

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

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- Vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. In applying the principals of componentisation the de-minimis value of a property has been set at £1.129m and individual components at £0.113m, i.e. 10% of the overall asset below which any component will not be calculated separately. The components that have been identified as relevant to the authority are weatherproofing (to include windows, roofs, bay doors and doors), mechanical and electrical and finally yards and drill towers (i.e. external elements). Where the life expectancy of any component would exceed the life expectancy of the main structure then the life expectancy of the component will be limited to that of the main structure.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged 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.

### Disposals

Amounts received for the disposal of any assets previously qualifying as Capital Expenditure are categorised as capital receipts. Capital receipts are required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment, or set aside to reduce the Authority's underlying need to borrow. 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 fixed 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.

**xxii. Private Finance Initiative (PFI) and Similar Contracts**

The Authority has not entered into any PFI or similar contracts

**xxiii. 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. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

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.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

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.

**xxiv. Reserves**

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then

appropriated back into the General Fund Balance in the Movement in Reserves Statement so that 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, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

#### **xxv. VAT**

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

#### **xxvi. Revenue Expenditure Funded from Capital under Statute (REFCUS)**

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

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

In this challenging financial environment, work continues to achieve a balanced budget, progressing in line with our Public Safety Plan for 2020-25 so that the Authority can carry on as usual without detriment to public safety or emergency responses.

The Fire Authority has taken a number of measures already and plans to do more to ensure that it continues to meet the priorities set out in the Public Safety Plan. For 2023/24 the Authority will continue to make further savings through several initiatives, which involve better ways of working and consolidating workforce plans to meet our vision for the longer term. The Authority are investing in more up-to-date technology, new ways of working and are pursuing avenues, which aim to share costs with our community partners and other fire authorities.

The accounts are prepared with the underlying assumptions of the accruals basis and the going concern basis i.e. the Authority will continue its operations for the foreseeable future. This means in particular that, despite the high degree of uncertainty resulting from reducing levels of funding in future years, the Comprehensive Income and Expenditure Account and Balance Sheet assume no intention to curtail significantly the scale of the operation. At this stage there is no indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce the level of service provision.

#### **Use of Estimates and Judgements**

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Authority's Comprehensive Income and Expenditure Statement for 2023/24 and the Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

- Depreciation (and amortisation of intangible assets) – 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. As at 31 March 2024, the carrying amounts of non-current assets was £63.311m. Total depreciation and amortisation for the year was £0.977m;

- 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 (RICS) 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. Revaluations charged to the Revaluation Reserve during the year were £10.200m upwards and £0.714m downwards;
- Pensions IAS 19 – Two employment tribunal cases were brought against the Government in relation to possible discrimination in the implementation of transitional protection following the introduction of the reformed 2015 public service pension schemes from 1 April 2015. Transitional protection enabled some members to remain in their pre-2015 schemes after 1 April 2015 until retirement or the end of a pre-determined tapered protection period. The claimants challenged the transitional protection arrangements on the grounds of direct age discrimination, equal pay and indirect gender and race discrimination.

The first case (McCloud) relating to the Judicial Pension Scheme was ruled in favour of the claimants, while the second case (Sargeant) in relation to the Fire scheme was ruled against the claimants. Both rulings were appealed and as the two cases were closely linked, the Court of Appeal decided to combine the two cases.

The decision was upheld, and legislation came into force in October 2023. At retirement, members will then be offered a choice of the legacy benefits or the reformed benefits for the remedied period.

- Pensions Liability - the valuation of the liability is based on a number of actuarial assumptions (see Note 28). This figure is provided by an independent actuary firm and is based upon actual contributions for the first 10 months and estimates calculated for the remaining two months for the Fire Fighter Pension Fund. The LGPS figure is also provided by an external actuary and based on actuals for the full 12 months. If the estimate was to differ from the actual it would result in a higher or lower pension liability and reserve figure on the Balance Sheet. The total net pension liability as at 31 March 2024 was £223.213m;
- Financial Assets and Liabilities – further details about the assumptions made and the potential impact can be found in Note 29;
- BMKFA is the Treasurer for the funding allocated to the Emergency Services Mobile Communications Programme (ESMCP) which includes BMKFA and the following brigades; Berkshire and Oxfordshire. The funding allocated by central government is based on control rooms and brigade sizes. Budgets and costs have been allocated based on the lead areas each brigade will be providing.

## Going Concern Review

The concept of a going concern assumes that an authority's functions and services will continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If an authority were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for local authority financial statements to be provided on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that a local authority's services will continue to operate for the foreseeable future.

In terms of setting a balanced budget in future financial years, this will depend significantly on the uncertainty in Government funding and increasing cost pressures. It is therefore more important for the Authority to create various scenarios through the Medium-Term Financial Plan (MTFP) process, which will include both the revenue and capital programme (capital is funded by contributions from revenue). In December 2020, the Fire Authority approved the Capital and Financial Strategy which consider medium and longer-term scenarios, with a consideration of areas that could be enhanced or scaled back depending on the outcome of future funding settlements. The Financial Strategy was reviewed and updated during 2023/24 following significant improvement to the Authority's financial position and outlook for the service, along with progress being made against a number of the actions within the strategy.

The MTFP will continue to be scrutinised in detail at two Officer and two Member challenge meetings throughout the financial year, before overall approval by the Fire Authority. If required, the Authority will make use of the usable reserves to ensure the Authority is able to set a balanced budget and smooth out the impact of funding reductions. However, utilising reserves will only be sustainable in the short to medium term. See below table showing a breakdown of the Authority's usable reserves, as reported in the financial statements, along with a projected usable reserves figure for 2022/23 to 2025/26.

	<b>31 March 2025</b>	<b>31 March 2026</b>	<b>31 March 2027</b>	<b>31 March 2028</b>	<b>31 March 2029</b>
<b>Reserve Balances</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
General Fund Balance	(1,625)	(1,625)	(1,625)	(1,625)	(1,625)
Total Earmarked Reserves - Revenue	(4,463)	(4,463)	(4,463)	(4,463)	(4,463)
Total Earmarked Reserves - Capital	(4,652)	(4,006)	(3,399)	(2,501)	(1,789)
<b>Total Usable Reserves</b>	<b>(10,740)</b>	<b>(10,094)</b>	<b>(9,487)</b>	<b>(8,589)</b>	<b>(7,877)</b>

During 2023-24 BMKFA agreed a £5 increase in its council tax, which resulted in the amount paid by a band D taxpayer rising from £72.16 a year to £77.16 a year. This £5 increase, which equates to just under 10p a week came into effect from 1 April 2023. In the previous year, BMKFA also had the opportunity to increase our council tax by £5 (an option only available to services in the lowest quartile for Band D Council Tax) which enabled us to increase our operational establishment by 20 to 300. The £5 precept increase in 2023/24 has allowed the Service to maintain those staffing levels in the face of substantial pay and non-pay inflationary pressures.



For 2024-25 precept flexibility reverted to 3%, which resulted in the band D taxpayer increasing from £77.16 to £79.46. Taking this into consideration the authority's reserves at the end of the MTFP are projected to be £8m, assuming precept flexibility being 3% across the MTFP.

The Authority thereby concludes that it is appropriate to prepare the financial statements on a going concern basis and that the Authority's functions and services will continue in operational existence for the next 12 months, from the date of the audit report. This is based on the Authority's ability to set a balanced budget and the cashflow forecasting position.

### Changes in Accounting Estimates

There have been no changes in existing accounting estimates during 2023/24.

### Standards Issued But Have Not Yet Been Adopted

The standards introduced by the 2024/25 Code where disclosures are required in the 2023/24 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

- a) IFRS 16 Leases (but only for those local authorities that have decided to voluntarily implement IFRS 16 in the 2023/24 year).
- b) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020. The amendments:
  - o specify that an entity's right to defer settlement must exist at the end of the reporting period
  - o clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement
  - o clarify how lending conditions affect classification, and
  - o clarify requirements for classifying liabilities
- c) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- d) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- e) International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
  - o a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, and
  - o targeted disclosure requirements for affected entities
- f) Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:
  - o assess how supplier finance arrangements affect an entity's liabilities and cash flows, and
  - o understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

Note that a) will only be applicable to local authorities that have not voluntarily implemented IFRS 16 in 2023/24. It is likely that though they provide clarifications, items b), c) and d) will not have a significant impact on the amounts anticipated to be reported in the financial statements. There will be limited application of items e) and f).

## Movement in Reserves Statement

These statements show the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The (Surplus) or Deficit on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement (CIES). These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The Net (Increase) / Decrease before Transfers to Earmarked Reserves line shows the Statutory General Fund Balance before any discretionary transfers to/from earmarked reserves undertaken by the Authority. Further detail on each reserve is shown in the notes to the accounts as referenced.

	General Fund Balance £000	Earmarked Reserves £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>Balance at 31 March 2022 carried forward</b>	<b>(1,500)</b>	<b>(5,810)</b>	-	<b>(7,310)</b>	<b>298,602</b>	<b>291,292</b>
<u>Movement in reserves during 2022/23</u>						
(Surplus) or deficit on the provision of services	13,047	-	-	13,047	-	13,047
Other Comprehensive Income and Expenditure	-	-	-	-	(139,496)	(139,496)
<b>Total Comprehensive Income and Expenditure</b>	<b>13,047</b>	-	-	<b>13,047</b>	<b>(139,496)</b>	<b>(126,449)</b>
Adjustments between accounting basis & funding basis under regulations (Note 23)	(12,658)	-	-	(12,658)	12,658	-
<b>Net (Increase) / Decrease before Transfers to Earmarked Reserves</b>	<b>389</b>	-	-	<b>389</b>	<b>(126,838)</b>	<b>(126,449)</b>
Transfers to/from Earmarked Reserves (Note 23)	(514)	514	-	-	-	-
<b>(Increase) / Decrease in 2022/23</b>	<b>(125)</b>	<b>514</b>	-	<b>389</b>	<b>(126,838)</b>	<b>(126,449)</b>
<b>Balance at 31 March 2023 carried forward</b>	<b>(1,625)</b>	<b>(5,296)</b>	-	<b>(6,921)</b>	<b>171,764</b>	<b>164,843</b>
Amounts held for revenue purposes	(1,625)	(1,937)	-	(3,562)	223,227	219,665
Amounts held for capital purposes	-	(3,359)	-	(3,359)	(51,463)	(54,822)

Movement in Reserves Statement Continued:

	General Fund Balance £000	Earmarked Reserves £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
<b>Balance at 31 March 2023 carried forward</b>	<b>(1,625)</b>	<b>(5,296)</b>	-	<b>(6,921)</b>	<b>171,764</b>	<b>164,843</b>
<u>Movement in reserves during 2023/24</u>						
(Surplus) or deficit on the provision of services	341	-	-	341	-	341
Other Comprehensive Income and Expenditure	-	-	-	-	(16,940)	(16,940)
<b>Total Comprehensive Income and Expenditure</b>	<b>341</b>	-	-	<b>341</b>	<b>(16,940)</b>	<b>(16,599)</b>
Adjustments between accounting basis & funding basis under regulations (Note 23)	(5,525)	-	(1,035)	(6,560)	6,560	-
<b>Net (Increase) / Decrease before Transfers to Earmarked Reserves</b>	<b>(5,184)</b>	-	<b>(1,035)</b>	<b>(6,219)</b>	<b>(10,380)</b>	<b>(16,599)</b>
Transfers to/from Earmarked Reserves (Note 23)	5,184	(5,184)	-	-	-	-
<b>(Increase) / Decrease in 2023/24</b>	<b>-</b>	<b>(5,184)</b>	<b>(1,035)</b>	<b>(6,219)</b>	<b>(10,380)</b>	<b>(16,599)</b>
<b>Balance at 31 March 2024 carried forward</b>	<b>(1,625)</b>	<b>(10,480)</b>	<b>(1,035)</b>	<b>(13,140)</b>	<b>161,384</b>	<b>148,244</b>
Amounts held for revenue purposes	(1,625)	(4,765)	-	(6,390)	223,290	216,900

Amounts held for capital purposes - (5,715) (1,035) (6,750) (61,906) (68,656)

## Comprehensive Income and Expenditure Statement

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

2022/23				2023/24		
Expenditure £000	Income £000	Net £000		Expenditure £000	Income £000	Net £000
1,314	(32)	1,282	Corporate Core	1,458	(49)	1,409
26,205	(143)	26,062	Delivery, Corporate Development & Planning	23,153	(148)	23,005
9,250	(981)	8,269	Finance & Assets	9,825	(863)	8,962
649	(41)	608	People & Organisation Development	663	(58)	605
232	-	232	Statutory Accounting and Contingency	234	-	234
<b>37,650</b>	<b>(1,197)</b>	<b>36,453</b>	<b>(Surplus) or Deficit on Continuing Operations (Note 1)</b>	<b>35,333</b>	<b>(1,118)</b>	<b>34,215</b>
-	(24)	(24)	<u>Other Operating Expenditure</u> (Gain)/losses on disposals of non-current assets	-	(2,803)	(2,803)
-	<b>(24)</b>	<b>(24)</b>	<b>Total Other Operating Expenditure</b>	-	<b>(2,803)</b>	<b>(2,803)</b>
			<u>Financing and Investment Income and Expenditure</u>			
287	-	287	Interest payable and similar charges (Note 29)	263	-	263
-	(328)	(328)	Interest and Investment income (Note 29)	-	(983)	(983)
8,892	-	8,892	Pension interest cost (Note 28)	10,421	-	10,421
<b>9,179</b>	<b>(328)</b>	<b>8,851</b>	<b>Total Financing and Investment Income and Expenditure</b>	<b>10,684</b>	<b>(983)</b>	<b>9,701</b>
			<u>Taxation and Non-Specific Grant Income</u>			
-	(23,053)	(23,053)	Precepts	-	(25,332)	(25,332)
-	(5,082)	(5,082)	General Government Grants	-	(5,120)	(5,120)
-	(3,904)	(3,904)	Non Domestic Rates redistribution	-	(10,144)	(10,144)
	(194)	(194)	<u>Specific Grant income</u> General Government Grants		(176)	(176)
-	<b>(32,233)</b>	<b>(32,233)</b>	<b>Total Taxation and Non-Specific Grant Income (Note 10)</b>	-	<b>(40,772)</b>	<b>(40,772)</b>
<b>46,829</b>	<b>(33,782)</b>	<b>13,047</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>46,017</b>	<b>(45,676)</b>	<b>341</b>
		(2,294)	(Surplus) or Deficit on revaluation of fixed assets (Note 24e)			(9,486)
		(137,202)	Remeasurement of net defined liability (Note 24d)			(7,454)
		<b>(139,496)</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>(16,940)</b>
		<b>(126,449)</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(16,599)</b>

## Balance Sheet

The Balance Sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority.

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>	<b>Balance Sheet</b>	<b>£000</b>
45,281	Land & Buildings (Note 11)	55,236
6,013	Vehicles, Plant & Equipment (Note 11)	7,049
85	Assets under construction (Note 11)	10
1,016	Investment Property (Note 12)	1,016
-	Intangible Assets (Note 13)	-
<b>52,395</b>	<b>Non-Current Assets</b>	<b>63,311</b>
520	Assets Held for Sale (Note 11)	-
14,784	Short Term Investments (Note 14)	16,178
253	Inventories (Note 15)	240
2,042	Short Term Debtors (Note 16)	4,303
750	Cash and Cash Equivalents (Note 17)	1,891
<b>18,349</b>	<b>Current Assets</b>	<b>22,612</b>
<b>70,744</b>	<b>Total Assets</b>	<b>85,923</b>
(1,070)	Short Term Borrowing (Note 18)	(65)
(5,649)	Short Term Creditors (Note 18)	(3,845)
(55)	Provisions (Note 19)	(608)
(539)	Revenue Grants Received in Advance (Note 21)	(483)
<b>(7,313)</b>	<b>Current Liabilities</b>	<b>(5,001)</b>
(5,177)	Long Term Borrowing (Note 20)	(4,550)
(1,450)	Finance Lease (Note 22)	(1,403)
(221,647)	Pension Scheme (Note 28)	(223,213)
<b>(228,274)</b>	<b>Long-term Liabilities</b>	<b>(229,166)</b>
<b>(235,587)</b>	<b>Total Liabilities</b>	<b>(234,167)</b>
<b>(164,843)</b>	<b>Net Assets</b>	<b>(148,244)</b>
-	Usable Reserves (Note 23)	(13,140)
(6,921)	Unusable Reserves (Note 24)	161,384
171,764		
<b>164,843</b>	<b>Total Reserves</b>	<b>148,244</b>

These financial statements replace the unaudited version certified by Mark Hemming FCPFA (Director of Finance and Assets & Chief Finance Officer, Buckinghamshire & Milton Keynes Fire Authority)

Date: 12 February 2025

## Cash Flow Statement

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

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Cash Flow Statement</b>	<b>£000</b>
(13,047)	Net surplus or deficit on the provision of services	(341)
15,467	Adjust for non-cash movements	7,037
(24)	Adjust for items that are investing or financing activities	(3,398)
<b>2,396</b>	<b>Net Cash Flow from Operating Activities</b>	<b>3,298</b>
(3,568)	Investing Activities	(478)
(677)	Financing Activities	(1,679)
<b>(1,849)</b>	<b>Net Increase or decrease in cash and cash equivalents</b>	<b>1,141</b>
2,599	Cash and Cash equivalents at the beginning of the reporting period	750
<b>750</b>	<b>Cash and Cash equivalents at the end of the reporting period</b>	<b>1,891</b>

Notes to the Cash Flow Statement can be found in Note 31.

## Notes to the Core Financial Statements

### 1 - Service Information – Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates/services/departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2022/23			Expenditure and Funding Analysis			2023/24		
Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Services	Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		
£000	£000	£000		£000	£000	£000		
1,161	121	1,282	Corporate Core	1,412	(3)	1,409		
23,709	2,353	26,062	Delivery, Corporate Development & Planning	24,403	(1,398)	23,005		
7,789	480	8,269	Finance and Assets	8,956	6	8,962		
537	71	608	People and Organisational Development	611	(6)	605		
232	-	232	Statutory Accounting and Contingency	234	0	234		
<b>33,428</b>	<b>3,025</b>	<b>36,453</b>	<b>Net Cost of Services</b>	<b>35,616</b>	<b>(1,401)</b>	<b>34,215</b>		
(33,039)	9,633	(23,406)	Other Income and Expenditure	(41,835)	7,961	(33,874)		
<b>389</b>	<b>12,658</b>	<b>13,047</b>	<b>Surplus or Deficit</b>	<b>(6,219)</b>	<b>6,560</b>	<b>341</b>		
<b>(7,310)</b>			Opening Usable Reserves Balance	<b>(6,921)</b>				
389			Less/Plus Surplus or (Deficit) on usable reserves	(6,219)				
<b>(6,921)</b>			<b>Closing Usable Reserves Balance at 31 March</b>	<b>(13,140)</b>				

### 1a – Adjustments between Funding and Accounting Basis

2022/23			Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts			2023/24		
Adjustments For Capital Purposes	Net Change for Pension Adjustments	Total Adjustments		Adjustments For Capital Purposes	Net Change for Pension Adjustments	Total Adjustments		
£000	£000	£000		£000	£000	£000		
-	121	121	Corporate Core	-	(3)	(3)		
-	2,353	2,353	Delivery, Corporate Development & Planning	-	(1,398)	(1,398)		
-	480	480	Finance and Assets	-	6	6		
-	71	71	People and Organisational Development	-	(6)	(6)		
<b>-</b>	<b>3,025</b>	<b>3,025</b>	<b>Net Cost of Services</b>	<b>-</b>	<b>(1,401)</b>	<b>(1,401)</b>		
741	8,892	9,633	Other Income and Expenditure from the EFA Analysis	(2,460)	10,421	7,961		
<b>741</b>	<b>11,917</b>	<b>12,658</b>	Differences between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	<b>(2,460)</b>	<b>9,020</b>	<b>6,560</b>		

### **Adjustments for Capital Purposes**

1. 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 from 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 which conditions were satisfied in the year.

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

2. Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:
  - For **services** this represents the removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs.
  - For **Financing and investment income and expenditure** the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
  - The charge under **Taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognized under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits 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 the year.

### **Other Differences**

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

- **For Financing and investment income and expenditure** - the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

**Expenditure and Income Analysed by Nature**

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

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Expenditure/Income</b>	<b>£000</b>
(1,197)	Fees, charges & other service income	(1,118)
(328)	Interest and investment income	(983)
(23,053)	Income from Council Tax	(25,331)
(9,180)	Government grants and contributions	(15,440)
(24)	Gain or loss on disposal of non current assets	(2,803)
<b>(33,782)</b>	<b>Total Income</b>	<b>(45,675)</b>
28,551	Employee Expenses	25,705
7,547	Other Operating Expenses	8,650
1,552	Depreciation, amortisation, Impairments / Revaluation (Gains) & losses	977
287	Interest payments	263
8,892	Pensions interest cost and return on Pension Fund assets	10,421
<b>46,829</b>	<b>Total Operating Expenses</b>	<b>46,016</b>
<b>13,047</b>	<b>Surplus (-) or deficit on the provision of services</b>	<b>341</b>

**2 - Officers Remuneration**

The number of employees whose salary (including fees and allowances) and excluding employer's pension contributions was £50,000 or more in bands of £5,000 is shown below.

<b>2022/23</b>	<b>Remuneration Band</b>	<b>2023/24</b>
29	£50,000 - £54,999	33
32	£55,000 - £59,999	35
23	£60,000 - £64,999	12
16	£65,000 - £69,999	19
9	£70,000 - £74,999	16
1	£75,000 - £79,999	3
4	£80,000 - £84,999	3
1	£85,000 - £89,999	3
-	£90,000 - £94,999	1
2	£105,000 - £109,999	-
-	£110,000 - £114,999	-
2	£115,000 - £119,999	-
	£120,000 - £124,999	3
1	£145,000 - £149,999	-
1	£155,000 - £159,999	1
-	£280,000 - £284,999	1
<b>121</b>	<b>Total</b>	<b>130</b>



## Buckinghamshire & Milton Keynes Fire Authority – Statement of Accounts 2023/24

The following table sets out the remuneration disclosures for senior officers during 2023/24. All posts holders are included within the remuneration bands shown on the previous page.

Post Holder	Salary including Fees and Allowances	Benefits in Kind e.g. Car Allowance	Other Payments	Compensation for Loss of Office	Total Remuneration Excluding Pension Contributions	Pension Contributions	Total Remuneration Including Pension Contributions	Notes
Chief Fire Officer and Chief Executive	110,488	-	-	170,335	<b>280,823</b>	-	<b>280,823</b>	1
Chief Fire Officer and Chief Executive	50,417	-	-	-	<b>50,417</b>	8,773	<b>59,190</b>	
Chief Operating Officer	159,457	-	-	-	<b>159,457</b>	-	<b>159,457</b>	2
Director of Finance and Assets & Chief Finance Officer	118,186	5,000	-	-	<b>123,186</b>	20,564	<b>143,750</b>	
Director of Legal and Governance	111,316	9,497	-	-	<b>120,813</b>	19,369	<b>140,182</b>	
<b>Total</b>	<b>549,864</b>	<b>14,497</b>	<b>-</b>	<b>170,335</b>	<b>734,696</b>	<b>48,706</b>	<b>783,402</b>	

### Notes

- 1 – The post holder is Jason Thelwell, Chief Fire Officer and Chief Executive. During 2023/24 post holder left the Service.
- 2 – The post holder is Michael Osborne, Chief Operating Officer. During 2021/22 post holder retired and re-appointed due to exceptional circumstances.

For comparison, the following table sets out the remuneration disclosures for senior officers during 2022/23:

Post Holder	Salary including Fees and Allowances	Benefits in Kind e.g. Car Allowance	Other Payments	Compensation for Loss of Office	Total Remuneration Excluding Pension Contributions	Pension Contributions	Total Remuneration Including Pension Contributions	Notes
Chief Fire Officer and Chief Executive	156,813	-	-	-	<b>156,813</b>	12,115	<b>168,928</b>	1
Chief Operating Officer	146,084	-	-	-	<b>146,084</b>	-	<b>146,084</b>	2
Director of Finance and Assets & Chief Finance Officer	108,262	5,000	-	-	<b>113,262</b>	18,838	<b>132,100</b>	
Director of Legal and Governance	108,262	13,055	-	-	<b>121,317</b>	18,838	<b>140,155</b>	
<b>Total</b>	<b>519,421</b>	<b>18,055</b>	<b>-</b>	<b>-</b>	<b>537,476</b>	<b>49,791</b>	<b>587,267</b>	

### Notes

- 1 – The post holder is Jason Thelwell, Chief Fire Officer and Chief Executive. During 2022/23 post holder retired and re-appointed due to exceptional circumstances.
- 2 – During 2021/22 post holder retired and re-appointed due to exceptional circumstances.

### Exit Packages

There was one exit package in 2023-24 for £0.170m, whereas there were none during 2022/23.

### 3 - Provision for Doubtful Debt

The provision for doubtful debts is £0.024m as at 31 March 2024 (£0.000m as at 31 March 2023).

### 4 - Leases and Lease Type Arrangements

The operating leases held by the Authority apply to lease vehicles and radio communications equipment. The lease rentals paid during the 2023/24 financial year amounted to £0.270m (£0.234m in 2022/23). The estimated un-discharged obligations under the operational lease agreements are shown in the table below:

2022/23			2023/24		
Vehicles Plant and Equipment	Land and Buildings	Years Operational Lease Remaining	Vehicles Plant and Equipment	Land and Buildings	
£000	£000		£000	£000	
147	83	0 - 1 years	174	85	
347	308	2 - 5 years	422	-	
-	-	Later than 5 years	20	-	
<b>494</b>	<b>391</b>	<b>Total</b>	<b>616</b>	<b>85</b>	

The finance lease held by the Authority is for the sale and leaseback of the Gerrards Cross houses with London Quadrant (L&Q). The Authority has included the finance lease as a long-term liability. The finance lease is detailed in Note 22.

### 5 - Capital Financing Requirement

The table below shows the effect of capital expenditure on the Authority's capital financing requirement.

2022/23		2023/24
£000		£000
<b>1,496</b>	<b>Opening Capital Financing Requirement</b>	<b>1,449</b>
	<u>Capital Investment</u>	
2,862	Property Plant and Equipment	2,426
	<u>Sources of Finances</u>	
(24)	Capital Receipts	(2,307)
(2,838)	Government Grants and Contributions	(119)
(47)	Revenue Funding including MRP	(47)
<b>1,449</b>	<b>Closing Capital Financing Requirement</b>	<b>1,402</b>
	<u>Explanation of movements in year</u>	
(47)	Increase in the underlying need to borrow (supported by Government financial assistance)	(47)
<b>(47)</b>	<b>Increase/(Decrease) in Capital Financing Requirement</b>	<b>(47)</b>

### 6 - Members Allowances

Total allowances paid in 2023/24 to 17 Members amounted to £0.070m (2022/23 amounted to £0.064m and 23 Members).

### 7 - Audit Fees

For 2022/23 Ernst & Young LLP were the Authority's external auditor, however for the 2023/24 accounts, KPMG have been appointed as the external auditors for the Authority's financial statements.

2022/23		2023/24
£000	Audit Fees	£000
95	Scale fee for audit work	83
<b>95</b>	<b>Total</b>	<b>83</b>

## 8 - Revenue Grants

Section 31 grants received from the Ministry of Housing, Communities & Local Government (MHCLG) by the Authority are detailed below. The grants received are a mixture of ring-fenced and not ring-fenced. Not ring-fenced grants are given for specific streams of work and are shown within Taxation and Grant Income in the Comprehensive Income and Expenditure Statement. With ring-fenced grants given for specific purposes and are recognised within Taxation and Grant Income in the Comprehensive Income and Expenditure Statement when these conditions are met

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Revenue Grant Applied</b>	<b>£000</b>
	<u>Non-Specific Grants</u>	
(1,208)	Pension Fire Grant	(1,208)
(817)	New Dimension (Urban Search and Rescue)	(817)
(355)	Services Grant	(208)
(230)	Firelink	(173)
(57)	Redmond/Levy Grant	(43)
(7)	Transparency Grant	(8)
-	Other Grant	(11)
<b>(2,674)</b>		<b>(2,468)</b>
	<u>Specific Grants</u>	
(66)	ESMCP	(49)
(128)	Protection Grant	(127)
<b>(194)</b>		<b>(176)</b>
<b>(2,868)</b>	<b>Total</b>	<b>(2,644)</b>

The New Dimension grant funds the national resilience capability provided by the Urban Search and Rescue team. Firelink funding contributes to the cost of communications within the control room. The ESMCP and Protection grant are ring-fenced for specific purposes and recognised when the conditions of the grants are met, with the residual balances shown on the Balance Sheet as Grants Received in Advance.

## 9 - Related Parties

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

As at April 2015, the Joint Control Room became operational and operates from Royal Berkshire Fire Authority premises. All control functions are controlled jointly by BMKFA, Oxfordshire Fire and Rescue and Royal Berkshire Fire Authority with the control room based in Theale, Reading.

A third share of the capital assets for the Joint Control are recognised in BMKFA's accounts. The net book value as at 31 March 2024 is £0.190m for BMKFA.

The revenue expenditure split is based on the Joint control policy stated in the accounting estimates section. The total expenditure for 2023/24 was £2.697m from which BMKFA contributed £0.938m.

As of April 2016, BMKFA was appointed as the treasurer for the ESMCP project and the funding was held on behalf of Royal Berkshire and Oxfordshire

### Central Government

Central Government is responsible for providing the statutory framework within which the Authority operates and prescribes the terms of many of the transactions that the Authority has with other parties. It also provided direct financial support in 2023/24 to the Authority.

### Other Public Bodies

Buckinghamshire Council provides Internal Audit Services, LGPS Pensions administration Services and SAP legacy access. The Authority provides accommodation to the South Central Ambulance Service and Thames Valley Police.

The Authority has entered into local public service agreements with all six councils within its geographic boundaries. The Authority is using these agreements to build capacity within its Community Fire Safety department so that it can contribute along with its partners to the shared vision of creating a safer Buckinghamshire and Milton Keynes.

A Memorandum of Understanding (MOU) was agreed with Royal Berkshire and Oxfordshire Fire & Rescue Service which set out a formal arrangement for collaborating with the neighbouring Thames Valley Fire and Rescue Services.

A MOU has been established for a number of years with Hampshire Fire & Rescue Service and provides a cost-effective way for the Authority to deliver a notable element of an USAR mobilisation that complies with the national requirements.

### Members of the Authority

Members have direct control over the Authority's financial and operational policies. However, any contracts entered into are in full compliance with the Authority's standing orders and any decisions are made with proper consideration of declarations of interest. Details of any material interests are recorded in the Register of Members' Interests, which is open to public inspection. All Members have been asked to declare any related party transactions. From the replies provided there are no such transactions to be declared.

### Senior Officers of the Authority

Senior Officers have control over the day-to-day management of the Authority. All Senior Officers have been asked to declare any related party transactions. From the replies provided there are no such transactions to be declared.

### Assisted Organisations

The Authority provides funding to the Safety Centre Milton Keynes of £0.025m per annum. The Authority is one of a number of funders. The Authority does not have a significant influence over the running of the centre.

### Companies and Joint Ventures

The Authority does not have any interests in companies outside of its normal contractual arrangement.

### Blue Light Hub

The Authority are leading on this partnership with South Central Ambulance Service and Thames Valley Police and this will see all three services working together in one purpose-built site.

## 10 - Funding

The Authority's net revenue expenditure is funded by local authority precepts, general government grants and non-domestic rates redistribution from the national pool.

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Funding</b>	<b>£000</b>
(6,734)	Milton Keynes Council	(7,373)
(16,319)	Buckinghamshire Council	(17,959)
<b>(23,053)</b>	<b>Total Precepts</b>	<b>(25,332)</b>
(2,408)	Revenue Support Grant	(2,652)
(2,868)	General Revenue Grants (Note 8)	(2,644)
<b>(5,276)</b>	<b>Total General Government Grants</b>	<b>(5,296)</b>
(3,904)	Non Domestic Rates Redistribution	(10,144)
<b>(3,904)</b>	<b>Total Non Domestic Rates redistribution</b>	<b>(10,144)</b>
<b>(32,233)</b>	<b>Total</b>	<b>(40,772)</b>

From 1 April 2020 the new unitary Buckinghamshire Council was formed to replace the four district councils and one county council.

## 11 - Non Current Assets

### a) Movement of Property, Plant and Equipment

<b>2023/24</b>	<b>Land and Buildings £000</b>	<b>Leased Land and Buildings £000</b>	<b>Total Land and Buildings £000</b>	<b>Vehicles, Plant and Equipment £000</b>	<b>Assets Under Construction £000</b>	<b>Total £000</b>
<b>Gross Book Value as at 1 April 2023</b>	<b>43,201</b>	<b>2,080</b>	<b>45,281</b>	<b>17,070</b>	<b>85</b>	<b>62,436</b>
Additions	390	-	390	2,026	10	2,426
Disposals and write offs	-	-	-	(2,597)	-	(2,597)
Reclassifications	-	-	-	85	(85)	-
Revaluation increase/decrease (-) recognised in Revaluation Reserve	7,459	117	7,576	-	-	7,576
Revaluation increase/decrease (-) recognised in surplus/deficit on provision of service	1,989	-	1,989	-	-	1,989
<b>Gross Book Value as at 31 March 2024</b>	<b>53,039</b>	<b>2,197</b>	<b>55,236</b>	<b>16,584</b>	<b>10</b>	<b>71,830</b>
<b>Accumulated depreciation and impairment as at 1 April 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,057)</b>	<b>-</b>	<b>(11,057)</b>
Depreciation for the year	(2,216)	(78)	(2,294)	(1,056)	-	(3,350)
Depreciation on disposal	-	-	-	2,578	-	2,578
Depreciation written out to Revaluation Reserve	1,832	78	1,910	-	-	1,910
Depreciation written out to surplus/deficit (-) on provision of service	384	-	384	-	-	384
<b>Depreciation c/f</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,535)</b>	<b>-</b>	<b>(9,535)</b>
<b>Net Book Value as at 31 March 2024</b>	<b>53,039</b>	<b>2,197</b>	<b>55,236</b>	<b>7,049</b>	<b>10</b>	<b>62,295</b>

Land and Buildings – The Net Book Value includes an Asset Held for Sale. As there is only one Asset Held for Sale this will not be separately disclosed in the Financial Statements.

Leased Land and Buildings - Refer to the Finance Lease item as detailed in Note 22

## Buckinghamshire & Milton Keynes Fire Authority – Statement of Accounts 2023/24

Comparative figures for 2022/23:

2022/23	Land and Buildings £000	Leased Land and Buildings £000	Total Land and Buildings £000	Vehicles, Plant and Equipment £000	Assets Under Construction £000	Total £000
<b>Gross Book Value as at 1 April 2022</b>	<b>42,097</b>	<b>2,100</b>	<b>44,197</b>	<b>15,237</b>	<b>1</b>	<b>59,435</b>
Additions	278	-	278	2,322	85	2,685
Disposals and write offs	-	-	-	(490)	-	(490)
Reclassifications	(839)	-	(839)	1	(1)	(839)
Revaluation increase/decrease (-) recognised in Revaluation Reserve	1,175	(20)	1,155	-	-	1,155
Revaluation increase/decrease (-) recognised in surplus/deficit on provision of service	490	-	490	-	-	490
<b>Gross Book Value as at 31 March 2023</b>	<b>43,201</b>	<b>2,080</b>	<b>45,281</b>	<b>17,070</b>	<b>85</b>	<b>62,436</b>
<b>Accumulated depreciation and impairment as at 1 April 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,644)</b>	<b>-</b>	<b>(10,644)</b>
Depreciation for the year	(1,776)	(69)	(1,845)	(903)	-	(2,748)
Depreciation on disposal	-	-	-	490	-	490
Depreciation written out to Revaluation Reserve	1,070	69	1,139	-	-	1,139
Depreciation written out to surplus/deficit (-) on provision of service	706	-	706	-	-	706
<b>Depreciation c/f</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,057)</b>	<b>-</b>	<b>(11,057)</b>
<b>Net Book Value as at 31 March 2023</b>	<b>43,201</b>	<b>2,080</b>	<b>45,281</b>	<b>6,013</b>	<b>85</b>	<b>51,379</b>

### Assets Held for Sale:

2023/24	Land and Buildings £000	Leased Land and Buildings £000	Total Land and Buildings £000	Vehicles, Plant and Equipment £000	Assets Under Construction £000	Total £000
<b>Gross Book Value as at 1 April 2023</b>	<b>520</b>	<b>-</b>	<b>520</b>	<b>-</b>	<b>-</b>	<b>520</b>
Assets Sold	(520)	-	(520)	-	-	(520)
<b>Gross Book Value as at 31 March 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### b) Basis of Valuation

All land and buildings were initially revalued during the year with an effective revaluation date of 1 April 2024. The valuations were updated as at 31 March 2024 to ensure the balance sheet accurately reflected the end of year values. Valuations were provided by an external valuer, Martin Wilson BSc (Hons) MRICS of Bruton Knowles. All valuations were prepared in accordance with the RICS Appraisal Valuation Manual and International Financial Reporting Standards. The basis of valuation adopted is Existing Use Value (EUV). For specialised properties the Depreciated Replacement Cost method was used to arrive at the EUV whilst non-specialised properties have been valued using the Comparable Method of valuation to arrive at the EUV.

The following significant assumptions were applied in arriving at the fair values:

- The Authority owns the freehold, which is not subject to any unusual or onerous restrictions;
- Properties are unaffected by any matters that would be revealed by a local search;
- All parts are assumed to be in good repair and condition and all properties are free from hazardous materials; and
- Where the remaining useful life of a property is at least 20 years it is on the assumption that it will be maintained reasonably.

c) Valuation Information

The following statement shows the progress of the Authority’s programme for the revaluation of assets.

<b>Year of Valuation</b>	<b>Land and Buildings</b>	<b>Leased Land and Buildings</b>	<b>Vehicles, Plant and Equipment</b>	<b>Assets Under Construction</b>	<b>Total</b>
	<b>£000</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>
2023/24	53,039	2,197	-	-	<b>55,236</b>
Valued at Historic Cost	-	-	7,049	10	<b>7,059</b>
<b>Total</b>	<b>53,039</b>	<b>2,197</b>	<b>7,049</b>	<b>10</b>	<b>62,295</b>

d) Depreciation Lives

The Authority policy of depreciating assets is on a straight-line basis over their remaining useful lives as below:

- Red Fleet Vehicles - 1 to 15 years
- White Fleet Vehicles – 1 to 6 years
- Plant and Equipment - 1 to 24 years
- Buildings - 6 to 60 years
- Intangibles - 2 to 7 years

e) Commitments under Capital Contracts

At 31 March 2023, the Authority has entered into a number of contracts for the acquisition or enhancement of Property, Plant and Equipment or Intangible Assets. The major commitments are:

<b>Amount Outstanding as at 31 March 2023</b>	<b>Commitments under Capital Contracts</b>		<b>Amount Outstanding as at 31 March 2024</b>
<b>£000</b>	<b>Capital Contract</b>	<b>Contractor</b>	<b>£000</b>
1,155	Red Fleet Appliances	Emergency One	-
-	Breathing Apparatus Equipment	Interspiro Ltd	60
-	White Fleet Vehicles	Ford Motor Company Ltd	52
<b>1,155</b>	<b>Total</b>		<b>112</b>

All commitments will be honoured during 2024/25.

**12 - Investment Property**

The note below shows the value of Investment Property as at 31 March 2024.

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Investment Property</b>	<b>£000</b>
-	<b>Opening Balance</b>	<b>1,016</b>
1,016	Asset under construction	-
<b>1,016</b>	<b>Closing Balance</b>	<b>1,016</b>

### **13 - Movement of Intangible Fixed Assets**

Intangible Assets are recognised as non-financial fixed assets that do not have physical substance but are identifiable and are controlled by the entity through custody or legal rights. These represent the purchase of computer software and licences and other software systems and are amortised to the Comprehensive Income and Expenditure Statement based on the cost and estimated useful life. No assets were internally generated. All assets have finite useful lives and are amortised on a straight-line basis between 2 to 7 years.

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Movement of Intangible Assets</b>	<b>£000</b>
865	Gross Book Value	865
(865)	Accumulated Amortisation	(865)
<b>-</b>	<b>Total</b>	<b>-</b>

### **14 - Short Term Investments**

The Authority holds a number of short-term investments in order to manage liquidity, the figures are based on investments and accrued interest.

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Short Term Investments</b>	<b>£000</b>
14,784	Short Term Investments	16,178
<b>14,784</b>	<b>Total</b>	<b>16,178</b>

### **15 – Inventories**

All inventories are purchased at cost. No inventory items are purchased on deferred settlement terms or acquired by an exchange of goods and services. Inventories are distributed at cost or cost plus and do not use LIFO as a cost formula. All inventory items of a similar nature and similar use to the Authority use the same cost formula.

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Inventories</b>	<b>£000</b>
59	Fuel	31
167	Stores	153
27	Workshops	56
<b>253</b>	<b>Total</b>	<b>240</b>

### **16 - Short Term Debtors**

The note below shows the value of debtors as at 31 March 2024.

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Short Term Debtors</b>	<b>£000</b>
165	Central Government Bodies	1,248
603	Other Local Authorities	1,376
66	Other Entities and Individuals	70
1,208	Payments in Advance	1,633
-	Provision for Doubtful Debts	(24)
<b>2,042</b>	<b>Total</b>	<b>4,303</b>



### 17 - Cash and Cash Equivalents

Cash and cash equivalents are short-term highly liquid investments.

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Cash and cash equivalents</b>	<b>£000</b>
750	Cash at bank	1,891
<b>750</b>	<b>Total</b>	<b>1,891</b>

### 18 - Short Term Borrowing and Creditors

The interest owing and shown as short term borrowing represents the Public Works Loan Board (PWLB) interest accrued to the 31 March 2024 in accordance with the Code.

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Short Term Borrowing and Creditors</b>	<b>£000</b>
<b>(1,070)</b>	<b>Short Term Borrowing</b>	<b>(65)</b>
	<u>Short Term Creditors</u>	
(809)	Central Government Bodies	(603)
(2,808)	Other Local Authorities	(1,313)
(1,825)	Other Entities and Individuals	(1,674)
(207)	Receipts in Advance	(255)
<b>(5,649)</b>	<b>Total</b>	<b>(3,845)</b>

### 19 - Provisions

The following table shows the movements on the Authority's provisions.

	<b>Accumulated Absences</b>	<b>Other Provisions</b>	<b>NNDR Appeals Provisions</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance as at 1st April 2023</b>	(230)	(119)	295	<b>(54)</b>
Additional provisions made in 2023/24	(309)	(548)	368	<b>(489)</b>
Amounts used in 2023/24	230	-	(295)	<b>(65)</b>
<b>Balance as at 31 March 2024</b>	<b>(309)</b>	<b>(667)</b>	<b>368</b>	<b>(608)</b>

#### Accumulated Absences Account

This provision shows the value of the outstanding leave entitlement held by employees of the Authority as at the balance sheet date. Any increase or decrease in the provision is offset by the Accumulated Absences Account (see Note 24a) so that this accounting adjustment does not impact on the level of usable reserves.

#### Other Provisions

This provision relates to potential ill health retirements, along with a range of events that may impact upon the Authority in subsequent years.

#### NNDR Appeals Provision

This provision shows the Authority's share of the provision for appeals relating to income from business rates. Due to statutory accounting adjustments, this amount does not impact on the level of the General Fund balance.

## 20 - Long Term Borrowing

The Authority undertakes long-term borrowing, principally as a means of financing expenditure on fixed assets. No additional principal was borrowed during 2023/24, however a PWLB loan of £0.627m was repaid early at a discount of £0.046m. The interest owing and shown as short-term borrowing in Note 18 represents the Public Works Loan Board (PWLB) interest accrued to the 31 March 2024 and loans due to be repaid within one year in accordance with the Code.

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Source of Loan</b>	<b>£000</b>
(5,177)	PWLB	(4,550)
<b>(5,177)</b>	<b>Total</b>	<b>(4,550)</b>

The interest rates applicable as at 31 March 2024 were between 3.90% and 5.32%.

Long-term external borrowing by repayment dates is shown in the table below:

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Repayments Dates</b>	<b>£000</b>
(1,000)	Maturing in less than 5 years	(1,000)
(1,376)	Maturing in 5 to 10 years	(1,376)
(2,801)	Maturing in over 25 years	(2,174)
<b>(5,177)</b>	<b>Total</b>	<b>(4,550)</b>

## 21 - Grants Received in Advance

The Authority has received funding in relation to the ESMCP project. In addition, following the Grenfell enquiry, Central Government have allocated funds specifically for the Fire Sector Protection teams to carry out a review of all high-rise buildings and support initial improvements in local protection capability.

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Grants Received in Advance</b>	<b>£000</b>
(238)	ESMCP Funding (Revenue)	(223)
(301)	Protection Funding	(260)
<b>(539)</b>	<b>Total</b>	<b>(483)</b>

## 22 - Finance Lease

In 2003/04 the Authority entered into a sale and leaseback agreement with Opus Housing Association (now London Quadrant) in respect of the Gerrards Cross Houses for a period of 50 years. The initial cost of the lease is matched by an increase in the value of land and buildings within fixed assets. The rentals payable under this arrangement in 2022/23 were £0.158m charged as £0.111m to the Income and Expenditure account finance costs and £0.047m write down of obligation to the lessor.

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Outstanding Obligations under Finance Lease</b>	<b>£000</b>
(47)	Payable in less than 1 year	(47)
(235)	Payable in 1 to 5 years	(235)
(1,168)	Payable later than 5 years	(1,121)
<b>(1,450)</b>	<b>Total</b>	<b>(1,403)</b>

**23 - Usable Reserves**

Adjustments under Regulations

<b>General Fund Balance</b>	<b>2022/23 Usable Capital Receipts Reserve</b>	<b>Unusable Reserves</b>		<b>General Fund Balance</b>	<b>2023/24 Usable Capital Receipts Reserve</b>	<b>Unusable Reserves</b>
<b>£000</b>	<b>£000</b>	<b>£000</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>
			<b>Adjustments primarily involving the Capital Adjustment Account</b>			
			<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>			
(2,748)	-	2,748	Depreciation Charges	(3,350)	-	3,350
1,196	-	(1,196)	Impairments / Revaluation (Gains) & losses	2,373	-	(2,373)
2,838	-	(2,838)	Capital grants and contributions applied	119	-	(119)
-	-	-	Amounts of non-current assets written off on disposal as part of the (gain)/loss on disposal to the Comprehensive Income and Expenditure Statement	(539)	-	539
			<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>			
47	-	(47)	Minimum Revenue Provision	47	-	(47)
			<b>Adjustments primarily involving the Capital Receipts Reserve</b>			
			Transfer of cash sale proceeds credited as part of the (gain)/loss on disposal to the Comprehensive Income and Expenditure Statement	3,342	(3,342)	-
-	24	(24)	Use of the Capital Receipts Reserve to finance new capital expenditure	-	2,307	(2,307)
			<b>Adjustments primarily involving the Financial Instruments Adjustment Account</b>			
			<b>Adjustments primarily involving the Pension Reserve</b>			
(16,392)	-	16,392	Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(13,364)	-	13,364
4,475	-	(4,475)	Employer's pensions contributions and direct payments to pensioners payable in the year	4,344	-	(4,344)
			<b>Adjustments primarily involving the Collection Fund Adjustment Account</b>			
(2,097)	-	2,097	Precept and NNDR Income	1,582	-	(1,582)
			<b>Adjustments primarily involving the Accumulated Absences Account</b>			
(1)	-	1	Employee Absence Account	(79)	-	79
<b>(12,658)</b>	<b>-</b>	<b>12,658</b>	<b>Total Adjustments</b>	<b>(5,525)</b>	<b>(1,035)</b>	<b>6,560</b>

Transfers To/From Reserves

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	Note	Balance at 31 March 2022 £000	Transfers (In)/Out 2022/23 £000	Balance at 31 March 2023 £000	Transfers (In)/Out 2023/24 £000	Balance at 31 March 2024 £000
General Fund Balance	A	(1,500)	(125)	(1,625)	-	(1,625)
<b>Sub Total Non Earmarked General Fund Balance</b>		<b>(1,500)</b>	<b>(125)</b>	<b>(1,625)</b>	<b>-</b>	<b>(1,625)</b>
Workforce Planning Reserve	B	(500)	-	(500)	(382)	(882)
Control Room Reserve	C	(637)	20	(617)	32	(585)
Continuing Projects Reserve	D	(80)	80	-	-	-
COVID-19 Reserve	E	(594)	594	-	-	-
Transformation Reserve	F	(113)	(707)	(820)	(2,478)	(3,298)
<b>Sub Total Earmarked Reserves - Revenue</b>		<b>(1,924)</b>	<b>(13)</b>	<b>(1,937)</b>	<b>(2,828)</b>	<b>(4,765)</b>
Usable Capital Receipts Reserve	G	-	-	-	(1,035)	(1,035)
Revenue Contribution to Capital	H	(3,886)	527	(3,359)	(2,356)	(5,715)
<b>Sub Total Earmarked Reserves - Capital</b>		<b>(3,886)</b>	<b>527</b>	<b>(3,359)</b>	<b>(3,391)</b>	<b>(6,750)</b>
<b>Total Usable Reserves</b>		<b>(7,310)</b>	<b>389</b>	<b>(6,921)</b>	<b>(6,219)</b>	<b>(13,140)</b>

### A – General Fund Balance

This is a non-earmarked reserve and is kept at a prudent level in order to cover unforeseen eventualities and liabilities.

### B – Workforce Planning Reserve

Previously known as Apprentice Reserve, this reserve is held to fund the operational establishment. The reserve will be utilised to balance the operational establishment budget when over established, likewise will be topped up when below the operational establishment levels.

### C – Control Room Reserve (Revenue)

This reserve contains the renewals fund used to replenish the Joint control room assets.

### D – Continuing Projects Reserve

This reserve has been created to cover any future costs on a number of large scale projects currently being undertaken by the Authority. All large scale projects have been completed and the remaining reserve balance has been transferred to another reserve.

### E – COVID-19 Reserve

This reserve is held to fund unknown expenditure requirements during the coronavirus (COVID-19) pandemic. The significantly improved financial outlook for the Authority means this reserve is no longer required for that purpose. Therefore, the remaining reserve balance has been transferred to another reserve.

### F – Transformation Reserve

Previously known as the Future Funding Reserve, this reserve is held to meet known funding requirements within the medium-term financial plan and to fund projects from underspends in the previous year. Given the improved financial outlook, it is now envisaged that this can be used to fund transformative improvement projects to be identified as part of the upcoming Community Risk Management Plan (CRMP) 2025-2030, rather than being used to balance future funding shortfalls (except to smooth out some minor year-on-year variations).

### G – Usable Capital Receipts Reserve

The purpose of the reserve is to hold capital receipts to be utilised to fund future capital expenditure or set aside to reduce the Authority's underlying need to borrow.

### H – Revenue Contribution to Capital

This reserve represents funding set aside to contribute towards future capital expenditure to mitigate the need to fund the expenditure through additional borrowing.

**24 - Unusable Reserve**

a) Accumulated Absences Account

The Accumulated Absences Account mitigates any effect on the General Fund of having to include a provision for any outstanding leave owed to employees at the end of each financial year. There is a requirement that authorities are only required to fund holiday pay and similar benefits when they are used, rather than when employees earn the benefits. Amounts are transferred to this account until the benefits are used. The carrying balance is relatively high as the authority operates a January to December leave year.

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Accumulated Absences Account</b>	<b>£000</b>
<b>229</b>	<b>Opening Balance</b>	<b>230</b>
(229)	Reversal of provision for accumulated absences for previous year	(230)
230	Accumulated absences for the year	309
<b>230</b>	<b>Closing Balance</b>	<b>309</b>

b) Capital Adjustment Account

It is a statutory requirement to have a Capital Adjustment Account. The balance on this account provides a balancing mechanism between the different rates at which assets are depreciated under the Code and are financed through the capital controls system.

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Capital Adjustment Account</b>	<b>£000</b>
<b>(34,259)</b>	<b>Opening Balance</b>	<b>(36,623)</b>
2,748	Depreciation	3,350
(1,007)	Depreciation variance Historic to Current	(1,404)
(47)	Minimum Revenue Provision	(47)
(1,196)	Impairments / Revaluation (gains) & losses	(2,373)
-	Other adjustments	539
-	Additional Voluntary Contributions	(5)
(2,838)	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(119)
(24)	Capital receipts credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(2,307)
<b>(36,623)</b>	<b>Closing Balance</b>	<b>(38,989)</b>

c) Collection Fund Adjustment Account

It is a statutory requirement to have a Collection Fund Adjustment Account. The balance on this account represents the timing differences between statutory accounting requirements and full accruals accounting for council tax.

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Collection Fund Adjustment Account</b>	<b>£000</b>
<b>(748)</b>	<b>Opening Balance</b>	<b>1,350</b>
(72)	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(59)
2,170	Amount by which NNDR income credited to the Comprehensive Income and Expenditure Statement is different from NNDR income calculated for the year in accordance with statutory requirements.	(1,523)
<b>1,350</b>	<b>Closing Balance</b>	<b>(232)</b>

d) Pensions Reserve

It is a statutory requirement to have a Pensions Reserve. This reserve represents a balancing figure, reported by the actuary, to allow for the liabilities of both the Local Government Pension Scheme and the Firefighter’s Pension Fund, as required under IAS 19.

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Pensions Reserve</b>	<b>£000</b>
<b>346,932</b>	<b>Opening Balance</b>	<b>221,647</b>
11,917	Appropriations to and from (-) revenue	9,020
(137,202)	Actuarial gains (-) / losses relating to pensions	(7,454)
<b>221,647</b>	<b>Closing Balance</b>	<b>223,213</b>

e) Revaluation Reserve

It is a statutory requirement to have a Revaluation Reserve. This reserve records unrealised revaluation gains arising since the 1 April 2007 from the holding of fixed assets. As and when assets are revalued or revaluations are reversed then adjustments are made to this account. The revaluation reserve is also written down to the capital adjustment account over the remaining useful lives of the assets with revaluation reserve balances.

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>	<b>Revaluation Reserve</b>	<b>£000</b>
<b>(13,553)</b>	<b>Opening Balance</b>	<b>(14,840)</b>
(3,336)	Upward Asset revaluations	(10,200)
1,042	Downward Asset revaluations	714
-	Asset Disposal	5
1,007	Depreciation difference - historic cost to current value	1,404
<b>(14,840)</b>	<b>Closing Balance</b>	<b>(22,917)</b>

**25 - Donated Assets Account**

In 2015/16 the Authority recognised on the Balance Sheet the value of the Thames Valley Control Room made available to it by Royal Berkshire Fire Authority. The fair value of the assets was recognised within Vehicles, Plant and Equipment and a credit was recognised in the Comprehensive Income Expenditure Statement.

**26 - Contingent Assets**

Airwave

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

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

Since an appeal request has been lodged with the CoA, any credit which is currently applied and accepted may have to be repaid if subsequently it is decided to overturn the Tribunal’s decision and in turn set aside CMA’s charge control. Motorola have been clear in their communications that this is the basis on which the credits are being applied. As a result, and on the recommendation of the NFCC Finance Committee, the Home Office will be continuing to invoice FRAs in England at the original rate and will not apply the credit notes to the invoices the Home Office sends to FRAs.

After the conclusion of the legal process the credits will be shared between all FRAs in England based on their percentage share of the credit, if ultimately Motorola are unsuccessful in their court application. As at 31 March 2024 the Authority's share of the credit is estimated to be £0.099m.

## **27 - Contingent Liabilities**

As at 31 March 2024, the Authority does not have any contingent liabilities.

## **28 – Pension Schemes**

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

The Authority participates in five pension schemes:

- The Local Government Pension Scheme (LGPS) for non-firefighter staff administered locally by Buckinghamshire Council is a funded defined benefit final salary scheme. The Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. It is contracted out of the State Second Pension;
- All the Fire-Fighter Pension Schemes (FPS) for uniformed fire fighters is an unfunded defined benefit statutory schemes. These are administered by West Yorkshire Pension Fund. There are no investment assets held to back the liabilities of the scheme and cash has to be generated to meet actual pensions payments as they eventually fall due.

The Authority receives two IAS19 reports from independent actuaries firm, these are LGPS and FPS. The actuaries value the pension liabilities and provide all relevant pensions disclosures included in the Statement of Accounts.

Under the Firefighters' Pension Fund Regulations 2006 if the amounts receivable by the pension fund are less than amounts payable, the fire authority must annually transfer an amount required to meet the deficit to the Pension Fund. Subject to scrutiny and approval by Parliament and the Secretary of State up to 100% of this cost is met by central government top-grant. If however the pension fund is in surplus for the year, the surplus is required to be transferred from the pension fund to the Fire Authority, which must then repay the amount to central government.

### a) Transactions relating to retirement benefits

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The Authority recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid 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 in the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement.

2022/23			2023/24		
LGPS £000	Firefighters £000	Total £000	LGPS £000	Firefighters £000	Total £000
			<b>Comprehensive Income and Expenditure Statement</b>		
			<u>Cost of Service</u>		
1,784	5,716	7,500	794	2,149	2,943
<b>1,784</b>	<b>5,716</b>	<b>7,500</b>	<b>794</b>	<b>2,149</b>	<b>2,943</b>
			<u>Financing and Investment Income and Expenditure</u>		
314	8,578	8,892	(41)	10,462	10,421
<b>314</b>	<b>8,578</b>	<b>8,892</b>	<b>(41)</b>	<b>10,462</b>	<b>10,421</b>
<b>2,098</b>	<b>14,294</b>	<b>16,392</b>	<b>753</b>	<b>12,611</b>	<b>13,364</b>
			<b>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>		
(14,279)	(122,923)	(137,202)	(2,916)	(8,050)	(10,966)
<b>(12,181)</b>	<b>(108,629)</b>	<b>(120,810)</b>	<b>(2,163)</b>	<b>4,561</b>	<b>2,398</b>
			<b>Movement in Reserves Statement</b>		
			Reversal of net charges made to the surplus or deficit for post employment benefits in accordance with the code: Amount actually charged against the General Fund Balance for pensions in the year for:		
(2,098)	(14,294)	(16,392)	(753)	(12,611)	(13,364)
689	3,568	4,257	772	3,333	4,105
9	209	218	9	230	239
			Employers contribution		
			Retirement benefit payable to pensioners		

### b) Assets and liabilities in relation to retirement benefits

#### Reconciliation of present value of the scheme liabilities 2023/24

2022/23			2023/24		
LGPS £000	Firefighters £000	Total £000	LGPS £000	Firefighters £000	Total £000
			<b>Reconciliation of present value of the scheme liabilities</b>		
(46,355)	(334,520)	(380,875)	(31,347)	(222,114)	(253,461)
(1,784)	(5,716)	(7,500)	(794)	(2,149)	(2,943)
(1,195)	(8,578)	(9,773)	(1,490)	(10,462)	(11,952)
20,987	137,574	158,561	834	3,833	4,667
-	-	-	399	(108)	291
(3,803)	(20,136)	(23,939)	(113)	(531)	(644)
1,071	10,396	11,467	981	9,830	10,811
(277)	(1,343)	(1,620)	(357)	(1,641)	(1,998)
9	209	218	9	230	239
<b>(31,347)</b>	<b>(222,114)</b>	<b>(253,461)</b>	<b>(31,878)</b>	<b>(223,112)</b>	<b>(254,990)</b>
			<b>Present Value of scheme liabilities as at 31 March</b>		



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### Reconciliation of fair value of the scheme assets 2023/24

2022/23			Reconciliation of fair value of the scheme assets	2023/24		
LGPS £000	Firefighters £000	Total £000		LGPS £000	Firefighters £000	Total £000
33,943	-	33,943	Fair Value of scheme assets as at 1 April	31,814	-	31,814
881	-	881	Interest on Assets	1,531	-	1,531
(2,875)	-	(2,875)	Return on assets less interest	1,828	-	1,828
-	5,485	5,485	Other actuarial gains/(losses)	-	4,856	4,856
(30)	-	(30)	Administration expenses	(32)	-	(32)
698	3,777	4,475	Contributions by employer including unfunded	781	3,563	4,344
277	1,343	1,620	Contributions by Scheme participants	357	1,641	1,998
(1,080)	(10,605)	(11,685)	Estimated benefits paid plus unfunded net of transfers in	(990)	(10,060)	(11,050)
<b>31,814</b>	<b>-</b>	<b>31,814</b>	<b>Fair Value of scheme assets as at 31 March</b>	<b>35,289</b>	<b>-</b>	<b>35,289</b>

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields at the Balance Sheet date. Expected returns on equity investments reflect the long-term real rates of return experienced in the respective markets.

### Asset Ceiling

2022/23			Impact of Asset Ceiling	2023/24		
LGPS £000	Firefighters £000	Total £000		LGPS £000	Firefighters £000	Total £000
-	-	-	<b>Opening impact of asset ceiling</b>	-	-	-
-	-	-	Actuarial (losses) / gains	(3,512)	-	(3,512)
-	-	-	<b>Closing impact of Asset Ceiling</b>	<b>(3,512)</b>	<b>-</b>	<b>(3,512)</b>

The asset ceiling is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions.

### c) Scheme history

Reconciliation of present value of the scheme liabilities	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
<u>Present Value of Liabilities</u>					
LGPS	(36,418)	(47,849)	(46,355)	(31,347)	(31,878)
Firefighters Scheme	(275,701)	(341,554)	(334,520)	(222,114)	(223,112)
<b>Present Value of scheme liabilities as at 31 March</b>	<b>(312,119)</b>	<b>(389,403)</b>	<b>(380,875)</b>	<b>(253,461)</b>	<b>(254,990)</b>
<u>Fair Value of Assets</u>					
LGPS	25,680	31,608	33,943	31,814	35,289
<b>Total Assets - BMKFA estimated allocation of LGPS assets</b>	<b>25,680</b>	<b>31,608</b>	<b>33,943</b>	<b>31,814</b>	<b>35,289</b>
<u>Asset Ceiling</u>					
LGPS	-	-	-	-	(3,512)
<b>Total Assets Ceiling</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,512)</b>
<u>Surplus/Deficit (-) in the scheme</u>					
LGPS	(10,739)	(16,241)	(12,412)	467	(101)
Firefighters Scheme	(275,701)	(341,554)	(334,520)	(222,114)	(223,112)
<b>Total</b>	<b>(286,440)</b>	<b>(357,795)</b>	<b>(346,932)</b>	<b>(221,647)</b>	<b>(223,213)</b>

The liabilities show the underlying commitments that the Authority has in the long run to pay retirement benefits. The total liability of £254.990m has a substantial impact on the net worth of the

Authority as recorded in the balance sheet, resulting in a negative overall balance of £223.213m. However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy:

- The deficit on the Local Government Scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the Scheme Actuary every three years;
- Finance is only required to be raised to cover firefighter’s pensions when the pensions are actually paid.

d) Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the Projected Unit Method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

Both the Firefighters’ and Local Government schemes have been assessed by Barnett Waddingham, an independent firm of actuaries, based on the latest valuations.

The main assumptions used in their calculations have been:

	<b>LGPS</b>		<b>Firefighters</b>	
	<b>2022/23</b>	<b>2023/24</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<u>Mortality Assumptions</u>				
Longevity at 65 for current pensioners				
Males	21.10	20.80	20.60	20.60
Females	24.60	24.30	22.90	23.20
Longevity at 65 for future pensioners				
Males	22.30	22.00	21.90	21.90
Females	26.00	25.70	24.40	24.60
<u>Financial Assumptions</u>				
Rate of salary inflation	3.85%	3.85%	3.90%	3.90%
Rate of pensions inflation	2.85%	2.85%	2.90%	2.90%
Rate for discounting scheme liabilities	4.80%	4.95%	4.80%	4.90%

The Local Government Pension Scheme’s assets consist of the following categories by proportion of BMKFA’s estimated allocation.

The Firefighters Pension Schemes have no assets to cover their liabilities.

<b>31 March 2023</b>			<b>31 March 2024</b>	
<b>£000</b>	<b>%</b>	<b>LGPS</b>	<b>£000</b>	<b>%</b>
2,660	8.36%	Gilts	3,348	9.49%
17,703	55.65%	Equities	18,185	51.52%
3,401	10.69%	Other Bonds	4,171	11.82%
1,684	5.29%	Property	1,894	5.37%
601	1.89%	Cash	486	1.38%
2,155	6.77%	Infrastructure	2,848	8.07%
2,979	9.36%	Multi Assets	3,310	9.38%
631	1.98%	Private Debt	1,047	2.97%
<b>31,814</b>	<b>100%</b>	<b>Total</b>	<b>35,289</b>	<b>100%</b>

e) Sensitivity Analysis

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The following tables show a sensitivity analysis on the major assumptions used in the valuations:

2022/23				2023/24		
£000	£000	£000	LGPS	£000	£000	£000
<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>Adjustment to discount rate</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
30,824	31,347	31,883	Present value of total obligation	31,354	31,878	32,416
814	844	874	Projected service cost	805	835	866
<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>Adjustment to long term salary increase</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
31,381	31,347	31,312	Present value of total obligation	31,910	31,878	31,846
844	844	843	Projected service cost	836	835	834
<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
31,859	31,347	30,848	Present value of total obligation	32,394	31,878	31,374
875	844	814	Projected service cost	866	835	805
<b>+1 year</b>	<b>None</b>	<b>- 1 Year</b>	<b>Adjustment to mortality age rating assumption</b>	<b>+1 year</b>	<b>None</b>	<b>- 1 Year</b>
32,450	31,347	30,284	Present value of total obligation	32,979	31,878	30,815
876	844	812	Projected service cost	867	835	803
£000	£000	£000	Firefighters	£000	£000	£000
<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>Adjustment to discount rate</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
218,552	222,144	225,771	Present value of total obligation	219,257	223,112	226,794
2,097	2,277	2,328	Projected service cost	2,089	2,271	2,323
<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>Adjustment to long term salary increase</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
222,588	222,144	221,643	Present value of total obligation	223,598	223,112	222,630
2,279	2,277	2,274	Projected service cost	2,273	2,271	2,268
<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>Adjustment to pension increases and deferred revaluation</b>	<b>+0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
225,361	222,144	218,954	Present value of total obligation	226,376	223,112	219,936
2,329	2,277	2,095	Projected service cost	2,325	2,271	2,087
<b>+1 year</b>	<b>None</b>	<b>- 1 Year</b>	<b>Adjustment to mortality age rating assumption</b>	<b>+1 year</b>	<b>None</b>	<b>- 1 Year</b>
230,653	222,144	213,908	Present value of total obligation	230,753	223,112	215,736
2,385	2,277	2,171	Projected service cost	2,374	2,271	2,170

**29 - Financial Instruments**

a) Financial Instruments Balances

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

31 March 2023			31 March 2024		
Long Term	Current		Long Term	Current	
£000	£000	Financial Instruments Balances	£000	£000	
(4,727)	(1,873)	Financial liabilities at amortised cost	(3,147)	(1,873)	
<b>(4,727)</b>	<b>(1,873)</b>	<b>Total Borrowings</b>	<b>(3,147)</b>	<b>(1,873)</b>	
-	14,841	Loans and receivables	-	16,213	
-	<b>14,841</b>	<b>Total Investments</b>	-	<b>16,213</b>	

b) Financial Instruments gains and losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement in relation to financial instruments are made up as follows.

2022/23		2023/24			
Financial Liabilities and Assets		Financial Liabilities	Financial Assets		
Total	Financial Instruments Gains and Losses	Liabilities measured at amortised cost	Loans and receivables	Total	
£000		£000	£000	£000	£000
287	Interest expense	263	-	263	
-	Losses on derecognition	-	-	-	
-	Impairment losses	-	-	-	
<b>287</b>	<b>Interest payable and similar charges</b>	<b>263</b>	-	<b>263</b>	
(328)	Interest income	-	(983)	(983)	
-	Gains on derecognition	-	-	-	
<b>(328)</b>	<b>Interest and investment income</b>	-	<b>(983)</b>	<b>(983)</b>	
<b>(41)</b>	<b>Net gain (-)/loss for the year</b>	<b>263</b>	<b>(983)</b>	<b>(720)</b>	

A reconciliation of the net gain on Loans and Receivables to Investment Income as shown in the Comprehensive Income and Expenditure Statement is given below.

2022/23		2023/24
£000		£000
(328)	Interest on investments	(983)
<b>(328)</b>	<b>Total Investment income received in the CIES</b>	<b>(983)</b>

c) Fair value of assets and liabilities carried at amortised cost

Financial liabilities and financial assets represented by loans, finance leases and receivables are carried on the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- The fair values for financial liabilities have been determined by reference to the Public Works Loans Board (PWLB) redemption rules and prevailing PWLB redemption rates as at each balance sheet date, and include accrued interest. It should be noted that the redemption rules applying to PWLB debt changed on 1 November 2007, and are less favourable than the previous procedures.
- No early repayment or impairment is recognised;
- Where an instrument will mature in the next 12 months, the carrying amount is assumed to be approximate to fair value;
- The fair value of trade and other receivables is taken to be invoiced or billed amounts.

The fair values calculated are as follows:

<b>31 March 2023</b>			<b>31 March 2024</b>		
<b>Carrying Amount</b>	<b>Fair Value</b>		<b>Carrying Amount</b>	<b>Fair Value</b>	
<b>£000</b>	<b>£000</b>		<b>£000</b>	<b>£000</b>	
(6,177)	(6,134)	PWLB Debt at amortised cost	(4,550)	(4,354)	
1,450	1,450	Finance lease	1,403	1,403	
(1,873)	(1,873)	Creditors	(1,873)	(1,873)	
<b>(6,600)</b>	<b>(6,557)</b>	<b>Total Financial Liabilities</b>	<b>(5,020)</b>	<b>(4,824)</b>	
14,784	14,784	Short term investments	16,178	16,178	
57	57	Debtors	35	35	
<b>14,841</b>	<b>14,841</b>	<b>Total Loans and Receivables</b>	<b>16,213</b>	<b>16,213</b>	

The differences between the carrying amount and the fair value of PWLB debt are due to the fixed rate of interest on the loans being different from the prevailing rate at 31 March 2024. All creditors, other payables, investments and debtors are due to be paid/received in less than one year, therefore the fair value is held at carrying amount.

d) Nature and extent of risk arising from financial instruments

The Authority’s activities expose it to a variety of financial risks, the key risks are:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Authority;
- Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments;
- Re-financing risk – the possibility that the Authority might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms; and
- Market risk - the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates movements.

e) Overall procedures for managing risk

The Authority’s overall risk management procedures focus on the unpredictability of financial markets, and implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework set out in the Local Government Act 2003 and the associated regulations. These require the Authority to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and Investment Guidance issued through the Act. Overall these procedures require the Authority to manage risk in the following ways:

- By formally adopting the requirements of the Code of Practice;
- By approving annually in advance prudential indicators for the following three years limiting;
  - i.) The Authority’s overall borrowing
  - ii.) The maximum and minimum exposures to fixed and variable rates
- By approving an investment strategy for the forthcoming year setting out its criteria for investing and compliance with the Government Guidance.

These are required to be reported and approved at or before the Authority’s annual council tax setting budget. These items are reported with the annual Treasury Management Strategy which outlines the detailed approach to managing risk. Actual performance is also reported annually to Members. The Authority maintains written principles for overall risk management as well as the investment of surplus cash through the Treasury Management Policy approved by the Authority.

f) Credit risk and Liquidity Risk

*Investment Policy*

In accordance with guidance from the Department for Levelling Up, Housing and Communities (DLUHC) and CIPFA, and in order to minimise the risk to investments, the Authority has clearly stipulated below the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using the Link ratings service potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Continuing regulatory changes in the banking sector are designed to see greater stability, lower risk and the removal of expectations of Government financial support should an institution fail. This withdrawal of implied sovereign support has had an effect on ratings applied to institutions. This will result in the key ratings used to monitor counterparties being the Short Term and Long Term ratings only. Viability, Financial Strength and Support Ratings previously applied have effectively become redundant. This change does not reflect deterioration in the credit environment but rather a change of method in response to regulatory changes.

As with previous practice, ratings will not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Authority will engage with its advisors to maintain a monitor on market pricing such as credit default swaps (CDS) and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors, Link in producing its colour coding which show the varying degrees of suggested creditworthiness.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

The intention of the strategy is to provide security of investment and minimisation of risk.

### *Creditworthiness Policy*

This Authority applies the creditworthiness service provided by Link. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes have been used by the Authority to determine the suggested duration for investments. It is recommended that the Authority continues to use Link's colour codes plus an additional six months for UK counterparties only. It would be beneficial if the Authority could lend to existing counterparties for a longer duration. This will increase the risk slightly but will offer increased returns.

The Authority will therefore use counterparties within the following durational bands:

- Yellow - 5 years
- Purple - 2 years
- Blue - 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange - 1 year
- Red - 6 months
- Green - 3 months
- No colour - not to be used

The Link creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Authority use will be a short term rating (Fitch or equivalents) of short term rating F1, long term rating A-, viability rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored weekly. The Authority is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- if a downgrade results in the counterparty/investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Authority will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Authority will also use market data and market information, information on government support for banks and the credit ratings of that supporting government.

### *Country Limits*

In 2017/18, the Authority determined that it would not only use approved counterparties based within the United Kingdom but allowed any counterparty (UK or non-UK based) rated at least 'Green' by Link. Although no counterparty outside UK was used during 2023/24, these will remain on the lending list for 2024/25.

*Counterparty Limits*

The Authority has determined that the maximum balance that can be invested with a single counterparty at any point in time will be no more than 30% of the portfolio, up to a limit of £5.000m. The one exception to this is Lloyds, as these are the Authority’s primary banking provider. Up to £7.500m can be invested with Lloyds, of which at least £2.500m must be instant access.

*Investment Security*

Investments are defined as being in one of two categories:

- Specified investments – these are investments with high security and high liquidity. All specified investments are in sterling and have a maturity of no more than one year. They will be with the UK government, a local authority, a parish council or with an investment scheme or body of “high credit quality” (as judged against the Creditworthiness Policy detailed earlier in this paper)
- Non-specified investments – any type of investment that is not a specified investment. The Authority does plan to make any non-specified investments during the year.

*Investment Training*

Relevant training and updates will be provided to relevant staff by the external treasury management advisors. This will be supplemented by additional training from CIPFA where necessary.

*Investment of Money Borrowed in Advance of Need*

The Authority does not currently have any money that has been borrowed in advance of need. No further borrowing is planned over the medium term.

*Investment Liquidity*

In consultation with external treasury advisors, the Authority will review its balance sheet position, level of reserves and cash requirements to determine the length of time for which investments can be prudently committed. Investments will be placed at a range of maturities, including having money on-call to maintain adequate liquidity.

g) Refinancing and maturity risk

The Authority maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer term risk to the Authority relates to managing the exposure to replacing PWLB Loans as they mature. It is possible that provisions will be made available to meet all PWLB Loans without the direct need to replace loans as they mature, therefore no risk / impairment or other adjustment is required.

A fair value debt calculation of £4.354m has been provided by the Authority’s external treasury management advisors

The maturity analysis of financial liabilities is as follows:

<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£000</b>		<b>£000</b>
(1,000)	Maturing in less than 1 year	-
(1,000)	Maturing within 2 to 5 years	(1,000)
(1,376)	Maturing within 5 to 10 years	(1,376)
(2,801)	Maturing in more than 10 years	(2,174)
<b>(6,177)</b>	<b>Total</b>	<b>(4,550)</b>



h) Market risk

*Interest rate risk*

The Authority is exposed to interest rate movements on its investments as borrowings are taken at fixed rate and are carried at amortised cost. Movements in interest rates have a complex impact on the Authority, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at fixed rates – the fair value of the borrowing liability will fall;
- Investments at variable rates – the interest income credited to the Income and Expenditure Account will rise.

Borrowings are not carried at fair value on the balance sheet but are carried at amortised cost, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Account (CIES). However, changes in interest payable on fixed rate borrowings and variable rate investments will be posted to the CIES and affect the General Fund Balance. Movements in the fair value of any variable rate investments will be reflected in Other Comprehensive Income and Expenditure, unless the investments have already been designated as fair value through the CIES.

The Authority has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Authority’s prudential indicators and its expected treasury operations. From this Strategy, a prudential indicator is set which provides maximum and minimum limits for fixed and variable interest rate exposure.

If interest rates had been 1% higher with all other variables held constant the financial effect would be:

	<b>2023/24</b>
	<b>£000</b>
Increase in interest receivable on variable rate investments	194
<b>Impact on Comprehensive Income and Expenditure Statement</b>	<b>194</b>
<b>Total Financial Effect</b>	<b>194</b>

If rates had been 1% lower the amounts would be reversed.

*Price risk*

The Authority, excluding its share of assets in the Local Government Pension Scheme does not invest in equity shares.

*Foreign Exchange risk*

The Authority has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

**30 - Events after the Balance Sheet Date**

There are no events after the balance sheet date which will materially impact the figures disclosed in the statement of accounts.

**31 - Notes to the Cash Flow Statement**

a) Net Cash flows from Operating Activities

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>		<b>£000</b>
<b>(13,047)</b>	<b>Net Surplus or (Deficit) on the Provision of Services</b>	<b>(341)</b>
1,552	Depreciation, amortisation, impairment and revaluation (gains) & losses	977
1,004	Net Movement in Creditors	(1,804)
2,372	Net Movement in Debtors	(2,261)
(25)	Net Movement in Stocks	13
11,917	Adjustment regarding Pension Liability	9,020
(1,353)	Contributions to/from Provisions	553
-	Carrying amount of non-current assets sold	539
<b>15,467</b>		<b>7,037</b>
-	Capital Grants Credited to surplus or deficit on the provision of services	(56)
(24)	Proceeds from the sale of assets	(3,342)
<b>(24)</b>		<b>(3,398)</b>
<b>2,396</b>	<b>Net Cash Flows from Operating Activities</b>	<b>3,298</b>

b) Net Cash flows from Operating Activities (Interest)

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>		<b>£000</b>
328	Ordinary interest received	983
<b>328</b>		<b>983</b>
(287)	Interest charge for year	(263)
<b>(287)</b>		<b>(263)</b>
<b>41</b>	<b>Net Cash Flows from Operating Activities (Interest)</b>	<b>720</b>

c) Cash Flows from Investment Activities

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>		<b>£000</b>
(2,862)	Property Plant and Equipment Purchased	(2,426)
(761)	Purchase of short or long term investments	(1,394)
<b>(3,623)</b>		<b>(3,820)</b>
24	Proceeds from the sale of Assets	3,342
31	Capital Grants Received	-
<b>55</b>		<b>3,342</b>
<b>(3,568)</b>	<b>Net Cash Flows from Investing Activities</b>	<b>(478)</b>

d) Cash Flows from Financing Activities

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>		<b>£000</b>
(630)	Repayment of short and long term borrowing	(1,632)
(47)	Cash payments for the reduction of outstanding liabilities relating to finance leases	(47)
<b>(677)</b>	<b>Net Cash Flows from Financing Activities</b>	<b>(1,679)</b>

e) Make up of Cash and Cash Equivalentents

<b>2022/23</b>		<b>2023/24</b>
<b>£000</b>		<b>£000</b>
750	Cash and bank balances	1,891
<b>750</b>	<b>Total</b>	<b>1,891</b>

## Firefighters’ Pension Fund Account

### Firefighters’ Pension Fund

2022/23		2023/24
£000	Fund Account	£000
	<b>Income to the fund</b>	
	<u>Contributions receivable (funds due to us during the year)</u>	
(3,162)	From employer	(3,563)
(1,435)	From members	(1,637)
(68)	Ill health charges	-
(13)	Other miscellaneous eligible income	(8)
	<u>Transfers in</u>	
(25)	Individual transfers in from other schemes	(139)
<b>(4,703)</b>	<b>Total Income to the Fund</b>	<b>(5,347)</b>
	<b>Spending by the fund</b>	
	<u>Benefits payable</u>	
8,253	Pension payments	8,741
2,142	Commutation of pensions and lump sum retirement benefits	1,346
<b>10,395</b>	<b>Total Spending by the Fund</b>	<b>10,087</b>
<b>5,692</b>	<b>Net amount payable/receivable for the year before top up grant receivable/amount payable to sponsoring department</b>	<b>4,740</b>
(5,692)	Top up grant receivable/amount payable to sponsoring department	(4,740)
<b>-</b>	<b>Net amount payable (-)/receivable for the year</b>	<b>-</b>

### Firefighters’ Pension Fund Net Assets Statement

2022/23		2023/24
£000	Net Assets Statement	£000
	<b>Net Current Assets and Liabilities</b>	
15	Pensions top up grant receivable from sponsoring department	1,180
(15)	Other current assets and liabilities (other than liabilities and other benefits in the future)	(1,180)
<b>-</b>	<b>Net Assets at the End of the Year</b>	<b>-</b>

## Notes to the Firefighters' Pension Fund Account

### 1 - Pension Fund Arrangements

Before 1st April 2006 the Firefighters' Pension Scheme did not have a percentage of pensionable pay contribution from employers: rather the Authority was responsible for paying the pensions of its own former employees on a pay-as-you-go basis. Under the new funding arrangements the scheme remains unfunded but will no longer be on a pay-as-you-go basis as far as the Authority is concerned. The Authority will no longer meet the pension outgoings directly: instead they will pay an employer's pension contribution based on a percentage of pay into the Pension Fund. The Authority is required by legislation to operate a Pension Fund and the amounts that must be paid into and paid out of the Pension Fund are specified by regulation. Benefits payable are funded by contributions from employers and employees.

Employers' contribution levels are based on percentages of pensionable pay set nationally by the DLUHC and subject to triennial revaluation by the Government Actuary's Department.

Subject to scrutiny and approval by the Secretary of State and Parliament, under the new arrangements the Pension Fund will be balanced to nil at the end of the year by either paying over to the sponsoring department (DLUHC) the amount by which the amounts receivable by the Fund for the year exceeded the amounts payable, or by receiving cash in the form of pension top-up grant from the sponsoring department equal to the amount by which the amount payable from the pension fund for the year exceeded the amount receivable.

### 2 - Pension Fund Accounting Policies

The accounting policies followed are the same as for the main accounts of the Authority.

### 3 - Balancing the Pension Fund Account

If the Pension Fund Account is not balanced to nil by pension top-up grant receivable or by the amount payable to the sponsoring department the Pension Fund should be balanced to nil by a supplementary contribution from the authority to the Pension Fund or by the Pension Fund returning contribution to the Authority.

This is shown under Short Term Debtors in Note 16 in the notes to the core financial statements.

The Net Assets Statement does not include liabilities to pay pensions and other benefits after the Balance Sheet Date.

### 4 - Pension Fund Investment Assets

As the Scheme is unfunded there are no investment assets.

### 5 - Liabilities Shown in the Authority's Main Statements

The liabilities relating to the Firefighters' Pension scheme can be seen in Note 28 of the main statements.

## Glossary of Term

### **Amortisation / Amortise**

The equivalent of depreciation when applied to intangible assets.

### **Accruals**

Used to describe allocating expenditure or income to the relevant financial year. Includes Debtors, Creditors and Prepayments

### **BMKFA**

Acronym for Buckinghamshire & Milton Keynes Fire Authority.

### **Budget**

A statement of the Authority's expected level of service delivery plans expressed in monetary terms and spending over a set period, usually one year.

### **BC**

Buckinghamshire Council. BC provide some services to the Authority under a service level agreement.

### **Capitalisation**

Capitalisation is the addition to the balance sheet as an asset of an amount that will benefit the Authority for more than one year.

### **Capital Adjustment Account**

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

### **Capital Financing Requirement**

Measures the Authority's underlying need to borrow or finance by other long-term liabilities for a capital purpose. It represents the amount of capital expenditure that has not yet been resourced, whether at the point of spend or over the longer term

### **Capital Receipts**

Proceeds from the sale of capital assets that must be used to finance new capital expenditure or reduce the existing Capital Financing Requirement. Receipts available to finance capital expenditure in future years are held in the Usable Capital Receipts Reserve.

### **Carrying Amount**

The carrying amount refers to the amounts that the Authority has on its books for an asset or a liability. For example, the carrying amount of the authority's rescue pump is the cost of the rescue pump minus the accumulated depreciation on the rescue pump.

### **CIES**

Comprehensive Income and Expenditure Statement. This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

### **CIPFA**

Chartered Institute of Public Finance and Accountancy.

### **The Code**

The Code of Practice on Local Authority Accounting in the United Kingdom. Sets out the proper practices for producing the Statement of Accounts.

### **FCPFA**

Fellowship Chartered Public Finance Accountant.

### **CPI (see also RPI)**

Consumer Price Index, a key measure of inflation in the UK.

### **Collection Fund Adjustment Account**

Provides a balancing mechanism for the timing differences between statutory accounting requirements and full accruals accounting for council tax.

### **Council Tax Support Scheme**

Regulations introduced in April 2013 that allow councils to design their own schemes to provide incentives for people to find and stay in work.

### **Creditors**

Amounts owed by the Authority at the Balance Sheet date for goods received or work done.

### **Curtailement**

The early payment of accrued pensions upon retirement.

### **Debtors**

Amounts due to the Authority but remaining unpaid at the Balance Sheet date.

### **Depreciation**

The loss of value of assets due to wear and tear, age or obsolescence.

### **Derecognition**

The removal of a previously recognised financial asset or liability from the balance sheet following the transfer of asset to a third party or expiry of contractual rights to an asset.

### **EUV**

Existing Use Value. The price at which a property can be sold on the open market assuming that it can only be used for the existing use for the foreseeable future.

### **Fair Value**

Asset – the amount at which that asset could be bought or sold in a current transaction between willing parties, other than in a liquidation.

Liability- the amount at which that liability could be incurred or settled in a current transaction between willing parties, other than in liquidation.

### **Financial Instrument**

A legal agreement involving some sort of monetary value. Financial instruments can be classified generally as equity based, representing ownership of the asset, or debt based, representing a loan made by an investor to the owner of the asset

### **General Fund**

The balance held by the Authority against which the council tax is raised. The balance sheet shows the accumulated surplus from previous years.

### **HMRC**

Her Majesty's Revenue & Customs.

### **IAS**

International Accounting Standards which have come into effect with the introduction of International Financial Reporting Standards (IFRS).

### **IAS 19 (formerly FRS17)**

The accounting standard that sets out (amongst other things) the requirements and accounting treatment for retirement benefits.

### **IFRS**

The International Financial Reporting Standards which became applicable from the 1<sup>st</sup> April 2010. All future accounts will be presented using these standards.

### **Impairments**

A downward movement in the value of assets; the opposite to revaluation (upwards) of asset values.

### **IRMP**

The Integrated Risk Management Plan covers the 3 years 2010 – 13 and explains what BMKFA is going to do to develop its services for the future.

### **LIFO**

Last in First Out is one of a number of methods for calculating the carrying value of inventories.

### **Loans Outstanding**

Loans raised to finance capital spending which have to be repaid.

### **Local Government Pension Scheme (LGPS)**

Is the Pension Scheme provided by the Authority for employees not eligible to join the Firefighters' Pension Scheme.

### **Lower of Cost and Net Realisable Value**

A method for determining an asset's value such that either the original cost or the current replacement cost, whichever is lowest, is used for financial reporting purposes

### **Materiality**

Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements.

### **Minimum Revenue Provision (MRP)**

The minimum amount of the Authority's outstanding debt which must be repaid by the revenue accounts in the year.

### **National Non-Domestic Rates (NNDR)**

Also known as Business Rates, these are collected by local authorities and are the way that those who occupy non-domestic property contribute towards the cost of local services.

### **NJC**

National Joint Council for Local Authority Fire and Rescue Services.

**Outturn**

The actual level of spending and income in a particular year.

**Precept**

An amount of money levied by one authority (the precepting authority) which is collected by another authority (the billing authority) as part of the council tax. BMKFA is a precepting authority and the four Buckinghamshire District Councils and Milton Keynes Council are the billing authorities.

**Prepayments**

Where the authority pays for goods or services before they have been received, any amounts paid but not received by the end of an accounting period are shown in the balance sheet as prepayments.

**Provisions**

These are sums set aside for a specific purpose, the nature of which is known but the exact amount and due date is not.

**Public Sector Audit Appointments Limited (PSAA)**

Incorporated by the Local Government Association (LGA) in August 2014. PSAA is responsible for appointing an auditor and setting scales of fees for relevant principal authorities that have chosen to opt into its national scheme.

**Public Works Loan Board (PWLB)**

A government body from which a local authority may raise long term loans.

**Realised/Unrealised Gains**

A realised gain is the capital gain that you make on an asset that you receive in the form of cash. An unrealised gain is an increase in the carrying value of an asset that has yet to be sold.

**Revaluation**

Revaluation of fixed assets is the process of increasing or decreasing their carrying value to reflect changes in fair value.

**Revaluation Reserve**

Records unrealised revaluation gains arising (since 1<sup>st</sup> April 2007) from holding fixed assets.

**Revenue Expenditure**

This is spending on the day to day running expenses of the Authority. It includes expenses such as salary and wages, heating, lighting, rent, rates and stationery.

**Reserves**

Amounts set aside in one year to fund expenditure in subsequent years

**Revenue Support Grant (RSG)**

An amount of money given by central government to local authorities each year

**RICS**

Royal Institute of Chartered Surveyors

**RPI**

Retail Price Index, a measure of inflation in the UK. CPI excludes most owner occupier housing costs while the RPI includes mortgage interest payments and house depreciation. RPI generally produces a higher inflation figure than CPI.

**Integra**

The accounting system software used at BMKFA

**SeRCOP**

Service reporting Code of Practice 2011/12 replaces the Best Value Accounting Code of Practice (BVACOP) produced by CIPFA to establish a reporting protocol to demonstrate transparency and best value in the provision of services to the community.

**Write Down**

A reduction in the book value of an asset due to depreciation or a decline in market value