



HEREFORD & WORCESTER Fire Authority

Audit and Standards Committee

AGENDA

Wednesday, 06 September 2017

09:30

Conference Suites

**Headquarters, 2 Kings Court, Charles Hastings Way,
Worcester, WR5 1JR**

ACTION ON DISCOVERING A FIRE

- 1 Break the glass at the nearest **FIRE ALARM POINT**.
(This will alert Control and other Personnel)
- 2 Tackle the fire with the appliances available – **IF SAFE TO DO SO**.
- 3 Proceed to the Assembly Point for a Roll Call –

CAR PARK OF THE OFFICE BUILDING ADJACENT TO THE CYCLE SHED TO THE LEFT OF THE ENTRANCE BARRIER TO 2 KINGS COURT.

- 4 Never re-enter the building – **GET OUT STAY OUT**.

ACTION ON HEARING THE ALARM

- 1 Proceed immediately to the Assembly Point

CAR PARK OF THE OFFICE BUILDING ADJACENT TO THE CYCLE SHED TO THE LEFT OF THE ENTRANCE BARRIER TO 2 KINGS COURT.

- 2 Close all doors en route. The senior person present will ensure all personnel have left the room.
- 3 Never re-enter the building – **GET OUT STAY OUT**.

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Toilets – please ask at reception.

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- the right to attend all Authority and Committee meetings unless the business to be transacted would disclose “confidential information” or “exempt information”;
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- the right to inspect agenda and public reports at least five days before the date of the meeting (available on our website: <http://www.hwfire.org.uk>);
- the right to inspect minutes of the Authority and Committees for up to six years following the meeting (available on our website: <http://www.hwfire.org.uk>); and
- the right to inspect background papers on which reports are based for a period of up to four years from the date of the meeting.

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WELCOME AND GUIDE TO TODAY’S MEETING. These notes are written to assist you to follow the meeting. Decisions at the meeting will be taken by the **Councillors** who are democratically elected representatives and they will be advised by **Officers** who are paid professionals. The Fire and Rescue Authority comprises 25 Councillors and appoints committees to undertake various functions on behalf of the Authority. There are 19 Worcestershire County Councillors on the Authority and 6 Herefordshire Council Councillors.

Agenda Papers - Attached is the Agenda which is a summary of the issues to be discussed and the related reports by Officers.

Chairman - The Chairman, who is responsible for the proper conduct of the meeting, sits at the head of the table.

Officers - Accompanying the Chairman is the Chief Fire Officer and other Officers of the Fire and Rescue Authority who will advise on legal and procedural matters and record the proceedings. These include the Clerk and the Treasurer to the Authority.

The Business - The Chairman will conduct the business of the meeting. The items listed on the agenda will be discussed.

Decisions - At the end of the discussion on each item the Chairman will put any amendments or motions to the meeting and then ask the Councillors to vote. The Officers do not have a vote.



HEREFORD & WORCESTER
HWR
FIRE AND RESCUE SERVICE

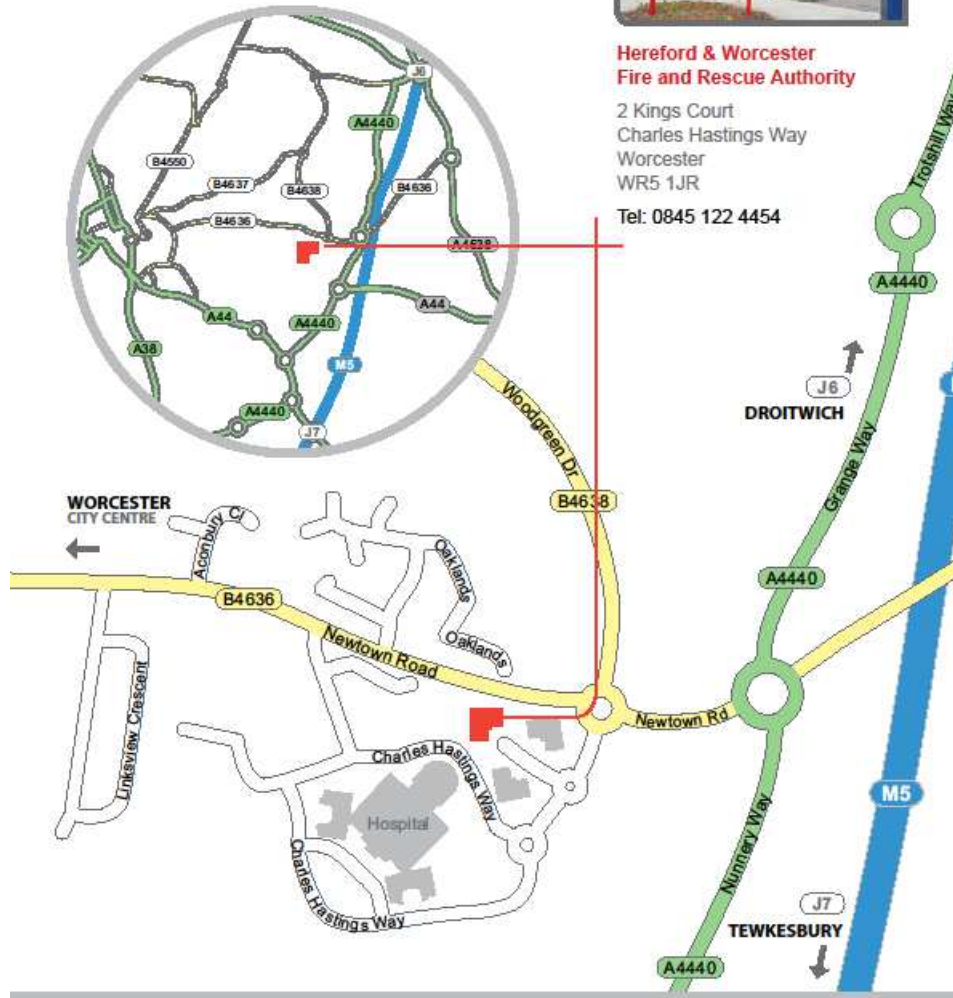
Service Headquarters



Hereford & Worcester Fire and Rescue Authority

2 Kings Court
Charles Hastings Way
Worcester
WR5 1JR

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Hereford & Worcester Fire Authority

Audit and Standards Committee

Wednesday, 06 September 2017, 09:30

Agenda

Councillors

Mr M Hart (Chairman), Mr A Amos (Vice Chairman), Ms P Agar, Ms K S Guthrie, Mr I D Hardiman, Mr Al Hardman, Mr J L V Kenyon, Mr R I Matthews, Mr P Middlebrough, Dr K Pollock, Professor J W Raine, Mr S D Williams

No.	Item	Pages
1	Apologies for Absence To receive any apologies for absence.	
2	Named Substitutes To receive details of any Member of the Authority nominated to attend the meeting in place of a Member of the Committee.	
3	Declarations of Interest (if any) This item allows the Chairman to invite any Councillor to declare an interest in any of the items on this Agenda.	
4	Confirmation of Minutes To confirm the minutes of the meeting held on 12.04.2017	8 - 12
5	Draft Annual Governance Statement 2016/17 To consider evidence compiled during the self assessment review which provides the assurances that sit behind the Annual Governance Statement.	13 - 63

6	Approval of the Annual Statement of Accounts 2016/17	64 - 135
	To present the Annual Statement of Accounts 2016/17 for approval. For the purposes of the Chairman's Briefing, included in this agenda pack is the unaudited version of accounts. The final version and cover report will follow once the audit has been completed.	
7	External Audit Findings Report 2016/17	136 - 175
	To put forward the External Auditors' Report for consideration and to recommend approval of the letter of representation.	
8	External Audit: Future Plans	176 - 186
	To update the Committee on the audit fee for 2017/18 and the scope and timing of work to be undertaken along with Audit arrangements for future years.	
9	Annual Statement of Assurance 2017-18	187 - 204
	To consider and approve the draft Statement of Assurance 2017/18 for publication	
10	Internal Audit Annual Report 2016/17	205 - 222
	To provide the Committee with:	
	• the overall results in terms of meeting Internal Audit's (IA's) objectives as set out in the internal audit plan for 2016/2017,	
	• an audit opinion and commentary on the overall adequacy and effectiveness of the internal control environment.	
	• an updated internal audit charter.	
11	Internal Audit Monitoring Report 2017/18	223 - 238
	To provide the Committee with a progress update on the 2017/18 audit plan delivery and residual summary reporting for 2016/17.	
12	Organisational Development - Equality and Diversity Review	239 - 306
	To provide an update on the findings of an independent review of Equality and Diversity in the Service and to outline steps being taken to address key points and recommendations.	

13	Employment Monitoring Data 2016-17	307 - 359
	To summarise progress against the Public Sector Equality Duty, prior to the publication of the Employment Monitoring Data 2016-17 on the Service website.	
14	Health and Safety Committee Update	360 - 379
	To provide the Audit and Standards Committee with an update on the activities and items of significance from the Service's Health and Safety Committee.	



Hereford & Worcester Fire Authority

Audit and Standards Committee

Wednesday, 12 April 2017, 10:30

Minutes

Members Present: Mr A Amos, Mr S C Cross, Ms L R Duffy, Ms K S Guthrie, Mr Al Hardman, Mrs A T Hingley, Mr S D Williams

Substitutes:

Absent: Councillor Ms Pat Agar

Apologies for Absence: Mr R I Matthews, Professor J W Raine, Mr G J Vickery

64 Declarations of Interest (if any)

None

65 Confirmation of Minutes

RESOLVED that the minutes of the Audit and Standards Committee held on 18 January 2017 be confirmed as a correct record and signed by the Chairman.

66 Internal Audit Monitoring Report 2016/2017

The Head of Internal Audit Shared Service reported against the 2016/17 audit plan and highlighted to Members that there were no 'high' or 'medium' priority recommendations resulting from the work. Members were assured that any recommendations were being addressed through appropriate management actions and asked to note that reviews on CARE System Pensions, Safeguarding, Fees and Charges, Training Centre and Technical Fire Safety are currently at draft report stage and will be presented at the next Audit and Standards Committee.

RESOLVED the Internal Audit Monitoring Report 2016/17 be noted.

67 Internal Audit Draft Audit Plan 2017-18

The Head of Internal Audit Shared Service provided the draft Audit Plan for 2017/18 highlighting the timetable of scheduled audits to be undertaken during the year, the determination of which is measured on risk. Outturns from work will be closely monitored and will be brought to the Committee throughout the year.

Members were asked to note that following full assurance reports on key financial systems in 2016/17 less audit time will be allocated to these areas this year.

Members queried the level of security and degree of risk attached to ICT but were reassured by officers that penetrative testing formed part of the regular testing process. Officers highlighted that ICT continued to be an identified risk and would remain an on-going risk item on the register. Members also questioned the scope of the intended audit around partnership arrangements and were informed these would focus on ensuring that effective governance arrangements were in place from the outset of any contractual or shared service partnership to protect the Fire Authority.

RESOLVED the 2017/18 Draft Internal Audit Plan be approved.

68 External Audit Plan 2016/2017

The External Audit Plan explained the potentially significant risks that would be considered as part of the 2016/17 audit and advised Members that work was on track to meet the delivery schedule. As part of a phased approach to meeting new deadlines next year an agreed Audit Findings report will be completed by mid August 2017.

RESOLVED the External Audit Plan 2016/17 be noted.

69 Informing the Audit Risk Assessment 2016-17

Members were advised to note that there were no specific risks highlighted that were abnormal, or which cause the Treasurer or External Auditor particular concern.

Members attention was drawn to the Going Concern consideration and reminded that their role as an Audit Committee was, as far as they were able, to confirm or raise any queries regarding management response.

RESOLVED that the External Auditor's "Informing the Audit Risk Assessment" be noted.

70 Strategic Risk Register: Progress Against Audit Findings

The Authority's arrangements for dealing with risk management had been the subject of an internal Audit Review in March 2016. That report had highlighted four medium priority recommendations. The Head of Operational Support confirmed that the agreed action plan had been completed with all recommendations having now been implemented.

In response to questions Members were advised that the Authority is linked into local, regional and national risk registers thus ensuring risks are managed thoroughly and effectively and that the Authority remains updated on the risk from terrorism through National Intelligence Liaison Officers.

RESOLVED

i) the closure of the outcomes of the 2015/16 audit of Strategic and Departmental Risk Registers, based upon measures now implemented, be approved; and

ii) the new format adopted for the Strategic Risk Register and the changes made to the process and framework of all Risk Registers be noted.

71 National Fraud Initiative 2016/17

The Treasurer highlighted to Members that there has been a 44% reduction in matches identified by the National Fraud Initiative (NFI) exercise since 2014/15 but also emphasised that the existence of a match in an NFI report does not mean that there is a fraud; only that there is a need to investigate further to eliminate the possibility of fraud or error. The NFI outputs have been examined promptly and comprehensively and no fraud has been identified.

RESOLVED that action taken to date by the Authority in response to the National Fraud Initiative and that no fraud has been detected be noted.

72

Audit and Standards Committee Terms of Reference

The Head of Legal Services asked Members to consider improving the division of workload between Committees and proposed the reallocation of three areas of responsibility from Policy and Resources to Audit and Standards Committee and that the Terms of Reference be amended to reflect this. It was proposed that any such changes to would be introduced following Fire Authority approval at the Annual General Meeting which is scheduled to take place on 22 June 2017.

***RESOLVED* that**

i) the following areas of responsibility be reallocated to Audit and Standards Committee from Policy and Resources;

- Equality & Diversity
- Health & Safety
- Employment Monitoring

ii) the amended Terms of Reference for Audit and Standards Committee be recommended to the Fire Authority for approval.

73

Member Development Plan 2017/2018

Members were presented with a draft Development Plan for 2017-18. It was highlighted that sessions within the Member Development Plan link in not only with the theme “Adding Extra Value - Saving More Lives”, but also with key foundations and objectives as set out in Our Strategy and have been influenced by the feedback received from Members on previous sessions.

***RESOLVED* the Member Development Plan 2017/18 be approved.**

74

Annual Compliments, Complaints and Concerns 2016/2017

Members were informed of the compliments, donations, complaints and concerns made by the public over the past 12 months. Reassurance was given that there were no significant recurring themes or trends in concerns or complaints to give any cause for concern and that officers were satisfied that no change in Service delivery was necessary.

***RESOLVED* that the Annual Compliments, Complaints and Concerns**

2016/17 Report be noted.

The Meeting ended at: 11:32

Signed:.....

Date:.....

Chairman

Report of the Head of Legal Services

Draft Annual Governance Statement 2016/17

Purpose of report

1. To consider evidence compiled during the self assessment review which provides the assurances that sit behind the Annual Governance Statement .
2. To put forward the Draft Annual Governance Statement 2016/17 for approval.

Recommendations

It is recommended that the Draft Annual Governance Statement 2016/17 be approved.

Introduction and Background

3. Governance is about how the Authority ensures that it is doing the right thing, in the right way for the right people in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, cultures and values, by which the Authority is directed and controlled and through which it accounts to and engages with its communities.
4. The Accounts and Audit (England) Regulations 2015 require that the Fire Authority reviews its arrangements for governance and systems of internal control at least on an annual basis. To meet this requirement, the operation of the Authority's governance arrangements is subject to an annual self assessment against the CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) framework.
5. The annual self assessment review sets out the evidence of how the Authority has performed against the CIPFA/SOLACE framework and identifies any actions that are needed for the forthcoming year. Following the review the Authority is required to develop an annual governance statement which must be published alongside the unaudited statement of accounts at the beginning of the period for public inspection, which commences in early July.

Annual Governance Statement

6. The Annual Governance Statement is essentially a summary of the governance arrangements of which Members are familiar. It reports publicly on the extent to which the Authority's governance arrangements have met the values, principles and best practice, as set out in the Authority's Code of Corporate Governance.

Likewise, should the Authority have any significant governance weaknesses these will also be disclosed publicly within the Annual Governance Statement.

7. The Annual Governance Statement is a backward looking document up to the date of the approval of the Statement of Accounts i.e. 27 September 2017. The draft Annual Governance Statement is attached at Appendix 1.
8. It includes how the Authority has monitored the effectiveness of its governance arrangements, setting out any planned changes for the current period and sets out to:
 - identify the Authority's obligations and objectives;
 - identify tasks to achieve those objectives;
 - establish controls to manage risks; and
 - ensure the controls are working effectively.
9. The Annual Governance Statement will be audited by the External Auditors who will examine it as part of their work on the financial statements and the Value for Money Conclusion, which are included in the External Audit Findings 2016/17 to be reported to the Committee in September 2017.
10. In addition to the Annual Governance Statement, the Authority is required to publish an Annual Statement of Assurance, as required by the revised Fire and Rescue National Framework that was published by Government in July 2012. The Annual Statement of Assurance will be reported to the Committee in September 2017.

Self- Assessment

11. The evidence compiled during the self assessment review forms the assurances that sit behind the Annual Governance Statement and is attached at Appendix 2. The self assessment document also includes an Action Plan for 2017/18 to incorporate any areas that need to be developed in the forthcoming year.
12. The self assessment uses the new CIPFA/SOLACE Framework published in 2016. The new framework sets out 91 behaviours and actions against which the Authority must demonstrate good governance in practice, compared to the 55 requirements in the previous framework. Officers have assessed existing arrangements and documents against the new requirements and the status of how the Authority complies with each requirement is included.
13. Members will note from the self-assessment that the Authority has provided evidence of compliance with all the core and supporting principles of good governance. There are no areas where immediate action is required. However, there are two areas which indicate the Authority complies with the requirements but some minor actions are necessary as the review of some documents and arrangements have not yet been completed. These areas include the following actions that have been incorporated as actions for 2017/18:
 - Continue to review Standing Orders for Regulation of Contracts;
 - the Financial Regulations to be reviewed;

- an induction for new Members (this took place on 12 and 27 June 2017); and
 - due to the new Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, the Authority is required to publish information relating to any gender pay gap in the organisation.
14. Members will note that there are two areas where the direction of travel have improved during 2016/17:
- a Register of Interests for Senior Officers has been implemented
 - Code of Conduct refresher training has been undertaken for Authority Members
15. Further assurances are included at Appendix 3. These assurances relate to the expanded requirements from the Chief Financial Officer Statement as reflected in the local Code of Corporate Governance.

Conclusion/Summary

16. The Annual Governance Statement reports publicly on the extent to which the Authority's governance arrangements have met the values, principles and best practice, as set out in the Authority's Code of Corporate Governance. Likewise, should the Authority have any significant governance weaknesses these will also be disclosed publicly within the Annual Governance Statement.
17. The Committee has delegated responsibility to approve the Annual Governance Statement which will accompany the Statement of Accounts that will be published alongside the unaudited statement of accounts at the beginning of the period for public inspection, commencing in early July. The draft Annual Governance Statement is attached together with the relevant assurances for consideration.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	The Annual Governance Statement provides assurance for Members that effective governance arrangements are in place.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications)	The Annual Governance Statement links with 'Our Strategy' as it demonstrates how the Authority ensures the delivery of quality services.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores)	The Annual Governance Statement provides assurance for Members that effective governance arrangements are in place.
Consultation (identify any public or other consultation that has been carried out on this matter)	The Annual Governance Statement incorporates comments from both Internal and External Auditors and will be published for public inspection.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	No this has not been necessary as the Annual Governance Statement is a summary of existing arrangements. There are no new proposals set out that would need to be assessed in terms of equalities.

Supporting Information

Appendix 1 – Draft Annual Governance Statement
Appendix 2 – Annual Governance Statement Assurances
Appendix 3 – Chief Financial Officer Statement

Background papers:

Accounts and Audit (England) Regulations 2015
CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016
Hereford & Worcester Fire Authority Code of Corporate Governance

Contact Officer

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DRAFT ANNUAL GOVERNANCE STATEMENT 2016/17

1. Scope of Responsibility

- 1.1 The Fire Authority (the Authority) has a statutory responsibility to ensure that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. To do this the Authority must ensure that proper arrangements exist for the governance of its affairs. This includes maintaining a sound system of internal control and ensuring that robust arrangements for the management of risk are in place.

2. The Purpose of the Governance Framework

- 2.1 Governance is about how the Authority ensures that it is doing the right thing, in the right way for the right people in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, cultures and values, by which the Authority is directed and controlled and through which it accounts to and engages with its communities.
- 2.2 The system of internal control is designed to manage risk to a reasonable level (rather than to eliminate all risk). The Authority maintains a sound system to protect against risks and mitigate their impact. The systems are regularly reviewed and updated.

3. Key Elements of the Governance Framework and Internal Control System

- 3.1 The Authority has adopted a Code of Corporate Governance, which sets out how the Authority promotes good governance. A copy of the code is available at hwfire.cmis.uk.com/hwfire/Documents/DocumentLibrary.aspx or may be obtained from Hereford & Worcester Fire and Rescue Service Headquarters, 2 Kings Court, Charles Hastings Way, Worcester, WR5 1JR.
- 3.2 The Authority has the following protocols and processes in place which demonstrate the core principles as required by the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016:

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

- **Members' Code of Conduct and Registers of Interests** – a local Code of Conduct for all Members has been agreed by the Authority and a Register of Financial Interests for each Member are published on the Authority's website.
- **Ethical Framework** - reflects the Authority's commitment to always operating fairly and ensuring dignity and respect in the workplace and in the communities we serve, in an environment which values individual contributions and work towards the elimination of unlawful discrimination.
- **Code of Conduct for Staff and Register of Staff Interests** - requires employees to perform their duties with honesty, integrity, impartiality and objectivity.
- **Whistleblowing Policy** - in place for receiving and investigating complaints from staff and/or contractors.
- **Complaints Systems** - in place for receiving and investigating complaints from the public. A procedure is also in place for complaints relating to alleged breaches of the Code of Conduct by Members.

- **Anti-Fraud, Bribery and Corruption Policy** – the Authority has a zero tolerance approach to fraud, bribery and corruption, whether it is attempted from inside or outside the organisation.
- **Monitoring Officer** - provides advice on the scope of the powers and responsibilities of the Authority. The Monitoring Officer has a statutory duty to ensure lawfulness and fairness of decision making and also to receive allegations of breaches of the Code of Conduct by Authority Members. The Head of Legal Services acts as the Authority's Monitoring Officer and is governed by the professional standards set by the Solicitors' Regulation Authority.

Core Principle B: Ensuring openness and comprehensive stakeholder engagement demonstrated through:

- **Consultation Processes** – used effectively to consult stakeholders in 2016/17 about suitable sites for the proposed Wyre Forest Emergency Services Hub, a brand new central 'hub' for the fire, police and ambulance services.
- **Public Participation at Authority meetings** – members of the public can raise any topic at full Authority meetings as long as it is relevant to the duties and power of the Fire Authority.
- **Fire Station Open Days and public events** – facilitates engagement with the public with regards to the services we provide.
- **Active engagement with partners** – the Authority is represented on Local Strategic Partnerships, the Safer Roads Partnership and local Community Safety Partnerships.

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

- **Fire Authority Annual Report 2016/17** (Corporate Plan) - incorporates the annual performance of the Authority, the future outlook and objectives for the forthcoming year.
- **Community Risk Management Plan 2014-2020** – sets out how we will deliver sustainable services for our communities.
- **2020 Vision Programme** – a programme of major projects identified as being critical to the success of the organisation because they ensure its on-going resilience in the coming years. The projects in the programme include new fire stations, the roll out of vital new technology upgrades as part of national projects, and pivotal work with local partner organisations.
- **Fleet Strategy 2016-2021** – provides a structured approach to vehicle management that ensures the Authority continues to provide and maintain an effective fleet of vehicles to ensure that staff can undertake their jobs effectively.

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

- **Performance Management Framework** – a comprehensive set of key performance indicators measures the quality of service for users. Performance is monitored on a quarterly basis by the Authority's Policy & Resources Committee and Senior Management Board to ensure that services are delivered in accordance with the Authority's objectives and best use of resources.

- **Medium Term Financial Plan** - sets out the resources needed to deliver services.
- **Strategic Risk Register** - identifies controls to mitigate inherent identified risks and is monitored on an on-going basis with exception reporting to the Senior Management Board and to the Audit & Standards Committee.
- **Departmental Risk Registers** - reviewed by managers on a quarterly basis.

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

- **Constitution** - defines the roles and responsibilities of the Authority, Committees, Members and Officers and the protocols to be followed.
- **Member Development Strategy** – includes an induction for new Members and an annual training programme to provide opportunities for all Members to develop fire-specific knowledge.
- **Senior Management Board (SMB)** – involves all Principal Officers and Heads of Service in supporting the Chief Fire Officer to lead the Service.
- **Staff Development Process** – Individual Performance and Development Reviews in place for all staff to enable personal objectives to be set which contribute to the overall aims of the Authority. Competency training records and a course management system are also in place.

Core Principle F: Managing risks and performance through robust internal control and strong public financial management demonstrated through:

- **Audit & Standards Committee** - reviews arrangements for identifying and managing the Authority's business risks and the approval of policies in respect of the Authority's governance framework.
- **Chief Financial Officer (Treasurer)** - ensures the sound administration of the financial affairs of the Authority, as required by the statutory duties associated with s.151 of the Local Government Act 1972, the Local Government Finance Act 1988 and the Accounts and Audit Regulations 2015. The Chief Financial Officer is also governed by professional standards set by CIPFA.
- **Risk Management Strategy** - ensures that the Authority identifies strategic risks and applies the most cost effective control mechanisms to manage those risks.
- **Business Continuity Plan** - to ensure the Authority is resilient to interruptions which have the potential to adversely affect the delivery of core functions.

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

- **Transparency Information** - published on the website in accordance with the Local Government Transparency Code to promote openness and accountability through reporting on local decision making, public spending and democratic processes.
- **Agendas, minutes and decisions** – published on the website and includes the rationale and considerations on which decisions are based.

- **Internal Auditors** - Worcestershire Internal Audit Shared Service Audit Team provides the internal audit function for the Authority and reports quarterly to the Audit & Standards Committee. During 2016/17, Internal Audit undertook an audit of the development of the Annual Governance Statement and provided full assurance.
- **External Auditors** - Grant Thornton UK LLP provides the external audit services to the Authority and reports regularly to the Audit & Standards Committee.
- **Annual Assurance Statement** - provides staff, partners and local communities with an assurance that the Authority is doing everything it can to keep them safe and that it is providing value for money.

4. Review of Effectiveness

- 4.1 The Authority has prepared the Annual Governance Statement in accordance with the “Delivering Good Governance in Local Government Framework 2016” published by CIPFA/SOLACE. As part of the process the Audit & Standards Committee [will consider] the self-assessment review of its corporate governance arrangements against the CIPFA/SOLACE framework to ensure that the Authority’s governance arrangements are working correctly and are relevant to the current environment.
- 4.2 The Authority is satisfied that its financial management arrangements conform with the governance requirements of the CIPFA Statement of the Role of the Chief Financial Officer in Local Government. In addition, the key financial systems are continually reviewed by the Internal Auditor. There were no major weaknesses identified in the 2016/17 financial year.
- 4.3 Budget Monitoring reports have been presented to the Policy and Resources Committee throughout the financial year and have shown that the Authority’s finances are well controlled and that the resultant under spending is part of a planned response to known future budget constraints. The Authority is working on some longer term schemes to ensure a recurrent budget over time.
- 4.4 The Chief Financial Officer and the Monitoring Officer have provided assurances on their respective areas of statutory responsibility. All Members of the Senior Management Board have also provided assurances on their areas of responsibility.
- 4.5 The Monitoring Officer received no complaints regarding member conduct in 2016/17.

5. Significant Governance Issues

- 5.1 Based on the information provided above there are no significant governance issues identified at this time. We are satisfied that the need for improvements will be addressed and we will thereafter monitor the implementation and operation of any agreed recommendations as part of our next annual review.

.....
Chief Fire Officer/Chief Executive Chairman of the Fire Authority

Date: 27 September 2017

Annual Governance Statement Assurances 2016/17 and Action Plan 2017/18 - Updated June 2017

Status of Compliance Key:



=action needed



=minor actions needed



=no action required

No change= →

Improvements
made=↑

Improvement
needed = ↓

Core Principle A:

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

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
Behaving with integrity	Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation	<ul style="list-style-type: none"> • Audit & Standards Committee oversight • Authority Member Role Description • Ethical Framework in place – training rolled out to staff and Members • Code of Conduct for Members and complaints process • Member Training on Code of Conduct by Councils monitored • Equality Scheme • Staff Code of Conduct • Registers of Interest for Members and Officers • Pay Policy Statement • Payments to Members published • SMB Visits to Stations and Departments 	↑	Members Code of Conduct refresher training implemented	<p>Induction of new Members following elections</p> <p>Gender Pay Gap information to be published</p>

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)	<ul style="list-style-type: none"> Local Members Code of Conduct approved by the Authority Member representation on Organisational Development Working Group Authority approval of Equality scheme Authority Committees oversee development and implementation of equality and fairness policies 	→		
	Leading by example and using the above standard operating principles or values as a framework for decision making and other actions	<ul style="list-style-type: none"> Standard authority report template includes corporate considerations, including equalities Equality Impact Assessments (EIAs) – included in corporate considerations section of Authority reports Ask the Chief facility on intranet SMB Sharepoint site SMB visits to stations and departments 	→		
	Demonstrating, communicating and embedding the standard operating principles or	<ul style="list-style-type: none"> Register of Staff Interests Policy Related party disclosure requirements 	↑	Register of Interests for Senior Officers implemented	

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively	<ul style="list-style-type: none"> • National Fraud Initiative • Anti-Fraud, Bribery and Corruption Policy • Equality Scheme • Whistleblowing Policy • Disciplinary Policy • Capability Policy • Harassment and Bullying Policy • Employment Monitoring Information 			
Demonstrating strong commitment to ethical values	Seeking to establish, monitor and maintain the organisation's ethical standards and performance	<ul style="list-style-type: none"> • Audit & Standards Committee • Organisational Development Working Group • Review of Equality Objectives revised for 2017-2022 • Our Strategy • Monitoring complaints 	→		
	Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation	<ul style="list-style-type: none"> • Staff Code of Conduct • Ethical Framework • Whistleblowing Policy 	→		
	Developing and maintaining robust policies and procedures which	<ul style="list-style-type: none"> • Register of Staff Interests Policy • Anti-Fraud, Bribery and 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	place emphasis on agreed ethical values	Corruption Policy <ul style="list-style-type: none"> • Equality Scheme • Whistleblowing Policy • Disciplinary Policy • Capability Policy • Harassment and Bullying Policy 			
	Ensuring that external providers on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation	<ul style="list-style-type: none"> • Standard terms and conditions include clause relating to Whistleblowing Policy • Standing Orders for Regulation of Contracts • Procurement guidance – contractors also expected to adhere to Ethical Framework 	→	Review of Standing Orders for Regulation of Contracts not yet completed due to awaiting new approach to e-tendering	Review of Standing Orders for Regulation of Contracts carried over from 2016/17
Respecting the rule of law	Ensuring members and staff demonstrate a strong commitment to the rule of law as well as adhering to relevant laws and regulations	<ul style="list-style-type: none"> • In-house Head of Legal Services to provide advice • Updates in Service Bulletin • Constitution sets out requirements • Ethical framework training • Training for managers on disciplinary policy 	→		
	Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their	<ul style="list-style-type: none"> • Member/Officer Protocol • Constitution • Committee Terms of Reference • Scheme of Delegations to 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	responsibilities in accordance with legislative and regulatory requirements	Officers <ul style="list-style-type: none"> • Members Role Description • Appraisals for Statutory Officers • Members Training 			
	Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	<ul style="list-style-type: none"> • Saving More Lives Vision • Our Strategy • Tri-Service Principal Officer meetings • Local Strategic Partnership • Joint Operations and Command Project Board • People & Services Programme Board with West Mercia Police • Place Partnership Ltd. Joint Board • In-house Head of Legal Services to provide advice 	→		
	Dealing with breaches of legal and regulatory provisions effectively	<ul style="list-style-type: none"> • In-house Head of Legal Services to provide advice • Whistleblowing Policy • Anti-Fraud, Bribery and Corruption Policy 	→		
	Ensuring corruption and misuse of power are dealt with effectively	<ul style="list-style-type: none"> • Disciplinary Policy • In-house Head of Legal Services to provide advice • Whistleblowing Policy • Anti-Fraud, Bribery and Corruption Policy 	→		

Core Principle B:

Ensuring openness and comprehensive stakeholder engagement

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
Openness	Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	<ul style="list-style-type: none"> • Fire Station Open Days and public events • Website – your right to know section • Complaints process • Fire Authority Annual Report • Consultation Process • Publication Scheme • Public Participation at Authority meetings – guidance on website • Protocol for filming / recording meetings • Meetings Schedule • Scheme of Delegation • Transparency Information published on website to meet Government's Transparency requirements • Service Bulletin 	→		
	Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes.	<ul style="list-style-type: none"> • Access to Information Procedure Rules – public interest test • Authority and Committee 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided	meetings in public <ul style="list-style-type: none"> • Authority reports set out corporate considerations • Officer decisions published • 2020 Vision Programme Board 			
	Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear	<ul style="list-style-type: none"> • Authority reports set out corporate considerations • Minutes / decisions published • Wyre Forest Hub consultation process • Fire Authority Annual Report 	→		
	Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action	<ul style="list-style-type: none"> • After the Incident Surveys implemented and end of year report • Social Media Policy • Wyre Forest Consultation • Fire Station Open Days and public events 	→		
Engaging comprehensively with institutional stakeholders	Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended	<ul style="list-style-type: none"> • Fire Authority Annual Report • Local Strategic Partnerships 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
<i>NB institutional stakeholders are the other organisations that local government needs to work with to improve services and outcomes (such as commercial partners and suppliers as well as other public or third sector organisations) or organisations to which they are accountable</i>	outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably	<ul style="list-style-type: none"> • Memorandums of Understanding • West Midlands Regional Collaborative Statement • Joint Operations and Command Centre Project Board • Place Partnership Ltd Joint Board • Tri-Service Principal Officer meetings • PCC attends Fire Authority meetings as a non-voting member 			
	Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	<ul style="list-style-type: none"> • National Flood Support • Collaboration with the Police e.g. Hindlip Transformation Bid, sharing buildings, PCSOs training to be retained firefighters • Operational Policy – jointly created policy documents, sharing risk information • Collaborative approach to procurement e.g. Command Support Unit • Local Strategic Partnerships • Safer Roads Partnership in West Mercia • Community Safety 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
		Partnerships and activities <ul style="list-style-type: none"> • Tri-Service Supervisory Incident Command courses • Joint training and exercises with partners 			
	Ensuring that partnerships are based on: <ul style="list-style-type: none"> • trust • a shared commitment to change • a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit 	<ul style="list-style-type: none"> • Saving More Lives Vision • Fire Authority Annual Report • Worcestershire Sustainable Community Strategy • Joint Emergency Services Interoperability Programme (JESIP) framework • JESIP Statement of Assurance • Data sharing with partners including NHS, Clinical Commissioning Groups, Age UK, e.g Exeter data • Local Resilience Forum • WODA project 	→		
Engaging with individual citizens and service users effectively	Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other	<ul style="list-style-type: none"> • Wyre Forest Hub Consultation 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	stakeholders to ensure that service (or other) provisions is contributing towards the achievement of intended outcomes				
	Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement	<ul style="list-style-type: none"> • Media training for officers • Social Media Policy • Development of Youtube channel • Press releases / media campaigns • Service website • Members Role description • Wyre Forest Hub Consultation • Our Strategy • Our Values 	→		
	Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs	<ul style="list-style-type: none"> • After the Incident Surveys implemented and end of year report • Complaints and comments procedure • Positive Action Sub-Group • Fire Station Open Days and public events • Public Engagement statistics reported through Community Risk dashboard 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account	<ul style="list-style-type: none"> Complaints logged and themes reported to SMB and Audit & Standards Committee 	→		
	Balancing feedback from more active stakeholder groups to ensure inclusivity	<ul style="list-style-type: none"> Positive Action Sub-Group 	→		
	Taking account of the impact of decisions on future generations of tax payers and service users	<ul style="list-style-type: none"> Minimum Revenue Provision Policy Prudential Indicators Legacy projects as part of 2020 Vision Programme which aim to create a sustainable fire and rescue service 	→		

Core Principle C:

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

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
Defining outcomes	Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions	<ul style="list-style-type: none"> • Saving More Lives Vision • Our Strategy – Core Purpose • Fire Authority Annual Report • Annual Statement of Assurance • Performance Management Framework 	→		
	Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer	<ul style="list-style-type: none"> • Wyre Forest Hub Consultation 	→		
	Delivering defined outcomes on a sustainable basis within the resources that will be available	<ul style="list-style-type: none"> • 2020 Vision programme • Medium Term Financial Plan • Fire Authority Annual Report 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	Identifying and managing risks to the achievement of outcomes	<ul style="list-style-type: none"> • Strategic Risk Register • 2020 Vision Programme Board • Programme Management and Support in place • Internal Audit • External Audit • Audit & Standards Committee • Corporate Objective of “Understanding Risk” supports the “Saving More Lives” Vision • Responding based on risk e.g. Service Risks Project, Risk Based Audit Programme 	→		
	Managing service users’ expectations effectively with regard to determining priorities and making the best use of the resources available	<ul style="list-style-type: none"> • Wyre Forest Hub Consultation 	→		
Sustainable economic, social and environmental benefits	Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision	<ul style="list-style-type: none"> • Fire Authority Annual Report • Wyre Forest Hub Consultation 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints	<ul style="list-style-type: none"> • Our Strategy – Core Purpose and Resourcing for the Future • Fleet Strategy 2016-2021 • Authority meetings held in public and decisions published • External Audit Plan 2016/17 – identifies that the Authority is working on some longer term schemes to get a recurrent budget over time • ICT Strategy currently being developed • People Strategy currently being developed 	→		
	Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs	<ul style="list-style-type: none"> • Public consultation e.g. Wyre Forest Hub followed by Fire Authority scrutiny • Medium Term Financial Plan, Council Tax Precept 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	Ensuring fair access to services	<ul style="list-style-type: none"> • Our Values – we value diverse communities • Organisational Development Working Group • Ethical Framework • Equality Objectives • Equality Impact Assessments • Public Sector Equality Duty • Your Right to Know section of website • Targeting vulnerable groups e.g. Home Fire Safety Checks • Positive Action 	→		

Core Principle D:

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

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
Determining interventions	Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided	<ul style="list-style-type: none"> • Authority report template requires corporate considerations to be set out for decision makers • Authority Members given professional advice from lead officers i.e. Principal Officers, Treasurer, Head of Legal Services / Monitoring Officer • Procurement process • Quarterly Performance Reports considered by SMB and Policy & Resources Committee • Community Risk Management Plan approval process 	→		
	Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited	<ul style="list-style-type: none"> • Authority report template requires the results of any consultation to be set out for decision makers • Complaints monitored and reported to SMB and Audit & Standards Committee • After the Incident Surveys • Wyre Forest Hub 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	resources available including people, skills, land and assets and bearing in mind future impacts	Consultation			
Planning interventions	Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	<ul style="list-style-type: none"> • Medium Term Financial Plan and budget development process • Annual internal and external audit plans • Regular budget holder meetings • Budget monitoring and performance monitoring undertaken by SMB and Policy & Resources Committee • Strategy Management and Business Planning Policy • Programme and Project Management Policy • Strategic Risk Register 	→		
	Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	<ul style="list-style-type: none"> • Staff consultation e.g. crewing models, Wyre Forest Hub • Joint Consultative Committee (JCC) • Middle Management Board • Group Commanders Forum • Station Commanders Forum 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
		<ul style="list-style-type: none"> Retained Officers in Charge Meetings Local Strategic Partnerships Joint Operations and Command Centre Project Board Place Partnership Ltd Joint Board Tri-Service Principal Officer meetings Collaboration with the Police e.g. Hindlip Transformation Bid, sharing buildings, PCSOs training to be retained firefighters 			
	Considering and monitoring risks facing each partner when working collaboratively, including shared risks	<ul style="list-style-type: none"> Strategic Risk Register 2020 Vision Programme Board Business Continuity Plans Service Risks Project – shared with partners 	→		
	Ensuring arrangements are flexible and agile so that mechanisms for delivering goods and services can be adapted to changing circumstances	<ul style="list-style-type: none"> Cultural acceptance of the need to be flexible Horizon scanning through CFOA, Local Government Association and other networks 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	<ul style="list-style-type: none"> • Performance Management Framework • Comprehensive set of KPIs agreed by SMB • Policy & Resources Committee and SMB review performance quarterly • 2020 Vision Programme Board monitors performance of projects • Equality Objectives 	→		
	Ensuring capacity exists to generate the information required to review service quality regularly	<ul style="list-style-type: none"> • Performance & Information Department supports all areas of the service in <ul style="list-style-type: none"> ○ Active Incident Monitoring (AIM) ○ Information Management ○ Public Services Network ○ Performance ○ Planning ○ Projects • ORH independently reviews data 	→		
	Preparing budgets in accordance with objectives, strategies and the medium term financial plan	<ul style="list-style-type: none"> • Technology One Finance System • Budget Holder meetings • Fire Authority Annual Report • CRMP Annual Action Plan 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
		<ul style="list-style-type: none"> • Business Planning process • Strategy Management and Business Planning Policy 			
	Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	<ul style="list-style-type: none"> • Medium Term Financial Plan • Capital Budget Programme • Revenue Budget • Reserves Strategy • 2020 Vision Programme • Transformation Funding Bids 	→		
Optimising achievement of intended outcomes	Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	<ul style="list-style-type: none"> • Medium Term Financial Plan (MTFP) discussed at full Fire Authority meetings • MTFP linked to the CRMP and the Efficiency Plan approved by the Home Office 	→		
	Ensuring the budgeting process is all-inclusive, taking into account the full costs of operations over the medium and longer term	<ul style="list-style-type: none"> • External Audit Plan 2016/17 – identifies that the Authority is working on some longer term schemes to get a recurrent budget over time • Value For Money Conclusion • Resourcing for the Future is a key foundation for Our Strategy 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	Ensuring the medium term financial strategy sets the context for on-going decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage	<ul style="list-style-type: none"> • Community Risk Management Plan • Medium Term Financial Plan 	→		
	Ensuring the achievement of 'social value' through service planning and commissioning	<ul style="list-style-type: none"> • Procurement process • ORS commissioned to undertake the independent public consultation regarding the proposal for a Wyre Forest Emergency Hub 	→		

Core Principle E:

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

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
Developing the entity's capacity	Reviewing operations, performance and use of assets on a regular basis to ensure their effectiveness	<ul style="list-style-type: none"> • Performance Management Framework • Senior Officer appraisals • Quarterly performance reports to Policy & Resources Committee and SMB • Complaints process • Quality assurance audits • Electronic Incident De-brief Process • Active Incident Monitoring Process • Station Assurance Audits • Practical Skills Audits • IPDR process 	↑	Code of Conduct refresher training for Members implemented	
	Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently	<ul style="list-style-type: none"> • Performance Management Framework • KPIs set by SMB • Business Planning • Annual performance report and quarterly performance monitoring • Risk based planning e.g. CRMP informing budget setting process 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
		<ul style="list-style-type: none"> • CRMP Action Plan • Fire Authority Annual Report 			
	Recognising the benefits of partnerships and collaborative working where added value can be achieved	<ul style="list-style-type: none"> • Fire Authority Annual Report • Local Strategic Partnerships • Memorandums of Understanding • West Midlands Regional Collaborative Statement • Joint Operations and Command Centre Project Board • Place Partnership Ltd Joint Board • Tri-Service Principal Officer meetings 	→		
	Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	<ul style="list-style-type: none"> • Our Strategy – Foundations: People • Our Values • Monthly Workforce Planning meetings • Voluntary Redundancy Scheme • Voluntary Early Retirement Scheme • Secondment Scheme • Budget Strategy Reduction Reserve 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
		<ul style="list-style-type: none"> • Employment Monitoring – Annual Report considered by Policy & Resources Committee 			
Developing the capability of the entity's leadership and other individuals <i>NB Executive / Cabinet and Leader Model not in place</i>	Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained	<ul style="list-style-type: none"> • Members' Role Description • Senior Management Job Descriptions • Senior Management Board Terms of Reference and Membership • Terms of Reference for Group Leaders' Meetings • Protocol for Member/Officer Relations • Statutory Officer Appraisals 	→		
	Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	<ul style="list-style-type: none"> • Scheme of Delegations to Officers in place • Matters reserved for the Authority in Constitution • Committee Structure and Terms of Reference • Standing Orders 	→		
<i>NB Executive / Cabinet and Leader Model not in place</i>	Ensuring the leader and the chief executive have clearly defined and distinctive roles within a structure whereby the chief executive leads in implementing strategy and	<ul style="list-style-type: none"> • Members' Role Description • Senior Management Board Terms of Reference and Membership • Senior Management Job Descriptions 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	managing the delivery of services and other outputs set by members and each provides a check and balance for each other's authority	<ul style="list-style-type: none"> • Terms of Reference for Group Leaders' Meetings • Authority and Committees provide challenge to Principal Officers • Statutory Officer Appraisals 			
	<p>Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by</p> <ul style="list-style-type: none"> • ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged 	<ul style="list-style-type: none"> • Member Development Strategy • Members' Role Description • Fire specific Member Development Programme • Members' Induction Session and Pack • Members' Bulletin • Monitoring of Member attendance at Code of Conduct Training • In-house Monitoring Officer and Committee Services Team to provide on-going support and advice • Audit & Standards Committee oversee Member Training • Member Training also provided by constituent authorities • Local Inductions for staff • Appraisal (IPDR) process for staff • SMB Workshops 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	<ul style="list-style-type: none"> ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external 	<ul style="list-style-type: none"> Conference attendance Competency training records and course management system for staff Leadership training eg ELP De-brief process provides shared learning through lessons learned Development Programme for Middle Managers e.g. ILM Level 7 			
	Ensuring that there are structures in place to encourage public participation	<ul style="list-style-type: none"> Public participation scheme for Authority meetings Wyre Forest Hub Consultation Complaints Procedure Fire Station Open Days and public events 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	<ul style="list-style-type: none"> • CFOA Regional Health & Safety Audit – review of recommendations by Audit & Standards Committee and Health & Safety Committee • Thomas Review – recommendations relevant to HWFRS analysed by Officers and reviewed by Policy & Resources Committee 	→		
	Holding staff to account through regular performance reviews which take account of training or development needs	<ul style="list-style-type: none"> • Appraisal (IPDR) process for staff 	→		
	Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	<ul style="list-style-type: none"> • Occupational Health contract reviewed and renewed • Annual Fitness Tests available for all staff • Mind Blue Light Pledge • Critical Incident Support Team • Mediation and Listening Ear Service 	→		

Core Principle F:

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

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
Managing risk	Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making	<ul style="list-style-type: none"> • Community Risk Management Plan (CRMP) • Strategic Risk Register • Risk Management Strategy • Audit & Standards Committee Terms of Reference • Authority Standard Report Template requires any risk issues to be set out • External Audit • Internal Audit • Statement of Assurance 	→		
	Implementing robust and integrated risk management arrangements and ensuring that they are working effectively	<ul style="list-style-type: none"> • CRMP Action Plans • Departmental Risk Registers • Quarterly Risk Register Reviews • Service Risks project – risk presentation for staff and partners • Resilience Direct website to share risk based information with other fire services and Local Resilience Forum 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	Ensuring that responsibilities for managing individual risks are clearly allocated	<ul style="list-style-type: none"> • Strategic Risk Register • Departmental Risk Registers 	→		
Managing performance	Monitoring service delivery effectively including planning, specification, execution and independent post implementation review	<ul style="list-style-type: none"> • Community Risk Management Plan (CRMP) • CRMP Review 2017/18 • CRMP Action Plans • 2020 Vision Programme Board • Lesson learnt reports for completed projects • Service delivery audits • Skills and performance audits • Internal Audit – Critical Friend Audits • Debrief system • Statement of Assurance 	→		
	Making decisions based on a relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook	<ul style="list-style-type: none"> • CRMP Consultation analysis • Wyre Forest Hub Consultation analysis • Fire Authority and Committee report template – specific reference to implications and risks • Equality Impact Assessments 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making	<ul style="list-style-type: none"> • Members Role description • Member Development Strategy • Policy & Resources Committee • Audit & Standards Committee • Task & Finish Group e.g. Fleet Strategy • SPI Consultation Process 	→		
	Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement	<ul style="list-style-type: none"> • Quarterly Performance Monitoring reports considered by SMB and Policy & Resources Committee • 2020 Vision project updates to the Fire Authority e.g. Members Bulletin • 20:20 Programme Board 	→		
	Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements)	<ul style="list-style-type: none"> • Constitution – responsibility for functions • Financial Regulations • Budget and precept setting process – Fire Authority • Quarterly financial monitoring by Policy & Resources Committee • Strategy Management and Business Planning Policy • Programme and Project 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
		Management Policy			
Robust internal control	Aligning the risk management strategy and policies on internal control with achieving objectives	<ul style="list-style-type: none"> • Risk Management Policy and Risk Assessment Process • Business Continuity Policy • Financial Regulations • Anti-Fraud and Corruption Policy 	→	Review of Financial Regulations not yet completed as the review is linked in with the review of Contract Standing Orders which was delayed due to awaiting new approach to e-tendering	Review of Financial Regulations carried over from 2016/17
	Evaluating and monitoring risk management and internal control on a regular basis	<ul style="list-style-type: none"> • Quarterly reviews of departmental risk registers • Internal Audit Plan • External Audit Plan 	→		
	Ensuring counter fraud and anti-corruption arrangements are in place	<ul style="list-style-type: none"> • Anti-Fraud and Corruption Policy • Whistleblowing Policy 	→		
	Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	<ul style="list-style-type: none"> • Worcestershire Internal Audit Shared Services Objectives • Internal Audit Plan • Quarterly Internal Audit reports 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	<p>Ensuring an audit committee or equivalent group/function, which is independent of the executive and accountable to the governing body:</p> <ul style="list-style-type: none"> provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment that its recommendations are listened to and acted upon 	<ul style="list-style-type: none"> Audit & Standards Committee has delegated decision making authority Restrictions on membership of Audit & Standards Committee to prevent conflict of interests 	→		
Managing data	Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	<ul style="list-style-type: none"> Information Governance Policy Data Transfer Policy Data Protection Policy Freedom of Information Act and Environmental Information Regulations Policy Records Management Policy Information Security 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
		Incident Management Policy			
	Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies	<ul style="list-style-type: none"> • Information Sharing Protocol • Data Transfer Policy 			
	Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	<ul style="list-style-type: none"> • Information Governance Policy (Data Quality and Version Control) • Information Asset and Retention Register • Quarterly performance monitoring reports to SMB and Policy & Resources Committee 	→		
Strong financial management	Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance	<ul style="list-style-type: none"> • Treasurer / Director of Finance in place • Budget Holder meetings • Fire Authority Annual Report • CRMP • Business Planning process • Strategy Management and Business Planning Policy • Medium Term Financial Plan and budget development process • Budget monitoring and 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
		performance monitoring undertaken by SMB and Policy & Resources Committee			
	Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	<ul style="list-style-type: none"> • Financial Regulations • Technology One Finance System • Internal Audit recommendations • Standing Orders for the Regulation of Contracts 	→	Review of Standing Orders for Regulation of Contracts not yet completed due to awaiting new approach to e-tendering	Review of Standing Orders for regulation of Contracts carried over from 2016/17

Core Principle G:

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

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
Implementing good practice in transparency	Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate	<ul style="list-style-type: none"> • Fire Authority Annual Report • Annual Assurance Statement • Council Tax Information leaflet / webpage • Community Risk Management Plan • Consultation documents • Agendas, minutes and decisions published, including the rationale and considerations on which decisions are based • Head of Legal and Committee Services to advise on Authority and Committee reports 	→		
	Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	<ul style="list-style-type: none"> • Your Right to Know section of the website • Compliance with the Government's transparency Code via Transparency webpage • Social media 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
Implementing good practices in reporting	Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way	<ul style="list-style-type: none"> • Fire Authority Annual Report • Annual Assurance Statement • Council Tax Information leaflet / webpage 	→		
	Ensuring members and senior management own the results reported	<ul style="list-style-type: none"> • Fire Authority Annual Report • Annual Assurance Statement • Annual Performance report 	→		
	Ensuring robust arrangements for assessing the extent to which principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)	<ul style="list-style-type: none"> • Internal Audit and External Audit of the Annual Governance Statement and assurances • Internal Audit of the development Annual Governance Statement – full assurance 	→		
	Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate	<ul style="list-style-type: none"> • Worcestershire Internal Audit Shared Services is run by steering group comprising the relevant local authorities who abide by the Framework 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations	<ul style="list-style-type: none"> • Statement of Accounts prepared prior to deadline • Audit of Accounts • Statement of Assurance presented at the same time as the Statement of Accounts • Family Group 4 Benchmarking Report 	→		
Assurance and effective accountability	Ensuring that recommendations for corrective action made by external audit are acted upon	<ul style="list-style-type: none"> • Audit & Standards Committee considers external audit reports and adequacy of management response to recommendations 	→		
	Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon	<ul style="list-style-type: none"> • Worcestershire Internal Audit Shared Service • Internal Auditor reports to Audit & Standards Committee and attends meetings 	→		
	Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	<ul style="list-style-type: none"> • CFOA West Midlands Regional Health & Safety Audit • Operational Assurance 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2016/17 Actions	2017/18 Actions
	Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement	<ul style="list-style-type: none"> • Risk Registers include risks associated with failure of suppliers 	→		
	Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met	<ul style="list-style-type: none"> • Local Strategic Partnerships • Memorandums of Understanding • West Midlands Regional Collaborative Statement • Joint Operations and Command Centre Project Board • Place Partnership Ltd Joint Board • Worcestershire Partnership Executive Group Terms of Reference • Shenstone Group Objectives • JESIP Framework and Statement of Assurance 	→		

Appendix 3 – Expanded / additional governance requirements from the Chief Financial Officer statement reflected in the local Code of Corporate Governance

1. Core Principle: Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

Additional governance requirements from Chief Financial Officer statement	Evidence of compliance
i. Ensure that timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the authority meets its policy and service objectives and provides effective stewardship of public money and value for money in its use.	<ul style="list-style-type: none"> • Medium Term Financial Plan • Annual Audit Letter • Value for Money Opinion • Performance Management Framework • Procurement Frameworks in place eg BlueLight Emergency Services e-Tendering • Standing Orders for Regulation of Contracts • Fire Authority reports
ii. Ensure that the authority maintains a prudential financial framework; keeps its commitments in balance with available resources; monitors income and expenditure levels to ensure that this balance is maintained and takes corrective action when necessary.	<ul style="list-style-type: none"> • Minimum Revenue Provision Policy • Quarterly Performance and Budget Monitoring Reports to Policy & Resources Committee • Statement of Accounts • Financial Regulations • Publication of supplier payments over £250
iii. Ensure compliance with CIPFA's Code on Prudential Capital Finance and CIPFA's Treasury Management Code.	<ul style="list-style-type: none"> • Statement of Prudential Indicators • Treasury Management Reports to Policy & Resources Committee

2. Core Principle: Members and officers working together to achieve a common purpose with clearly defined functions and roles

Additional governance requirements from Chief Financial Officer statement	Evidence of compliance
i. Ensure that the Chief Financial Officer reports directly to the Chief Executive and is a member of the leadership team with a status at least equivalent to other members. If different organisational arrangements are adopted, explain the reasons publicly, together with how these deliver the same impact.	<ul style="list-style-type: none"> • Role of Chief Financial Officer undertaken by Treasurer (Director of Finance & Assets) – Principal Officer level – member of Senior Management Board • Senior Management Board Terms of Reference and Membership • Senior Management Job Descriptions
ii. Ensure that the authority's governance arrangements allow the Chief Financial Officer direct access to the Chief Executive and to other leadership team members.	<ul style="list-style-type: none"> • Scheme of Delegations to Officers • Senior Management Board Terms of Reference and Membership • Direct access to Authority and to Audit & Standards Committee
iii. Appoint a professionally qualified Chief Financial Officer whose core responsibilities include those set out in the Statement Role of the Chief Fin. Officer in Local Govt and ensure that they are properly understood throughout the authority. iv. Ensure that the Chief Financial Officer: <ul style="list-style-type: none"> • Leads the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively. • Has a line of professional accountability for finance staff throughout the organisation. 	<ul style="list-style-type: none"> • Director of Finance & Assets appointed as S151 Officer (Treasurer) • Deputy Treasurer in place • Audit Commission Annual Audit Letter • Budget Holders Meetings and Surgeries

<p>v. Ensure that budget calculations are robust and reserves adequate, in line with CIPFA's guidance.</p> <p>vi. Ensure that appropriate management accounting systems, functions and controls are in place so that finances are kept under review on a regular basis. These systems, functions and controls should apply consistently to all activities including partnership arrangements, outsourcing or where the authority is acting in an enabling role.</p>	<ul style="list-style-type: none"> • Internal Audit Reports • Technology One Finance System • Financial Regulations • Budget Monitoring Reports to Policy & Resources Committee • Audit Committee consider Internal Audit reports
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<p>vii. Establish a medium term business and financial planning process to deliver strategic objectives including:</p> <ul style="list-style-type: none"> • a medium term financial strategy to ensure sustainable finances • a robust annual budget process that ensures financial balance • a monitoring process that enables this to be delivered <p>viii. Ensure that these are subject to regular review to confirm the continuing relevance of assumptions used.</p>	<ul style="list-style-type: none"> • Medium Term Financial Strategy • Audit of Accounts • Statement of Accounts • Budget Monitoring Process and Reports • Budget / Financial Seminars for Members
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3. Core Principle: Members and officers working together to achieve a common purpose with clearly defined functions and roles

<p>i. Ensure that systems and processes for financial administration, financial control and protection of the authority's resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice.</p>	<ul style="list-style-type: none"> • Anti-Fraud, Bribery and Corruption Policy • Whistleblowing Policy • National Fraud Initiative reviewed in full and reported to Audit & Standards Committee promptly
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4. Core Principle: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

i. Ensure an effective internal audit function is maintained	<ul style="list-style-type: none"> • Audit & Standards Committee in place • Internal Audit reports regularly considered by Audit & Standards Committee • Policy & Resources Committee scrutinises performance
ii. Ensure that the authority's governance arrangements allow the Chief Financial Officer direct access to the audit committee and external audit.	<ul style="list-style-type: none"> • Audit & Standards Committee in place • Treasurer has meetings with Audit & Standards Committee Chairman • Treasurer is the lead officer for Audit & Standards Committee
iii. Ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the authority.	<ul style="list-style-type: none"> • Schedule of meetings • Budget Monitoring Reports to SMB and P&R Committee • Budget Holders meetings
iv. Ensure the authority's governance arrangements allow the Chief Financial Officer to bring influence to bear on all material decisions.	<ul style="list-style-type: none"> • Clerk and Treasurer comment on draft Fire Authority and Committee reports and attend Authority meetings to advise • Financial Regulations • Treasurer reports regularly to Authority
v. Ensure that advice is provided on the levels of reserves and balances in line with good practice guidance.	
vi. Ensure that the authority's arrangements for financial and internal control and for managing risk are addressed in annual governance reports.	<ul style="list-style-type: none"> • Strategic Risk Register in place • Audit & Standards Committee Terms of Reference • Fire Authority Standard Report Template – risk issues need to be highlighted • Risk Management Strategy in place • Audit Commission – Annual Governance Audit • Internal Audit • Financial Regulations • Technology One Finance System
vii. Ensure the authority puts in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval process.	

5. Core Principle: Developing the capacity and capability of members and officers to be effective

<p>i. Ensure the Chief Financial Officer has the skills, knowledge, experience and resources to perform effectively in both the financial and non-financial areas of their role.</p> <p>ii. Review the scope of the Chief Financial Officer's other management responsibilities to ensure financial matters are not compromised.</p> <p>iii. Provide the finance function with the resources, expertise and systems necessary to perform its role effectively.</p>	<ul style="list-style-type: none">• Head of Paid Service, Treasurer and Monitoring Officer appointed by Authority• Performance appraisals in place• Finance team in place – staff appropriately qualified and trained
<p>iv. Embed financial competencies in person specifications and appraisals.</p> <p>v. Ensure that councillors' roles and responsibilities for monitoring financial performance/budget management are clear, that they have adequate access to financial skills and are provided with appropriate financial training on an ongoing basis to help them discharge their responsibilities.</p>	<ul style="list-style-type: none">• Staff appraisals• SMB Leadership Review• Member Induction• Member Role Description• Annual Budget / Financial Seminars for Members

Report of the Treasurer

Statement of Accounts 2016/17

Purpose of report

1. To present the 2016/17 Statement of Accounts for approval.
-

Recommendation

The Treasurer recommends that the Statement of Accounts 2016/17 be approved.

Introduction

1. In respect of the 2016/17 Statement of Accounts, the Account and Audit Regulations 2015 require that:
 - a. the Statements are signed off by the Treasurer by 30 June 2017
 - b. the Statements are approved by the Authority by 30 September 2017
 - c. the Statements must be published by 30 September 2017
2. The Fire Authority has delegated the approval responsibility to the Audit and Standards Committee.
3. The Accounts were signed off by the Treasurer on 26 May 2017, a whole month ahead of the deadline
4. The Audit is now complete, with no major issues arising and the External Auditors report is included elsewhere on the Agenda.

Statement of Accounts

5. As Members will be aware, the Code of Practice on Local Authority Accounting - Statement of Recommended Practice (SORP) requires that the Accounts are prepared on the basis of International Finance Reporting Standards (IFRS). This differs significantly from the statutory framework used for Council Tax and Grant purposes. This is explained further below.
6. The principal effect of this is that the Comprehensive Income and Expenditure Statement (CIES) exhibits a significant net deficit because the Statutory Accounting arrangements which are used by the FRA in council tax setting have precedence over IFRS.
7. There are charges, e.g. depreciation, and the liability on pension schemes which are not chargeable in the statutory accounts. The Government does not

recognise IFRS for grant allocations or as part of the statutory budget setting arrangements.

8. The differences between IFRS and Statutory Accounting are reconciled in the Movement in Reserves Statement and do not affect the underlying financial position.
16. The Balance Sheet shows a negative balance which arises from the identified liabilities in the Pension Schemes.
17. The FRA is, however, not required or empowered to fund these deficits immediately. The Local Government Pension Scheme (LGPS) is covered by future payments of the employer's contribution and the Firefighters' Schemes are covered by the new financing arrangements commencing from 1 April 2006 which effectively means that the liability will be met by direct government grant, as it arises.

Conclusion

18. The Statement of Accounts is ready for approval.
19. As there are no matters arising from the public inspection period (1 July 2017 to 11 August 2017), the External Auditor will be able to issue the audit opinion, as soon as he is ready.
21. On publication, the Statement of Accounts will contain the Auditors Opinion and the approved Annual Governance Statement,

Future Years

22. With effect from the 2017/18 Accounts, the Account and Audit Regulations 2015 change the deadlines for approval to:
 - d. the Statements are signed off by the Chief Finance Officer by 31 May
 - e. the Statements are approved by the Authority by 31 July
 - f. the Statements must be published by 31 July
23. As a consequence, it will be necessary to make changes to the established time-table for this Committee from 2018 onwards.
24. Members can be assured, however, that the evidence of the completion of the 2016/17 Statement before the end of May this year demonstrates that it is not an obstacle for the finance team.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	N/A
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	N/A
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	N/A
Consultation (identify any public or other consultation that has been carried out on this matter)	N/A
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A

Supporting Information

Appendix 1– Statement of Accounts 2016/17

Contact Officer

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Hereford & Worcester Fire Authority Statement of Accounts (Unaudited) 2016/17

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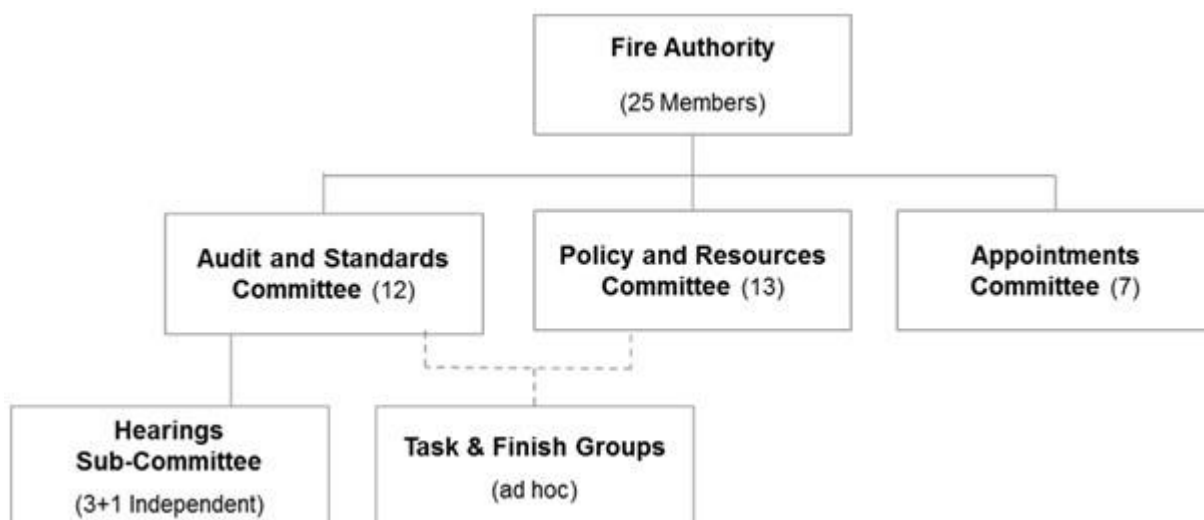
NARRATIVE REPORT

1. Originally formed as an independent corporate body, as a result of Local Government Reorganisation, on 1 April 1998, Hereford & Worcester Fire Authority (the Authority) is now constituted under the Fire and Rescue Services Act 2004. The Authority sets its own budget requirement, receives a share of Retained Business Rates, Business Rate Support Grant and Revenue Support Grant, and issues its own Council Tax Precept.
2. The Service covers the whole of Herefordshire and Worcestershire, an area of around 1,500 square miles (390,000 hectares) and a resident population of about three-quarters of a million people (753,700 – ONS mid-2014 population estimate). Of these, three in four live in Worcestershire, with around 100,000 people living in the city of Worcester. Herefordshire is more sparsely populated with a largely rural population, about a third of whom (60,000 people) live in the city of Hereford.
3. Our Strategy is the Service's overall statement of intent. With safety firmly at its heart, the statement has a clear core purpose built on strong foundations linked by three driving principles: firefighter safety, community safety and delivery of quality services. It relies on all parts of the service – from frontline firefighting to support staff and community safety volunteers – working together to deliver services and plans.



The Fire Authority

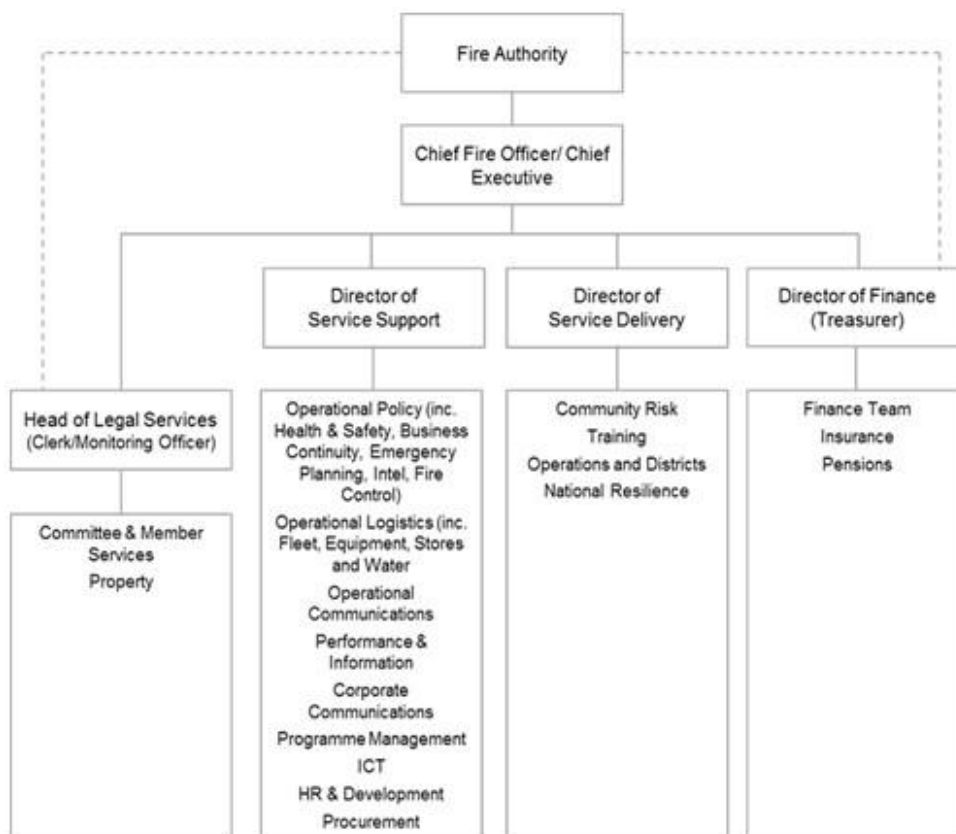
4. Hereford & Worcester Fire Authority is the governing body of the Fire and Rescue Service and is the legal entity responsible for carrying out duties as set out in the Fire and Rescue Services Act 2004, in relation to fire prevention, fire safety, firefighting and rescues (including from road traffic collisions and other emergencies such as flooding). It is made up of 25 local councillors, six appointed by Herefordshire Council and 19 by Worcestershire County Council.
5. The Authority currently carries out its duties by directly employing operational and other staff as Hereford and Worcester Fire and Rescue Service.
6. The Authority sets the budget and approves the overall direction for the Service. It also appoints the Chief Fire Officer, Treasurer, Monitoring Officer and Deputy Chief Fire Officer and makes sure the Service has the right people, equipment and training to deliver their services effectively and efficiently in the best interests of the communities of Herefordshire and Worcestershire.
7. The Fire Authority meets four times a year and is supported by three committees as shown in the structure chart below. All meetings are open to the public, unless there is a reason that any individual matters under discussion need to remain confidential. Members of the Authority are also kept up to date on fire and rescue matters through an annual programme of seminars, workshops and visits to fire stations and other facilities.



The Fire and Rescue Service

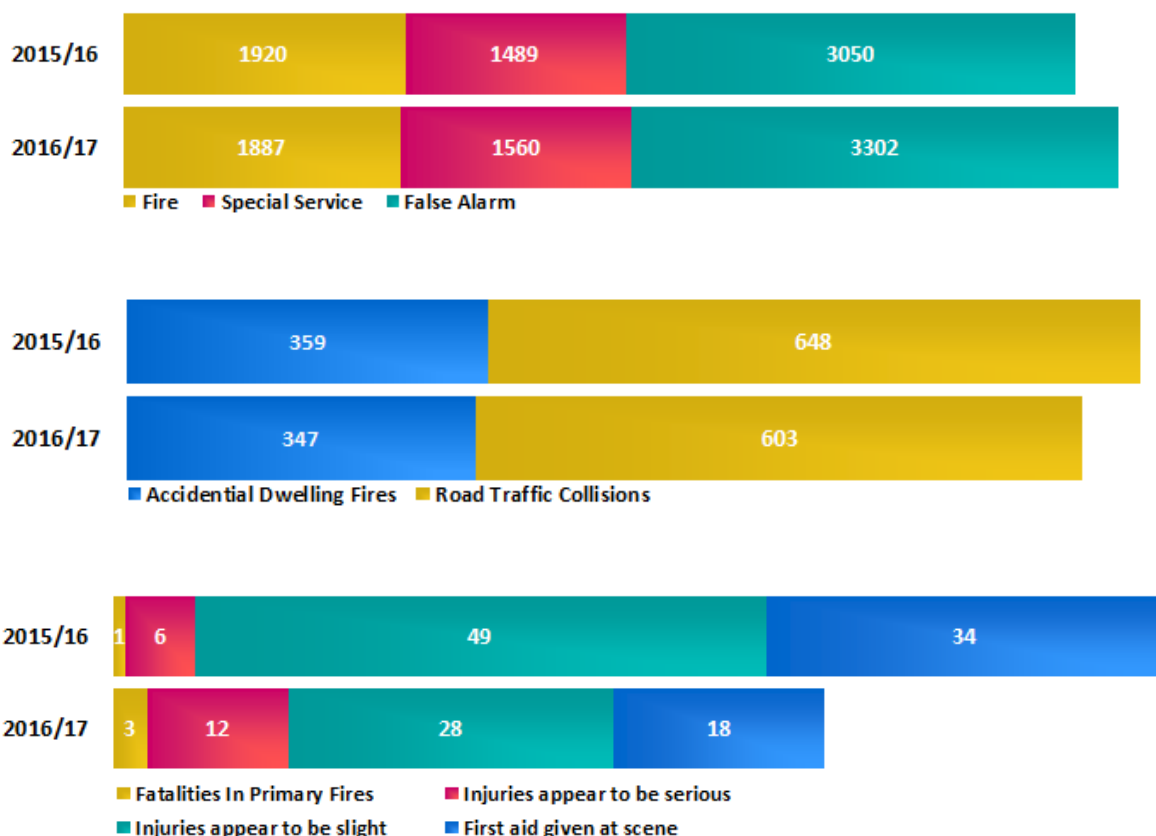
8. The Service is led by the Chief Fire Officer/Chief Executive with the support of the Senior Management Board. The Service employs just over 750 full-time and part-time staff, most of whom are highly trained firefighters (approximately 80 per cent of the total workforce).
9. In addition to Service Headquarters in Worcester, there are 27 fire stations across the two counties, a training centre, stores/workshops and a number of locally based training facilities.
10. The Service is structured into three directorates – Service Delivery, Service Support, and Finance. Most staff are directly involved in providing prevention, protection, response and resilience services. These services are designed to keep the communities of Herefordshire and Worcestershire as safe as possible by working with local people, organisations and business to try to make sure emergency incidents don't happen in the first place, as well as by being able to respond quickly and effectively to any emergencies that do happen. These essential services are supported by a wide range of organisational support services

such as financial, personnel and legal management functions. The full range of services is shown in chart below



Our Performance

11. The Service attended 6,749 incidents in 2016-17. This was 290 or just over 4% more than last year. Although we expect there to be fluctuations up and down in the number of incidents from year to year, we still analyse the underlying causes, with the aim of improving our targeted prevention activities. Despite the increase, the trend over the last 4 years is consistent.
12. There has been an increase in the number of incidents in each of the three main categories. False Alarms continue to be the largest proportion of incidents, representing almost one in every two incidents (49%) and the Service is working with businesses as well as call challenging to reduce this. We continue to work with occupiers to identify where false alarm activations by repeat offenders could be reduced.
13. We attended 12 less accidental dwelling fires and 45 less road traffic collisions, (this includes attendance where we assisted in making the vehicle safe) than we did last year. We will ensure our prevention activities and our work with partners continues to target these potentially life-risk incidents.



Collaboration and the Policing and Crime Act 2017

14. The Policing and Crime Act 2017 received Royal Assent on 31st January. The 2017 Act contains a wide range of measures, including a statutory duty on the fire and rescue service to work collaboratively with their local Police and Ambulance Services. The introduction of this statutory duty aims to improve efficiency and effectiveness through better local accountability and an improved service for communities as well as savings for taxpayers.
15. It should be noted that there was already a high degree of collaboration between this authority and West Mercia Police.
16. Within the Bill, there are further specific provisions covering collaboration between police and fire services. These provisions relate to the role of the Police and Crime Commissioner (PCC), who would be enabled to take on more responsibility for fire and rescue services, if there is local support and demonstrated benefit. The PCC is an elected official responsible for ensuring efficient and effective policing of this police area. The PCC for West Mercia has engaged consultants to determine whether there are benefits to be gained from the PCC taking over responsibility for the Fire Authority.

The Accounting Statements

17. The Statement of Accounts that follows covers the Authority's financial year ending 31 March 2017. The accounts, which are prepared in accordance with International Financial Reporting Standards (IFRS) as guided by the CIPFA Code of Practice on Local Authority Accounting 2016/17, comprise a group of Core Financial Statements:
 - Comprehensive Income & Expenditure Statement (CIES)
 - Movement in Reserves Statement (MiRS)
 - Balance Sheet
 - Cash Flow Statement

- Notes to the Core Statements

18. In addition there is a Supplementary Financial Statement in respect of the Firefighters Pension Account.

19. The purpose of the Core Financial Statements is as below:

Comprehensive Income and Expenditure Statement (CIES)

- This 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.
- The Authority raises taxation to cover expenditure in accordance with statutory regulation; this may be different to the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Movement in Reserves Statement (MiRS)

- This shows the movement in the year on the different reserves held by the Authority, analysed into “useable 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 & Expenditure Statement (CIES).
- These are different to the statutory amounts required to be charged to the General Fund Balance for grant and Council Tax setting purposes.
- The Net Increase/Decrease before Transfers to Ear-marked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves.

Balance Sheet

- This shows the value as at the balance sheet date of assets and liabilities recognised by the Authority.
- The net assets of the Authority (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories.
- The first category of reserves are “useable reserves” i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (e.g. the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt).
- The second category is those that the Authority is not able to use to provide services. This category of reserves included those that hold unrealised gains and losses (e.g. the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold; and reserves that hold timing differences shown in the Movement in Reserves statement line “Adjustments between accounting basis and funding basis under regulations”.

Cash-flow Statement

- This shows the changes in cash and cash equivalents of the Authority during the reporting period.
- The Statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.
- The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by current taxation and grant income.
- 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 (i.e. those from whom long term borrowing is taken).

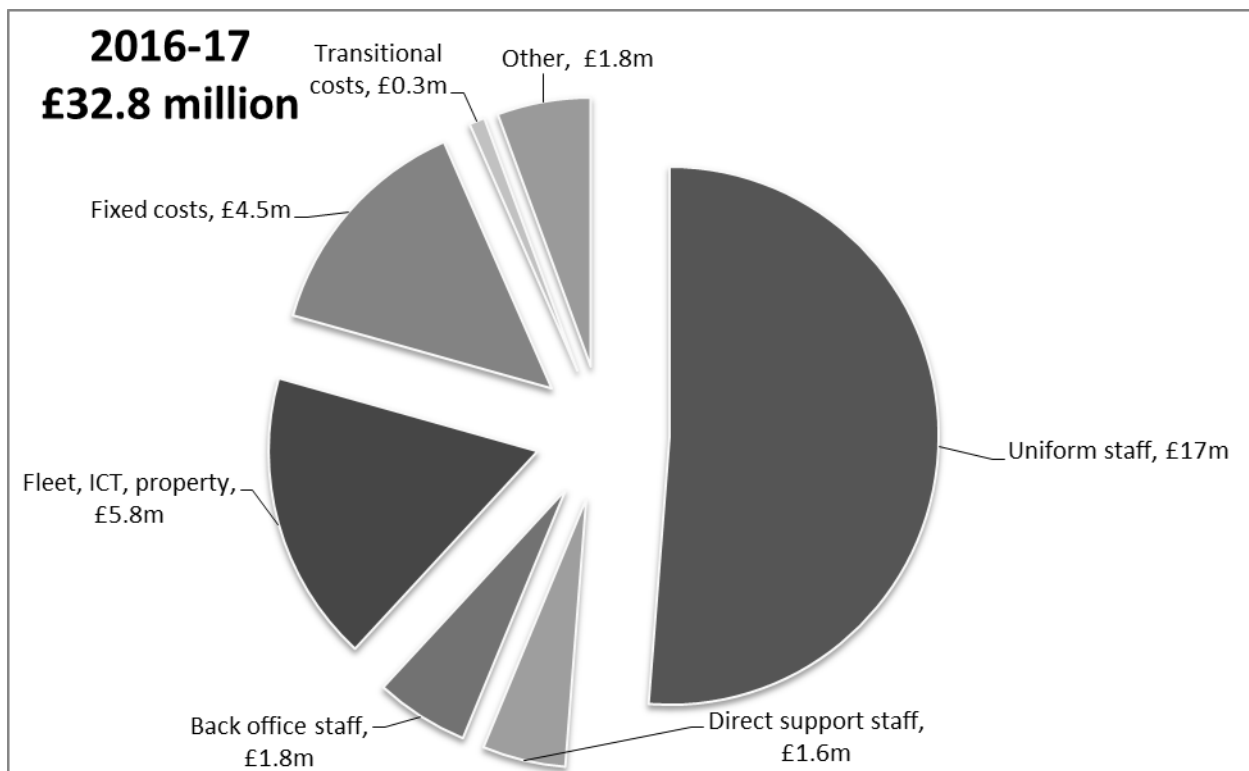
20. The accounting policies adopted by the Authority comply with the relevant recommended accounting practice. The Authority's policies are explained fully in the Statement of Accounting Policies which is set out on pages 14-22.
21. The Authority's spending is planned and controlled by a process which includes regular reporting to the Service's management team and the Authority's Policy and Resources Committee.

Budget Savings

22. Since the start of the 'austerity' period in 2010-11, the Authority's annual revenue budget has reduced by 16 per cent in real terms. In simple terms this means that the budget is now 16% lower than it would have been had the Authority been able to increase the budget to cover the additional costs of inflation, national pay rises, tax increases and the necessary replacement of equipment and buildings.
23. In order to meet these pressures, we have made reductions in our workforce, including managers and support staff, made changes to crewing at fire stations, cut our spending budgets and removed two fire engines from the fleet. By 2019-20 the full implementation of these measures will be saving over £6.7 million per year.
24. Over the next four years based on government plans before the June 2017 General Election, Grant is expected to fall by a further 33%, although there will be continued growth in the council tax-base. This income will not meet the planned level of expenditure in the short term and a budget gap of £1.6m is expected from 2021/22. However, the Authority has significant and deliverable plans to achieve significant budget savings by that time, including the already planned re-location of Headquarters to the Police Headquarters site. In the interim the MTFP makes use of reserves that have been prudently built up to smooth transformation, to avoid the need for unnecessary short term service reductions.

2016/17 Revenue Budget

25. The approved budget for 2016/17 was set at £31.825m, including contingency for pay awards and inflation. (Shown as "Sub-total" in the table at paragraph 27 below). This was the resource available under the statutory accounting regime, which the Authority has to manage to deliver services. Resources



26. In setting the 2016/17 budget the Authority was aware of (and has planned for) significant reductions in future grant, and spending during the year has been subject to severe restraint as a preparation for the future financial position. There has been a planned under spending which has been reported to the Policy and Resources Committee throughout the year, and finally to the full Authority in June 2017.

27. A summary of the budget and out-turn is given overleaf:

	Revised Budget £m	Actual £m	Gross Variation £m	Reserves Impact £m	Net Variation £m
Employee Costs	20.544	20.359	(0.185)		(0.185)
Running Costs	7.641	6.894	(0.747)	0.235	(0.512)
Capital Financing Costs	3.189	2.981	(0.208)	(0.042)	(0.250)
Excess Staff (Net)	0.930	0.801	(0.129)		(0.129)
Gross Budget	32.304	31.035	(1.269)	0.193	(1.076)
Contingencies	0.521	0.000	(0.521)		(0.521)
Sub-Total	32.825	31.035	(1.790)	0.193	(1.597)
Special Grants	(1.194)	(2.021)	(0.827)	1.291	0.464
Funding Grants	(30.798)	(30.857)	(0.059)		(0.059)
<u>Budgeted use of Reserves</u>					
Budget Reduction Reserve	(0.631)	(0.502)	0.129		0.129
Property Reserve	(0.202)	0.000	0.202	(0.202)	0.000
<u>Other use of Reserves</u>					
Fleet Funding Reserve	0.000	(0.042)	(0.042)	0.042	0.000
ICT Reserve	0.000	0.033	0.033	(0.033)	0.000
ESMCP Reserve	0.000	1.291	1.291	(1.291)	0.000
	0.000	(1.063)	(1.063)	0.000	(1.063)
Final Transfer to Reserves		1.063	1.063		1.063
		0.000	(0.000)	0.000	(0.000)

28. Against the Gross Budget of £32.304m, expenditure of £31,035m, an under-spending of £1.269m, was incurred. Allowing for the changed use of ear-marked reserves a net under-spending of £1.076m results.
29. This has 3 main sources:
 - a. Under-spending on Retained Fire-fighter Pay, largely due to reduced operational activity, but also reflecting recruitment difficulties in some areas
 - b. Capital financing savings resulting from Capital Programme delays
 - c. Lower costs of excess staff and slightly higher income from staff seconded to other services. In line with the agreed budget reduction plan
30. The balance reflects managed savings by budget-holders as they continue to ensure that no un-necessary expenditure is incurred.
31. In addition, there have been savings from the contingencies made for pay awards and inflation, which have been reflected in the latest Medium Term Financial Plan (MTFP).
32. Finally, in the last week of the financial year the Authority received £0.791m of additional special grant to fund future costs of the new national Emergency Services Mobile Communications Project (ESMCP) which had not been budgeted for.
33. The net result of this is that £1.291m has been used to create an ESMCP Reserve, to meet both the known costs (funded by the grant) and an estimate of the potential costs.
34. The balance of £1.063m has been taken to the budget reduction reserve and the total has been reallocated as below:
 - a. To support the future MTFP as planned £3.063m
 - b. To provide for the replacement of Respiratory Protective Equipment £1.000m, and Command and Control Replacement £1.267m. The time-scale for these falls just outside the current MTFP period, but use of grant will save significant future capital financing cost pressures.
 - c. A balance of £1.373m to cover the planned replacement of Cutting Gear and hand-held radios and to provide £0.400m of investment in new technology equipment to produce future savings in repair and maintenance costs.
35. A reconciliation between the summary management accounts, shown in the table above, and the CIES, prepared on an IFRS basis, is shown in Note 3 on page 30.

General Reserve

36. The general reserve actually stood at £1.838m at 31st March 2016, this figure remains unchanged at 31st March 2017. Although the level is towards the lower end of reserves held by standalone Fire Authorities, the figure is considered adequate and not requiring increase throughout the MTFP period.

Going Concern

37. Hereford and Worcester Fire Authority continue to closely monitor the impact of the wider economy on its operations by reacting to reducing finance settlements in recent years and reviewing the levels of operational workforce to ensure it is in line with the Community Risk Management Plan.
38. The Authority's Auditors, Grant Thornton, have reported that they are satisfied with the Management's assessment that the going concern basis was appropriate for the 2015/16 financial statements, and the Director of Finance's expectation is that this will continue for the foreseeable future. Using reserves the Authority has a balanced budget for the whole of the Medium Financial Plan Period and robust and deliverable plans for a balanced

budget going forward. The legislative potential for a replacement of the Fire Authority by a Police, Fire and Crime Commissioner does not affect this assumption as in that there would be a successor body taking on all the assets and liabilities of the Fire Authority.

Firefighters' Pensions

39. Since 1 April 2006 Firefighters' pensions are paid from a separate pensions account, into which the employees' contributions and a new employer contribution are also paid. The net deficit on this account is funded by direct government grant.
40. The employer contribution and certain costs in relation to injury pensions still fall on the General Fund Balance.

Capital Programme Budget

41. During 2016/17 £5.278m was spent on new assets or improvements to existing ones. Expenditure was incurred on the approved vehicle programme, minor property works, small equipment and IT schemes. The majority of the programme was, as planned, funded by capital grants and net borrowing.
42. During financial year 2016/17, the new Fire Station in Evesham has been commissioned for use.

Balance Sheet

43. At 31 March 2016 the Authority held Long Term Assets with a net book value of £41.415m. Professional advice has not identified any further impairment due to changes in the economic climate, and adjusting for disposals, depreciation, revaluation and capital expenditure, Long Term Assets are valued at £44.584m at 31 March 2017.
44. Long Term borrowing has reduced during this financial year following the repayment of loans, there are now some individual loans that fall due within 12 months. All borrowing is from the Public Works Loans Board (PWLb). The total value of Long Term loans at £11.137m remains well below the value of Long Term Assets.
45. The Balance Sheet includes liabilities in respect of the five pension schemes provided for staff.
46. The £13.370m liability on the Local Government Scheme will be covered by the continued level of employer contributions.
47. The Firefighters' schemes are statutory un-funded ones and the significant total liability of £342.349m is a result of this position. There is no requirement, or legal powers, for the Authority to fund this deficit, and any costs not financed by employee or employer contributions are met by direct government grant. More details on pensions can be found on pages 46-5.

Corporate Governance Arrangements

48. The Authority is responsible for ensuring that its business is conducted in accordance with relevant legislation and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this accountability, Members and Senior Officers are responsible for putting in place proper procedures for the governance of the Authority's affairs and the stewardship of the resources at its disposal.
49. During 2016/17 the Authority has reviewed the systems and processes it has in place to ensure sound corporate governance and to confirm that they are consistent with the principles outlined in the CIPFA Delivering Good Governance in Local Government

Framework 2016 Edition. The latest review of compliance with the code was approved by the Authority Audit and Standards Committee on 5 July 2017.

50. Many of the elements of the code had been in place since the creation of the Authority such as: Codes of Conduct, Codes of Practice, Policy Statements, Standing Orders, Financial Regulations, Internal Audit arrangements and Risk Management arrangements which have been strengthened as referred to in the Annual Governance Statement on pages xx-xx.

Restatement

51. It has been necessary to restate the 2016/17 Accounts, following a change relating to the Presentation of the Financial Statements. The changes are purely presentational and relate to the format of the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement following the introduction of the new Expenditure and Funding Analysis, note to the accounts.

Memorandum of Understanding (MoU)

52. A formal Memorandum of Understanding (MoU) has been entered into with Shropshire and Wrekin Fire Authority, to signify the ratification by both Fire Authorities to work towards the creation of a single resilient command and control function, operated from two remote locations, Worcester and Shrewsbury.
53. A separate tri-partite Memorandum of Understanding has been entered into with Shropshire and Wrekin Fire Authority and Cleveland Fire Authority. The three authorities are now well advanced with plans to align their Command & Control systems. This will create a resilient network of systems capable of being operated from control rooms in Worcester, Shrewsbury and Hartlepool. Common operating procedures and ways of working continue to be further refined to enable each Fire Authority to take calls and mobilise the other's resources seamlessly at any time. The Authorities will have immediate and fully operational fallback arrangements.

Post Balance Sheet Events

54. There have been no post balance sheet events

A STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

1. The Authority is required to:
 - make arrangements for the proper administration of its financial affairs and to ensure that one of its Officers has responsibility for the administration of those affairs. In this Authority, that Officer is the Treasurer;
 - manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
 - approve the Statement of Accounts.

The Treasurer's Responsibilities

2. The Treasurer is responsible for the preparation of the Authority's Statement of Accounts which, in terms of the CIPFA Code of Practice on Local Authority Accounting in Great Britain ('the Code') is required to provide a true and fair view of the financial position of the Authority at 31 March 2017 and its income and expenditure for the year ended 31 March 2017.
3. In preparing this Statement of Accounts the Treasurer has:
 - selected suitable accounting policies and then applied them consistently;
 - made judgements and estimates that were reasonable and prudent; and
 - complied with the Code of Practice.
4. The Treasurer has also:
 - kept proper accounting records which were up to date;
 - taken reasonable steps for the prevention and detection of fraud and other irregularities; and
 - ensured the Statement of Accounts provides a true and fair view of the financial position of the Authority at 31 March 2017 and its income and expenditure for the year ended 31 March 2017.
5. I certify that this Statement of Accounts gives a true and fair view of the financial position of the Authority at the reporting date and of its income and expenditure for the year ended 31 March 2017.

Signature on original copy

Martin Reohorn CPFA B.Comm (Acc)
Treasurer to the Fire Authority

Date

Issue Date

6. The date that these financial statements are authorised for issue is 30th September 2017. All known material events that have occurred up to and including this date which relate to 2016/17 or before have been reflected in the accounts.

AUTHORITY APPROVAL

7. The statement of Accounts was approved at a meeting of the Audit and Standards Committee on 27th September 2017.

Signature on original copy

Presiding Chairman of the
Audit Committee meeting

Date

STATEMENT OF ACCOUNTING POLICIES

General Principles

1. The Statement of Accounts has been prepared in accordance with proper accounting principles contained within the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), and International Financial Reporting Standards (IFRS).

Accrual of Income and Expenditure

2. 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 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.
3. Exceptions to this policy are as follows:
 - Utilities (gas, telephone, electricity etc) and other annual fees, where invoices will be accounted for in the year they fall, providing that only one annual, four quarterly or twelve monthly invoices are charged in any one year.
 - Existing contracts for aerial sites where income will be accounted for in the year it falls providing that only one twelve monthly invoice is charged in any one year. New contracts of a material nature will be treated on a full accruals basis.
 - Employee expenses paid through payroll where the cut-off date for claim is 20th of the month, but where twelve months' claims will be included in the Comprehensive Income and Expenditure Statement.
4. Individual invoices of less than £500 are accounted for in the year they fall.

Cash and Cash Equivalents

5. Cash is represented by cash in hand and deposits with financial institutions (through Worcestershire County Council) repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in a period of not more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

6. 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, ie in the current and future years affected by the change and do not give rise to a prior period adjustment.
7. 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.
8. Any material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Events After the Reporting Period

9. Events after the Balance Sheet date are those events, 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.

VAT

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

Overheads and Support Services

11. The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of practice 2016/17 (SERCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:
 - Corporate and Democratic Core – costs relating to the Authority's status as a single function democratic organisation.
 - Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early, and benefits arising from transfers into the Fire-fighters pension schemes.
12. These two cost categories are defined in SERCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Continuing Services.

Property, Plant and Equipment (PP&E)

13. Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment

(PP&E) has been capitalised provided it yields benefit to the Authority for more than one year. Capital expenditure enhances the value, usage or life of an asset. Some relatively immaterial items may be financed directly from revenue.

14. PP&E valued at fair value on the basis recommended by CIPFA and in accordance with the Statement of Asset Valuation Principles and Guidance Notes issued by The Royal Institution of Chartered Surveyors (RICS). A full valuation of Property assets has been carried out this financial year, as at 31 March 2017, using the independent professional services of Place Partnership Ltd. The Authority's valuation service has confirmed that the carrying value of these assets is not materially different to their fair value and complies with the requirements of the accounting code and IAS16.
15. PP&E are classified into the groupings required by the Code of Practice on Local Authority Accounting and valued on the following basis:
 - Land is included in the balance sheet at net current replacement cost.
 - Properties, where there is evidence of Market Value, are valued at Open Market Value for Existing Use. Specialised properties, where there is no evidence of market value, are valued at Depreciated Replacement Cost.
 - Plant and Equipment is measured at the purchase price and any attributable costs, less depreciation, as a proxy for current value.
16. The Authority has a de-minimis of £5,000 for vehicle purchases.
17. Assets are held in the Balance Sheet at gross value, net of depreciation and impairment where appropriate.

Impairment

18. 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.
19. Where impairment losses are identified, they are accounted for as follows:
 - 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 lines in the Comprehensive Income and Expenditure Statement.
20. Where an impairment loss is reversed subsequently, the reversal is credited to the relevant lines 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.
21. 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.

Component accounting

22. From 1 April 2010 Component Accounting, as set out in IAS 16 – Property, Plant & Equipment, requires the Authority to componentise all Property, Plant and Equipment where the components have a distinctly different economic life to enable PP&E to be accurately and fairly included in the Authority's Comprehensive Income and Expenditure Statement

(CIES) so that the depreciation charge properly reflects the consumption of the asset.

23. The requirement, however, is prospective and not retrospective, and will therefore be introduced as and when properties are re-valued. It is applied only where an item of PP&E has components whose value makes up more than 25% of the asset value.
24. Where there is more than one significant part of the same asset which has the same useful life and depreciation method, such parts may be grouped together.
25. Where a component of an existing asset is to be de-recognised and the component amount is not known, then an estimate using a reasonable basis will be used. The component calculation will be established using the replacement cost of the component, indexed back to the original component's inception and adjusted for any subsequent depreciation and impairment.
26. Any surpluses arising on the initial valuation of fixed assets have been credited to the Capital Adjustment Account. Surpluses arising on revaluation are credited to the Revaluation Reserve.

Heritage Assets

27. Heritage assets are those that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. They include historical buildings, civic regalia, orders and decorations (medals), military equipment and works of art.
28. Authorities are required to account for tangible assets in accordance with FRS30 Heritage Assets.
29. Heritage Assets are recognised and measured in accordance with the Authority's policies on PP&E. However, where information on cost or value is not available, and the cost of obtaining reliable information outweighs the benefits to users of the financial statements, the Code does not require the asset to be recognised on the Balance Sheet.
30. The estimated value of such assets is less than £0.015m and the expected cost of an independent valuation is 10% of this figure.

Intangible Assets

31. Intangible assets (e.g. computer software) are defined in IAS 38 - Intangible Assets as an identifiable non-monetary asset without physical substance, and are measured at cost.

Basis of Charge for the use of Assets

32. A depreciation charge is reflected within the Net Cost of Services in the Comprehensive Income and Expenditure Statement (CIES) and is calculated on all PP&E and Intangible assets according to the following policy:
 - A charge is made for all fixed assets with a finite useful life. This charge is calculated using the straight line method.
 - Land is not normally depreciated.
 - Buildings are depreciated in accordance with IAS 16 – Property, Plant and Equipment, using the estimated life from the most recent valuation report, on a straight line basis over this period.
 - Operational vehicles, plant and equipment have an asset life between 5 and 10 years. Fire appliances have an asset life of between 10 and 15 years. Both classes are depreciated on a straight line basis over these periods.

- Information technology assets have an average asset life of 5 years and are depreciated on a straight line basis over this period.
- Other equipment assets have an average life of 5-7 years, but depreciation is based on the expected life of each individual asset type, on a straight line basis.
- Some equipment assets carried on fire appliances have a 15 year life and are depreciated accordingly.
- Newly acquired assets are depreciated from the year of acquisition.
- Assets in the course of construction are not depreciated until the year that they are brought into use.
- Intangible assets are amortised over their average economic life (5 years).

Financing of Capital Expenditure

33. Capital expenditure is funded by government grants, capital receipts, revenue contributions and in the long term borrowing. The interest on external borrowing is charged to the CIES. A provision for repayment of external borrowing, in accordance with the Minimum Revenue Provision, is set aside each year as a contribution to the Capital Adjustment Account.

Redemption of Debt

34. The Authority finances a proportion of its capital investment by raising loans. In accordance with the Local Government and Housing Act 1989, the Income and Expenditure Account is charged annually with a sum to provide for the eventual repayment of those loans. This sum is known as the Minimum Revenue Provision (MRP).
- Since 2008/09, the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008, has required the Authority to determine an appropriate MRP policy, which has been broadly to set aside sufficient funds over the life of the assets funded from net borrowing.
 - All expenditure from 2008/09 onwards - MRP using an approximate Asset life basis:
 - Buildings over 50 years – per depreciation policy.
 - IT equipment over 5 years - reflecting average life.
 - Other equipment over 7 years – reflecting actual average usage within the FRS.
 - Vehicles – on actual estimated life of each vehicle.
 - Vehicle expenditure before 2008/09 – MRP on a proxy Asset Life basis using original cost, less accumulative MRP, over the remaining useful life of the individual vehicle.
 - Expenditure before 2008/09, (other than vehicles) - MRP on a proxy Asset Life basis using original cost, less accumulative MRP over average asset life as above.

Joint Operation

35. A Joint Operation involves the parties that have joint control of the arrangement and have rights to the assets and obligations for the liabilities relating to the arrangement. All parties have joint control of decisions and use of the assets and obligations for the liabilities relating to the arrangement. The Fire Authority recognises, if material, on its Balance Sheet the assets that it controls and the liabilities that it incurs, and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation.

Leases

36. 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.
37. During 2016/17 the Authority held only operating leases under the definition of IAS 17 Leases. The authority's operating leases are not capitalised and rentals are charged directly to the CIES in the year to which they relate.

Operating leases

38. 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.

Non Current Assets held for Sale

39. A non-current asset is reclassified as an Asset Held for Sale where it is probable that the carrying amount of the asset will be recovered through a sale transaction rather than through its continual use.
40. The asset is re-valued and carried at the lower of this amount and fair value less costs to sell. Depreciation is not charged on Assets Held for Sale.

Capital Receipts

41. Capital receipts from the disposal of assets are treated in accordance with the provisions of the Local Government Act 2003, as amended by subsequent Statutory Instruments. Individual receipts of less than £10,000 are credited direct to the CIES.

Inventories

42. Stocks, where material, are shown in the Balance Sheet valued at the average purchase price, except that:
 - Vehicle fuel is valued at latest invoice price, which is considered appropriate for this type of stock.
 - Other immaterial stocks, e.g. stationery, are treated as current expenditure and charged directly to the CIES.

Pension Arrangements

43. The disclosure requirements are included in the main financial statements as notes to the accounts in accordance with IAS 19 – Employee Benefits and CIPFA recommended practice. This is further explained in paragraphs 45 below.

Types of pension schemes

44. As part of the terms and conditions of employment of its staff, the Authority offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.
45. Up until 31st March 2015 the Authority participated in four schemes, following the commencement of the new Firefighters' Care Scheme (the 2015 scheme) on 1st April 2015, the Authority now participates in five schemes:

- The Firefighters' Pension Scheme (FFPS) (the "1992 Scheme"). This is a statutory un-funded defined benefit final salary scheme and has been closed to new entrants since 6 April 2006.
- The New Firefighters' Pension Scheme (NFPS) (the "2006 Scheme") – this is also a statutory un-funded defined benefit final salary scheme.
- The Firefighters' Care Scheme (FF CARE) (the "2015 scheme") – is open to all uniformed staff (except Fire Control) and is a statutory un-funded defined benefit Career Average Revalued Earnings Scheme. Members starting after the 1st April 2015, and members of the 1992 and 2006 Final Salary Schemes will move into the 2015 scheme, unless protection applies.
- The Firefighters' Compensation Scheme (FFCS) (the Injury Scheme) – another statutory un-funded defined benefit scheme covering existing and new injury pensions.
- The Firefighters' schemes are unfunded meaning that there are no investment assets built up to meet the pensions' liabilities and cash has to be generated to meet the actual pensions' payments as they eventually fall due. The arrangements are determined by the Home Office.
- The Local Government Pension Scheme (LGPS) – subject to qualifying criteria, open to staff not covered by the Firefighters' schemes. This scheme is administered by Worcestershire County Council and 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.
- In accordance with IAS 19 the Authority recognises the cost of retirement benefits within the Net Cost of Services, in the CIES, when they are earned, rather than when benefits are actually paid as pensions. However the charge to be made to the Council Tax, via the precepts, is based on the amount payable in the year. The difference is reversed out in the General Fund.

Interest on Balances

46. During the year surplus money was invested and the interest earned credited to the CIES.

Government Grants and Contributions

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

Financial Liabilities

49. Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The amount of borrowings presented in the Balance Sheet is the outstanding principal repayable, and interest charged to the CIES is the amount payable for the year in the loan agreement.
50. Gains and losses on the repurchase or early settlement of borrowing would be credited and debited to Net Operating Expenditure in the CIES in the year of repurchase/settlement.
51. However, if repurchase had taken place as part of restructuring of the loan portfolio that

involved the modification or exchange of existing instruments, the premium or discount would be deducted from or added to (respectively) the amortised cost of the new or modified loan and the write down to the CIES would be spread over the life of the loan by an adjustment to the effective interest rate.

52. Where premiums and discounts are charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The Authority has not yet undertaken such a restructuring of debt and has therefore not yet adopted a policy for its treatment.

Council Tax and Non-Domestic Rates

53. The Council Tax and the non-domestic rates income included in the CIES will show the accrued income for the year. The difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is held in the Collection Fund Adjustment Account and included as a reconciling item in the 'Adjustments between accounting basis and funding basis under regulations' reconciliation.
54. The Authority's Balance Sheet shows the proportion of surplus/deficit of the Billing Authorities' Collection Fund in the Debtors/Creditors balance. The Authority also shows the attributable share of the impairment allowance for doubtful debts and a provision for non-domestic rates appeals.
55. The IFRS treatment differs from the statutory accounting arrangement, where the Authority precepts directly on the Billing Authority and has no direct debtor or creditor relationship with individual council tax-payers.

Employee Benefits

Accumulating Compensating Absences

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

Termination Benefits

57. 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 in exchange for those benefits and are charged on an accruals basis to the appropriate service or where applicable to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring.

Post Employment Benefits

58. These are 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. Such changes will be debited or credited to the Pensions Reserve.

Provisions

59. Provisions are made when an event has taken place that gives the Authority an obligation that probably requires payment, but where the timing of the payment is uncertain. Provisions are charged to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, based on the best estimate of the likely payment. When payments are eventually made,

they are charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed at the end of the financial year, and where it is likely that payment does not need to be made, the provision is reversed and credited back to the relevant service.

Reserves

60. At 31 March 2017 a general reserve is held to meet expenditure which may arise from unforeseen events.
61. In addition the Authority holds a variety of earmarked reserves to meet specific known future costs. The value and nature of the current reserves are disclosed in the Notes to the Core Financial Statements on pages 55-58.

Capital Accounting Reserves

62. Since 1 April 2007 there are two capital accounting reserves as part of the system of capital accounting, these reserves are not available to spend. These are:

- **The Capital Adjustment Account**

This account records the consumption (of the historical cost) of a fixed asset over the life of the asset. It also records the amounts set aside from revenue resources or capital receipts to finance capital expenditure on fixed assets or for the repayment of external loans and other capital financing transactions.

- **The Revaluation Reserve**

This reserve records the unrealised net gains and losses from revaluations made after 1 April 2007, with the proviso that losses are charged to the Income and Expenditure Account if the loss is attributable to impairment (the consumption of economic benefits). In the event of such a charge to the CIES, accounting entries are made to ensure that there is no effect on the council tax precept requirement.

Operating Segments

63. The CIPFA Code of Practice on Local Authority Accounting 2016/17 guidance on applying IFRS, requires that where an organisation considers and manages financial, operating and performance information in material segments, then additional financial information must be provided on these segments.
64. Due to the nature of its operation, as a single purpose Authority, the Authority and the Service management team manage the organisation as an entity, and do not have relevant operating segments to report upon.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

		2015/16 restated			2016/17		
	Notes	Gross Expd £000	Gross Income £000	Net Expd £000	Gross Expd £000	Gross Income £000	Net Expd £000
Gross Expenditure, Gross Income and Net Expenditure on Continuing Operations							
Employee Costs		26,167	(2,419)	23,748	24,728	(2,040)	22,688
Running Costs		6,319	(542)	5,777	5,795	(771)	5,024
Capital Financing		3,732		3,732	2,917		2,917
Cost of Services		36,218	(2,961)	33,257	33,440	(2,811)	30,629
Other Operating Expenditure	123	689	(4,320)	(3,631)	21	(6,080)	(6,059)
Financing & Investment Income and Expenditure	9	12,020	(653)	11,367	11,457	(733)	10,724
Taxation & Non-Specific Grant Income	10		(36,086)	(36,086)		(33,690)	(33,690)
Deficit/(Surplus) on Provision of Services		48,927	(44,020)	4,907	44,918	(43,314)	1,604
Deficit/(Surplus) on revaluation of non-current assets	29-30			(373)			(700)
Remeasurement of the net defined benefit liability/(asset)	68-77			(48,835)			59,554
Other Comprehensive Income and Expenditure				(49,208)			58,854
Total Comprehensive Income and Expenditure – Deficit/(Surplus)				(44,301)			60,458

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MOVEMENT IN RESERVES STATEMENT FOR THE 12 MONTHS ENDING 31 MARCH 2017

	General Fund 86 £000	Ear-marked Rev Res 87-89 £000	Sub Total £000	Unapplied Grant 90 £000	Cap Rcpts Reserve 91 £000	Total Useable 85 £000	Revaln. Reserve 93-94 £000	Capital Adj Acct 95-98 £000	Pensions Reserve 99-100 £000	Coll Fund Adj Acct 101 £000	Acc. Abs. Adj Acct 102 £000	Total Unusable 92 £000	All Reserves £000
Balance at 31-Mar-2016	1,838	9,664	11,502	5,238	2,532	19,272	7,227	17,272	(290,445)	(48)	(187)	(266,181)	(246,909)
Surplus/(Deficit) on Provision of Services	(60,458)		(60,458)			(60,458)						0	(60,458)
Other Comprehensive Income & Expenditure													
Surplus on revaluation of non-current assets	(700)		(700)			(700)	700					700	0
Movement in Pensions Reserve	59,554		59,554			59,554			(59,554)			(59,554)	0
Reversal of items in the CIES													
<i>to be removed for determining movement in General Fund</i>													
Relating to Depreciation/Amortisation Relating to	2,081		2,081			2,081		(2,081)				(2,081)	0
Depreciation on un-realised gains Relating to			0			0	(146)	146				0	0
Revaluation/Impairment gains/losses	418		418			418		(418)				(418)	0
Relating to Revaluation Losses on assets held for sale	6		6			6		(6)				(6)	0
Relating to Retirement Benefits	9,061		9,061			9,061			(9,061)			(9061)	0
Relating to assets held for sale w/off on disposal	171		171			171	(50)	(121)				(171)	0
Relating to Non-current assets w/off on disposal	132		132			132		(132)				(132)	0
Relating to Capital Receipts	(301)		(301)		301	0						0	0
Relating to Unapplied Capital Grants/Contributions	(2,346)		(2,346)	2,346		0						0	0
Relating to Grants used to Finance Expd			0	(2,383)		(2,383)		2,383				2,383	0
Relating to Capital Receipts used to Finance Expd			0		(773)	(773)		773				773	0
Relating to Council Tax Income	22		22			22				(22)		(22)	0
Relating to Non-domestic rates income	(400)		(400)			(400)				400		400	0
Relating to Compensated absences	7		7			7					(7)	(7)	0
Insertion of items in the CIES													
<i>to be included for determining movement in General Fund</i>													
Employers Contribution to Pension Schemes	(3,341)		(3,341)			(3,341)			3,341			3,341	0
Statutory Provision for Debt Repayment	(1,152)		(1,152)			(1,152)		1,152				1,152	0
Revenue Financing of Capital	(911)		(911)			(911)		911				911	0
Transfers Between Earmarked Reserves	(1,843)	1,843	0			0						0	0
Balance at 31-Mar-2017	1,838	11,507	13,345	5,201	2,060	20,606	7,731	19,879	(355,719)	330	(194)	(327,973)	(307,367)

SUMMARY OF MOVEMENTS

Balance at 31-Mar-2016	1,838	9,664	11,502	5,238	2,532	19,272	7,227	17,272	(290,445)	(49)	(187)	(266,181)	(246,909)
<u>Movement in Reserves during 2016/17</u>													
Deficit/(Surplus) on Provision of Services	(60,458)	0	(60,458)	0	0	(60,458)	0	0	0	0	0	0	(60,458)
Other Comprehensive Income & Expenditure	58,854	0	58,854	0	0	58,854	700	0	59,554	0	0	58,854	0
Total Comprehensive Income & Expenditure	(1,604)	0	(1,604)	0	0	(1,604)	700	0	(59,554)	0	0	(58,584)	(60,458)
Adjustments between accounting basis and funding basis under regulations	3,447	0	3,447	(37)	(472)	2,938	(196)	2,607	(5,720)	378	(7)	(2,938)	0
Net change before Earmarked Reserve Transfers	1,843	0	1,843	(37)	(472)	1334	504	2,607	65,274	378	(7)	(61,792)	(60,458)
Earmarked Reserves Transfers	(1,843)	1,843	0	0	0	0	0	0	0	0	0	0	0
Net Movement in Year	0	1,843	1,843	(37)	(472)	1,334	504	2,607	65,274	378	(7)	(61,792)	(60,458)
Balance at 31-Mar-2017 Carried Forward	1,838	11,507	13,345	5,201	2,060	20,606	7,731	19,879	(355,719)	330	(194)	(327,973)	(307,367)

MOVEMENT IN RESERVES STATEMENT FOR THE 12 MONTHS ENDING 31 MARCH 2016

	General Fund 86 £000	Ear-marked Rev Res 87-89 £000	Sub Total £000	Unapplied Grant 90 £000	Cap Rcpts Reserve 91 £000	Total Useable 85 £000	Revaln. Reserve 93-94 £000	Capital Adj Acct 95-98 £000	Pensions Reserve 99-100 £000	Coll Fund Adj Acct 101 £000	Acc. Abs. Adj Acct 102 £000	Total Un-useable 92 £000	All Reserves £000
Note													
Balance at 31-Mar-2014	1,838	8,097	9,935	1,011	294	11,240	7,538	19,888	(329,784)	5	(97)	(302,450)	(291,210)
Surplus/(Deficit) on Provision of Services	(4,907)		(4,907)			(4,907)						0	(4,907)
Other Comprehensive Income & Expenditure													
Surplus on revaluation of non-current assets			0			0	373					373	373
Movement in Pensions Reserve			0			0			48,835			48,835	48,835
Reversal of items in the CIES													
Relating to Depreciation/Amortisation	2,026		2,026			2,026		(2,026)				(2,026)	0
Relating to Depreciation on un-realised gains			0			0	(147)	147				0	0
Relating to Revaluation/Impairment Losses	1,382		1,382			1,382		(1,382)				(1,382)	0
Relating to Revaluation Losses on assets held for sale	812		812			812		(812)				(812)	0
Relating to Retirement Benefits	12,958		12,958			12,958			(12,958)			(12,958)	0
Relating to assets held for sale w/off on disposal	2,062		2,062			2,062	(537)	(1,525)				(2,062)	0
Relating to Non-current assets w/off on disposal	50		50			50		(50)				(50)	0
Relating to Capital Receipts	(2,251)		(2,251)		2,251	0						0	0
Relating to Unapplied Capital Grants/Contributions	(5,067)		(5,067)	5,067		0						0	0
Relating to Grants used to Finance Expd				(840)		(840)		840				840	0
Relating to Capital Receipts used to Finance Expd			0		(13)	(13)		13				13	0
Relating to Council Tax Income	(8)		(8)			(8)				8		8	0
Relating to Non-domestic rates income	61		61			61				(61)		(61)	0
Relating to Compensated absences	90		90			90					(90)	(90)	0
Insertion of items in the CIES													
Employers Contribution to Pension Schemes	(3,462)		(3,462)			(3,462)			3,462			3,462	0
Statutory Provision for Debt Repayment	(1,132)		(1,132)			(1,132)		1,132				1,132	0
Revenue Financing of Capital	(1,047)		(1,047)			(1,047)		1,047				1,047	0
Transfers Between Earmarked Reserves	(1,567)	1,567	0			0						0	0
Balance at 31-Mar-2015	1,838	9,664	11,502	5,238	2,532	19,272	7,227	17,272	(290,445)	(48)	(187)	(266,181)	(246,909)

SUMMARY OF MOVEMENTS

Balance at 31-Mar-2014	1,838	8,097	9,935	1,011	294	11,240	7,538	19,888	(329,784)	5	(97)	(302,450)	(291,210)
Movement in Reserves during 2014/15													
Deficit/(Surplus) on Provision of Services	(4,938)	0	(4,938)	0	0	(4,938)	0	0	0	0	0	0	(4,938)
Other Comprehensive Income & Expenditure	0	0	0	0	0	0	373	0	48,866	0	0	49,239	(19,358)
Total Comprehensive Income & Expenditure	(4,938)	0	(4,938)	0	0	(4,938)	373	0	48,866	0	0	49,239	44,301
Adjustments between accounting basis and funding basis under regulations	6505	0	6,505	4,227	2,238	12,970	(684)	(2,616)	(9,527)	(53)	(90)	(12,970)	0
Net change before Earmarked Reserve Transfers	1,567	0	1,567	4,227	2,238	8,032	(311)	(2,616)	39,339	(53)	(90)	36,269	44,301
Earmarked Reserves Transfers	(1,567)	1,567	0	0	0	0	0	0	0	0	0	0	0
Net Movement in Year	0	2,401	2,401	(997)	2,238	8,032	(311)	(2,616)	39,339	(53)	(90)	36,269	44,301
Balance at 31-Mar-2015 Carried Forward	1,838	9,664	11,502	5,238	2,532	19,272	7,227	17,272	(290.445)	5	(187)	(286,181)	(246,909)

BALANCE SHEET

-	<u>Notes</u>	<u>31-Mar-2016</u>	<u>31-Mar-2017</u>
		£000	£000
Property Plant & Equipment	29-30	41,022	44,261
Intangible Assets	32-35	393	323
Long Term Assets		41,415	44,584
Inventories		175	201
Short Term Debtors	57	3,641	5,698
Assets Held for Sale	58	985	985
Cash & Cash Equivalents	59-60	15,209	14,146
Current Assets		20,010	21,030
Short Term Borrowing	39-48	(500)	(1,500)
Short Term Creditors	61	(4,375)	(4,382)
Current Liabilities		(4,875)	(5,882)
Provisions	106	(377)	(243)
Long Term Borrowing	45	(12,637)	(11,137)
Other Long Term Liabilities	66-84	(290,445)	(355,719)
Long Term Liabilities		(303,459)	(367,099)
Net Liabilities		(246,909)	(307,367)
Useable Reserves	85-91	19,272	20,606
Un-useable Reserves	92.102	(266,181)	(327,973)
Total Reserves		(246,909)	(307,367)

The unaudited accounts were issued on 26th May 2017 and the audited accounts were authorised for issue on 30th September 2017.

CASH-FLOW STATEMENT

	Notes	2015/16 £000	2016/17 £000
Net (surplus) or deficit on the provision of services		4,907	1,604
Adjustments to net surplus or deficit on the provision of services for non cash movements	108	(16,254)	(6,364)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	109	6,938	2,812
Net cash flows from operating activities		(4,409)	(1,948)
Investing Activities	111	(3,366)	2,511
Financing Activities	112	834	500
Net increase or decrease in cash and cash equivalents		(6,941)	1,063

Cash and cash equivalents at the beginning of the period		(8,268)	(15,209)
Net increase or decrease in cash and cash equivalents in the Period	59	(6,941)	1,063
Cash and cash equivalents at the end of the reporting period		(15,209)	(14,146)

NOTES TO THE CORE FINANCIAL STATEMENTS

1. Accounting Standards that have been issued but not yet been adopted

The Code of Practice on Local Authority Accounting in the United Kingdom requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2017/18 Code:

- Amendments to IAS 19 Employee Benefits (Defined Benefit Plans: Employee Contributions) – The objective of this amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If employee contributions are not linked to length of service, contributions can be deducted from the cost of benefits earned in the period. This is unlikely to have a material impact on the Statement of Accounts.

The Code requires implementation from 1 April 2017 and there is therefore no impact on the 2016/17 Statement of Accounts.

2. Re-statement of the Core Financial Statements

A restatement has been made to the core financial statements which relates the new formats and reporting requirements for the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement and the introduction of the new Expenditure and Funding Analysis as a result of the 'Telling the Story' review of the presentation of local authority financial statements.

	2015/16 per 2015/16 Statement £000	Relocate Ops & Rescues £000	Relocate Comm. Safety £000	Relocate Emerg. Planning £000	Relocate Corp & Democ. £000	Relocate Past Service £000	2015/16 as restated £000
Net Expenditure on Continuing Operations							
Operations & Rescues	27,079	(27,079)					0
Community Safety	4,667		(4,667)				0
Emergency Planning	92			(92)			0
Corporate & Democratic Core	1,409				(1,409)		0
Past Service Cost	10					(10)	0
Employee Costs	0	19,374	3,339	67	958	10	23,748
Running Costs	0	4,681	807	15	274		5,777
Capital Financing Costs	0	3,024	521	10	177		3,732
Cost of Services	33,257	0	0	0	0	0	33,257

3. Expenditure and Funding Analysis – 2016/17

	Net Expd on General Fund Mngt Accts £m	Re- Allocation Note 4 £m	Net Expd on General Fund CIES Format £m	Adjustments Between Funding and Accounting Note 5 £m	Net Expd in the CIES £m
Employee Costs	20.359	0.762	21.121	1.567	22.688
Running Costs	6.894	(1.870)	5.024	0.000	5.024
Capital Financing	2.981	(0.500)	2.481	0.436	2.917
Excess Staff (net)	0.801	(0.801)	0.000	0.000	0.000
Net Cost of Services	31.035	(2.409)	28.626	2.003	30.629
Funding	(32.878)	32.878	0.000		
Other Income and Expenditure	0.000	(30.469)	(30.469)	1.444	(29.025)
Surplus or deficit on provision of services	(1.843)	0.000	(1.843)	3.447	1.604
Transfer to Ear-marked reserve	1.843				
Net movement on General fund	0.000	0.000	(1.843)		
Deficit/(Surplus) on revaluation of non-current assets				(0.700)	(0.700)
Remeasurement of the net defined benefit/(liability)				59.554	59.554
Other Comprehensive Income and Expenditure				58.854	58.854
Deficit/(Surplus) Comprehensive Income and Expenditure				62.301	60.458
Opening General Fund and Earmarked Reserve Balance at 31 March 2016	(11.502)				
Plus Surplus on General Fund in year	(1.843)				
Closing General Fund and Earmarked Reserve Balance at 31 March 2016	(13,345)				

4. Note to the Expenditure and Funding Analysis

Budget allocations for management purposes do not exactly follow the Code in respect of the distinction between the Net Cost of Services and the total Cost for the provision of services. This table analyses the difference

	Excess Staff (Net) £m	Other Employee Costs £m	Interests £m	Special Grants £m	Total Adj £m
Employee Costs	0.801	(0.039)			0.762
Running Costs		0.039	0.004	(1.913)	(1.870)
Capital Financing			(0.500)		(0.500)
Excess Staff (net)	(0.801)				(0.801)
	0.000	0.000	(0.496)	(1.913)	(2.409)
Income			0.496	1,913	2.409
	0.000	0.000	0.000	0.000	0.000

5. Adjustments relating to the Expenditure and Funding Analysis

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amount

	Adj for Capital Purpose £m	Net Pension Adj £m	Capital Grant Adj £m	Other Difference £m	Total Adj £m
Employee Costs		1.560		0.007	1.567
Running Costs					0.000
Capital Financing	0.436				0.436
Net Cost of Services	0.436	1.560	0.000	0.007	2.003
Other Income and expenditure	0.008	4.160	(2.346)	(0.378)	1.444
Surplus or deficit on provision of services	0.444	5.720	(2.346)	(0.371)	3.447
Other Comprehensive Income and Expenditure	(0.700)	59.554			58.854
Difference between General Fund surplus and Comprehensive Income and Expenditure Statement Deficit	(0.256)	65.274	(2.346)	(0.371)	62.301

6. **Expenditure and Funding Analysis – 2015/16**

	Net Expd on General Fund Mngt Accts £m	Re- Allocation Note 7 £m	Net Expd on General Fund CIES Format £m	Adjustments Between Funding and Accounting Note 8 £m	Net Expd in the CIES £m
Employee Costs	20.109	0.599	20.708	3.040	23.748
Running Costs	6.869	(1.092)	5.777	0.000	5.777
Capital Financing	3.022	(0.519)	2.503	1.229	3.732
Excess Staff (net)	0.649	(0.649)	0.000	0.000	0.000
Net Cost of Services	30.649	(1.661)	28.988	4.269	33.257
Funding	(32.217)	32.217			0.000
Other Income and Expenditure	0.000	(30.556)	(30.556)	2.206	(28.350)
Surplus or deficit on provision of services	(1.568)	0.000	(1.568)	6.475	4.907
Transfer to Ear-marked reserve	1.568				
Net movement on General fund	0.000	0.000	(1.568)		
Deficit/(Surplus) on revaluation of non-current assets				(0.374)	(0.374)
Remeasurement of the net defined benefit/(liability)				(48.835)	(48.835)
Other Comprehensive Income and Expenditure				(49.209)	(49.209)
Deficit/(Surplus) Comprehensive Income and Expenditure				(42.734)	(44.302)
Opening General Fund and Earmarked Reserve Balance at 31 March 2016	(9.935)				
Plus Surplus on General Fund in year	(1.567)				
Closing General Fund and Earmarked Reserve Balance at 31 March 2016	(11.502)				

7. Note to the Expenditure and Funding Analysis

Budget allocations for management purposes do not exactly follow the Code in respect of the distinction between the Net Cost of Services and the total Cost for the provision of services. This table analyses the difference between the 2016/17 management account format and the CIES format.

	Excess Staff (Net) £m	Other Employee Costs £m	Interests £m	Special Grants £m	Total Adj £m
Employee Costs	0.649	(0.050)			0.599
Running Costs		0.050	0.006	(1.148)	(1.092)
Capital Financing			(0.519)		(0.519)
Excess Staff	(0.649)				(0.649)
	0.000	0.000	(0.513)	(1.148)	(1.661)
Income			0.513	1.148	1.661
	0.000	0.000	0.000	0.000	0.000

8. Adjustments relating to the Expenditure and Funding Analysis

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts

	Adj for Capital Purpose £m	Net Pension Adj £m	Capital Grant Adj £m	Other Difference £m	Total Adj £m
Employee Costs		2.950		0.090	3.040
Running Costs					0.000
Capital Financing	1.229				1.229
Net Cost of Services	1.229	2.950	0.000	0.090	4.269
Other Income and expenditure	0.674	6.546	(5.067)	0.053	2.206
Surplus or deficit on provision of services	1.903	9.496	(5.067)	0.143	6.475
Other Comprehensive Income and Expenditure	(0.374)	(48.835)			(49.209)
Difference between General Fund surplus and Comprehensive Income and Expenditure Statement Deficit	1.529	(39.339)	(5.067)	0.143	(42.734)

9. Financing and Investment Income and Expenditure

	2015/16 £'000	2016/17 £'000
Interest payable and similar charges	568	546
Interest receivable and similar income	(55)	(50)
Pensions net interest cost and expected return on pensions assets	10,854	10,228
	11,367	10,724

10. Taxation and non-specific Grant Income

	2015/16 £'000	2016/17 £'000
Council Tax income	20,292	21,115
National Non-Domestic Rates (NNDR) income and expenditure	5,172	2,680
Council Tax Transition Grant		2,845
Rural Service Grant		109
Transition Grant		113
Miscellaneous Other Grants		18
Revenue Support Grant (RSG)	5,555	4,464
	31,019	31,344
Non-specific Capital Grant – Fire Transformation Grant	4,270	
Grant from Wychavon District Council	380	2,346
Grant for Joint Property Vehicle	417	
Total Grants	36,086	33,690

Members Allowances

11. The Authority paid the following amounts to Members as Allowances and expenses during the year.

	2015/16 £'000	2016/17 £'000
Basic Allowances	29	29
Special Allowances	20	21
Expenses	3	3
	52	53

A breakdown of the amounts paid to individual Members is available on the Authority's website, this can be accessed using the following link.

<https://hwfire.cmis.uk.com/hwfire/documents/documentLibrary.aspx>

Officers' Emoluments

12. During the year the number of Staff who received remuneration in excess of £50,000 (excluding employers pension contributions) is as detailed in the table. This table includes Senior Officers for which there is also an additional, enhanced disclosure. The table represents payments to individual staff members during the year.

£	2015/16 No. of Staff	2016/17 No. of Staff
50,000 - 54,999	21	23
55,000 - 59,999	12	9
60,000 - 64,999	1	5
65,000 - 69,999		1
70,000 - 74,999	1	1
75,000 - 79,999	2	3
80,000 - 84,999	1	1
85,000 - 89,999		
90,000 - 94,999	1	
95,000 - 99,999		1
100,000 - 104,999	1	1
105,000 - 109,999		
110,000 - 114,999		
115,000 - 119,999		
120,000 - 124,999	1	
	41	45

Senior Officers

2016/17			Benefit		Pension	Total incl Pension
Post Title		Salary	in Kind	Sub-Total	Contrib.	
		£	£	£	£	£
Chief Fire Officer/Chief Executive <i>Commenced Employment 01-08-16</i>	<i>U</i>	76,241	382	76,623	16,527	93,150
Deputy Chief Fire Officer	<i>U</i>	99,952	1,262	101,214	21,661	122,875
Assistant Chief Fire Officer	<i>U</i>	93,712	1,467	95,179	20,307	115,486
Director of Finance & Assets	<i>NU</i>	78,142	5,546	83,688	11,330	95,018
Head of Legal Services	<i>NU</i>	60,545	1,239	61,784	8,779	70,563
<i>U : Uniformed; NU : Non-Uniformed</i>		408,592	9,896	418,488	78,604	497,092
2015/16			Benefit		Pension	Total incl Pension
Post Title		Salary	in Kind	Sub-Total	Contrib.	
		£	£	£	£	£
Chief Fire Officer/Chief Executive	<i>U</i>	123,460	420	123,880	26,724	150,604
Deputy Chief Fire Officer	<i>U</i>	98,966	986	99,952	21,417	121,369
Assistant Chief Fire Officer	<i>U</i>	92,788	1,650	94,438	20,078	114,516
Director of Finance & Assets	<i>NU</i>	77,398	6,555	83,953	11,223	95,176
Head of Legal Services	<i>NU</i>	57,874	619	58,493	8,392	66,885
<i>U : Uniformed; NU : Non-Uniformed</i>		450,486	10,230	460,716	87,834	548,550

13. Pension contributions in the above tables relate to average scheme contribution rates and not an individual pension pot. Uniformed staff are members of the Firefighters Pension scheme (FFPS), all other senior officers are members of the Local Government Scheme (LGPS).
14. The Chief Fire Officer/Chief Executive costs are only included for part of the financial year, this is because until 31 July 2016 he was employed by Oxfordshire County Council and seconded to Hereford and Worcester Fire Authority.

15. The majority of the Benefit in Kind relates to the provision of cars. Due to their continuous duty system (and the requirement to be able to respond to emergencies) the taxable benefit is significantly lower for uniformed staff than for non- uniformed staff. The extra cost to the Authority is very similar.

Related Party Transactions

16. The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.
17. **Central Government** has a significant influence over the general operations of the Authority – it is responsible for setting the statutory framework within which the Authority operates, provides a proportion of funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. Council Tax bills). Grants received from Government are set out in the table on page 34.
18. **Members** of the Authority have direct control over the Authority's financial and operating policies. The total of Members' allowances paid is shown in Notes 11 on page 34. No Members of the Authority or members of their immediate family or household declared any positions of influence
19. **Officers** – No Senior Officers within the Service or members or their immediate family or household declared any positions of influence.
20. **Place Partnership Ltd** is a facilities management company co-owned by Hereford & Worcester Fire Authority, Worcestershire County Council, Redditch Borough Council, Warwickshire Police, West Mercia Police and Worcester City Council, each party has equal shares and equal voting rights. Place Partnership has been classed as a Joint Operation because there is joint control and the activity of the arrangement is primarily to provide services to the parties within the party's boundaries. In 2016/17, the operating costs for the Authority were £1,249,839 (2015/16 £709,623) paid as principal costs to the company, with an additional sum of £4,769,862 (2015/16 £761,465) paid as agency costs, the Authority has received income of £188,947 (2015/16 £69,509) as income and this is reflected in the Comprehensive Income and Expenditure Statement. Place Partnership Ltd has not been fully consolidated into the Fire Authority's accounts as a Joint Operation, because there is no material difference between the costs already reflected. The 2015/16 comparison was for a period of 7 months.

External Audit Fees

21. During 2016/17 Hereford & Worcester Fire Authority incurred the fees below in respect of external audit and statutory inspection services, to auditors appointed under the Local Audit and Accountability Act 2014.

	2015/16 £'000	2016/17 £'000
Fees payable to Grant Thornton:		
in respect of external audit services : 2015/16 Accounts	33	
in respect of external audit services : 2016/17 Accounts		33
	33	33

Leases

22. The Authority does not have any leases that meet the accounting requirement to be treated as Finance Leases.

Operating Leases

23. The Authority has entered into operational leases for the provision of ancillary vehicles. The total rentals paid to lessors on these operating leases in the year totalled £106,074 (2015/16 £74,614).
24. The Authority entered into a lease agreement with the Police & Crime Commissioner for West Mercia, on 3rd April 2014 for the provision of a joint Fire/Police Station in Bromsgrove. The lease is for a term of 30 years with the option for the Authority to extend for a further 30 years. The total rental payable in 2016/17 was £249,485 (2015/16 was £249,485).
25. The future lease payments under non-cancellable operating leases in future years are:

	31-Mar-2016 £'000	31-Mar-2017 £'000
Not later than one year	332	347
Later than one year and not later than 5 years	1,152	1,141
Later than 5 years	5,745	5,506
	7,229	6,994

Capital Expenditure

26. Details of capital expenditure incurred during the year are as follows:

	2015/16 £'000	2016/17 £'000
New Buildings & Adaptations	2,568	4,219
Vehicles (including fitted equipment)	457	736
IT and Communication Equipment	135	128
Other Equipment	155	195
Total Capital Expenditure	3,315	5,278

27. Capital expenditure was financed as follows:

	2015/16 £'000	2016/17 £'000
Net Borrowing	1,415	1,210
Capital Receipts	13	774
Capital Grant	840	2,383
Revenue Contributions	1,047	911
	3,315	5,278

28. Capital Financing Requirement

	2015/16			2016/17		
	Owned £'000	Leased £'000	Total £'000	Owned £'000	Leased £'000	Total £'000
Opening CFR	17,859		17,859	18,142		18,142
Capital investment						
Operational assets	2,177		2,177	5,270		5,270
Assets not yet Operational	1,138		1,138	8		8
Sources of Finance						
Capital receipts	(13)		(13)	(774)		(774)
Government grants and other contributions	(840)		(840)	(2,383)		(2,383)
Sums set aside from Revenue - Direct Revenue Financing	(1,047)		(1,047)	(911)		(911)
	1,415	0	1,415	1,210	0	1,210
Sums set aside from Revenue - Minimum Revenue Provision	(1,132)	0	(1,132)	(1,152)		(1,152)
Change in CFR	283	0	283	58		58
Closing CFR	18,142	0	18,142	18,200	0	18,200
Explanation of movements in year						
Increase/(Decrease) in underlying need to borrow: unsupported by government financial assistance	283	n/a		58	n/a	
Increase in Capital Financing Requirement	283	0	0	58	0	0

Property, Plant and Equipment

29. Movements in 2016/17

	Land and Buildings £'000	Vehicles Plant, Furniture and Equipment £'000	Assets not yet Operational £'000	TOTAL Tangible Assets £'000
Cost or Valuation at 01 April 2015	33,841	20,751	1,201	55,793
Additions	4,211	1,059	8	5,278
Revaluation increases/(decreases) recognised in the Revaluation Reserve	314			314
Revaluation increases/(decreases) recognised in the				
Surplus/Deficit on the Provision of Services	(676)			(676)
Reclassifications	539	602	(1,141)	0
Reclassifications - to current assets held for sale	(177)			(177)
Reclassifications - to intangible assets				0
Disposals/derecognition		(1,193)		(1,193)
At 31 March 2016	38,052	21,219	68	59,339
Accumulated Depreciation and Impairment at 01 April 2015	0	(14,771)	0	(14,771)
Reclassifications				
Depreciation Charge for 2016-17	(644)	(1,368)		(2,012)
Depreciation written out to Revaluation Reserve	386			386
Depreciation written out to the Surplus/Deficit on Provision of Services	258			258
Disposals/derecognition		1,061		1,061
At 31 March 2016	0	(15,078)	0	(15,078)
Balance Sheet amount at 01 April 2016	33,841	5,980	1,201	41,022
Balance Sheet amount at 31 March 2017	38,052	6,141	68	44,261

30. Comparative Movements in 2015/16

	Land and Buildings (restated) £'000	Vehicles Plant, Furniture and Equipment £'000	Assets not yet Operational £'000	TOTAL Tangible Assets (restated) £'000
Cost or Valuation at 01 April 2015	33,267	20,445	3,619	57,331
Additions	1,493	657	1,138	3,288
Revaluation increases/(decreases) recognised in the Revaluation Reserve	30			30
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(1,627)			(1,627)
Reclassifications	3,553		(3,553)	0
Reclassifications - to current assets held for sale	(2,875)			(2,875)
Reclassifications - to intangible assets				0
Disposals/ derecognition		(351)	(3)	(354)
At 31 March 2016	33,841	20,751	1,201	55,793
Accumulated Depreciation and Impairment at 01 April 2015	0	(13,717)		(13,717)
Reclassifications				
Depreciation Charge for 2015-16	(588)	(1,356)		(1,944)
Depreciation written out to Revaluation Reserve	343			343
Depreciation written out to the Surplus/Deficit on Provision of Services	245			245
Derecognition/ disposals		302		302
At 31 March 2016	0	(14,771)	0	(14,771)
Balance Sheet amount at 01 April 2014	33,267	6,728	3,619	43,614
Balance Sheet amount at 31 March 2015	33,841	5,980	1,201	41,022

31. Fixed assets are represented in the Balance Sheet at current value, with the exception of additions occurring since the last revaluation, which are held at historic cost, net of depreciation where appropriate. Assets disposed of have been written-out at their net book value.

Intangible Assets

32. The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item or Property, Plant and Equipment.
33. All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. The useful lives assigned to the major software suites used by the Authority are 5 years.
34. The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £70,000 charged to revenue in 2016/17 was charged to the capital financing line.
35. The movement on Intangible Asset balances during the year is as follows:

	2015/16 £000	2016/17 £000
Balance at start of year:	449	393
- Gross carrying amount	1,207	1,016
- Accumulated amortisation	(758)	(623)
Net carrying amount at start of year	449	393
Additions	26	0
Reclassification		
Disposals	(217)	(100)
Accumulated amortisation on disposal	217	100
Amortisation for the period	(82)	(70)
Net carrying amount at end of year	393	323
Comprising:		
- Gross carrying amount	1,233	916
- Accumulated amortisation	(840)	(593)
	393	323

Heritage Assets

36. The Authority has a number of items which can be classed as heritage assets, due to their cultural and historical associations to the Fire Service. These assets have been held within the Authority and its predecessors for a number of years having been originally donated. The Authority does not seek to acquire assets of this nature and has no intention of disposing of the assets held.
37. These assets are held at Authority fire stations and other buildings throughout the two counties. The estimated value of these assets is not material to the financial statements.
38. As there are no valuations held for these assets and valuations could not be obtained at a cost which is commensurate with the benefits to the users of the financial statements, the assets are not recognised in accordance with the Code.

Financial Instruments

39. The classification of financial instruments included in the Balance Sheet and their carrying amounts are shown overleaf. (Additional information in respect of the Long Term Loans is given at notes 45-46):

	31-Mar-16			31-Mar-17		
	Long-term £000	Current £000	Total £000	Long-term £000	Current £000	Total £000
Short Term Deposits						
Deposits with WCC		13,400	13,400		11,900	11,900
		13,400	13,400		11,900	11,900
Loans & Receivables <i>(at amortized cost)</i>						
Trade Debtors		376	376		461	461
		376	376		461	461
		13,776	13,776		12,361	12,361
Financial Liabilities <i>(at amortized cost)</i>						
PWLB Borrowing	12,637	500	13,137	11,137	1,500	12,637
Trade Creditors		1,160	1,160		471	471
	12,637	1,660	14,297	11,137	1,971	13,108

Fair Value of Assets and Liabilities carried at amortised cost

40. Financial liabilities, financial assets represented by loans and receivable and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments.
41. Fair value is defined as the amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price.
42. The Fair Value of the loans at 31 March 2017 was £16,160m (£16.430m at 31 March 2016) as estimated by PWLB by reference to the “premature repayment” set of rates in force on 31 March 2017 (31 March 2016) – Level 2. For all other Financial Assets and Liabilities the Fair Value is equal to the Carrying Value.
43. The fair value of the liabilities is higher than the carrying amount because the Authority’s portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the prevailing rates at the balance sheet date (new loan rates).

Financial Instruments Gains and Losses

44. The gains and losses recognised in the CIES in relation to financial instruments are shown overleaf:

	Interest Expense 2015/16 £'000	Interest Income 2015/16 £'000	Interest Expense 2016/17 £'000	Interest Income 2016/17 £'000
Financial Liabilities				
PWLB Borrowing	568		546	
Total	568	0	546	0
Short Term Deposits		(55)		(50)
Total	0	(55)	0	(50)

Long and Short Term Borrowing

45. Additional information in respect of Long Term Loans shown in the table below is given in paragraph 37 on page 37.

	31-Mar-16			31-Mar-17		
	Long Term £'000	Short Term £'000	TOTAL £'000	Long Term £'000	Short Term £'000	TOTAL £'000
Loan Source						
Public Works Loans Board	12,637	500	13,137	11,137	1,500	12,637
	12,637	500	13,137	11,137	1,500	12,637
Analysis by Maturity						
Less than 1 year		500	500		1,500	1,500
Between 1 and 2 years	1,500		1,500	500		
Between 2 and 5 years	2,000		2,000	3,226		
Between 5 and 10 years	3,649		3,649	1,923		
Over 10 years	5,488		5,488	5,488		
Total of Loans	12,637	500	13,137	11,137	1,500	12,637

46. Other than the maturing Long Term loan, there are no short term borrowings.

Financial Instruments – Exposure to Risk

47. The Authority's activities expose it to a variety of financial risks:
- Credit risk – the possibility that other parties might fail to pay amounts due to the Authority.
 - Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments.
 - Market risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements.
48. The CIPFA Code of Practice on Treasury Management has been adopted by the Authority, and under the Service Level Agreement with Worcestershire County Council the County Council is obliged to, and does, adopt the Code also. In this way risks are actively managed.

Credit Risk

49. Under the Treasury Management SLA, the Authority invests surplus cash with WCC, but in return for receiving an average investment rate based on the Council's portfolio of investments the Authority shares risk in proportion to its value of the total portfolio. Credit risk also arises from credit exposures to the Authority's customers.
50. Amounts invoiced to customers are of relatively low value and are actively pursued by the in-house legal service.
51. The following analysis summarises the Authority's potential maximum exposure to credit risk based on actual experience in terms of deposits and percentage of debt which has been written off as unrecoverable in the last three years in terms of debtors (total £0.001m).

	31-Mar-17 £'000	Written off in last 3 years £'000	Historical Default
Short Term deposits with WCC	11,900	0	
Customers	461	1	0.1%
Total	12,361	1	

52. Of the £0.461m due from customers at 31 March 2017 the following table analyses the due dates.

	£'000
Not yet due	9
Less than 1 month overdue	58
1 to 2 months overdue	0
more than 2 months overdue	394
	461

Liquidity Risk

53. The Authority is able to access borrowings from the Public Works Loans Board (PWLb) so there is no significant risk that it will be unable to meet its commitments relating to financial liabilities. The risk is that the Authority will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. The Authority sets limits on the proportion of borrowings due to mature at intervals as shown below.

Period of Maturity	Upper Limit %	Lower Limit %
Under 12 months	25	0
12 months and within 24 months	25	0
24 months and within 5 years	50	0
5 years and within 10 years	75	0
10 years and above	95	25

54. This strategy allows the Authority time to restructure debt when interest rates are favourable. The strategy is to maintain sufficient cash balances to meet daily revenue requirements without recourse to short term borrowing other than in exceptional circumstances.

Market Risk

55. The Authority does not invest in equity shares and therefore has no exposure to loss arising from movements in share prices.
56. The Authority has no financial assets or liabilities, denominated in foreign currencies and therefore has no exposure to loss arising from exchange rate movements.

57. Debtors

	31-Mar-16 restated £'000	31-Mar-17 £'000
Central Government Bodies	283	240
Other Local Authorities	719	774
Public Corporations and Trading Funds	1,406	3,269
Other entities and individuals	1,233	1,415
	3,641	5,698

58. Assets Held for Sale

	Current	
	2015-16	2016-17
	£000	£000
Balance outstanding at start of year	985	985
Assets newly classified as held for sale:		
Property Plant and Equipment	2,875	177
Revaluation Losses	(812)	(6)
Assets Sold	(2,063)	(171)
Balance outstanding at year-end	985	985

Cash and Cash Equivalents

59. The balance of Cash and Cash Equivalents is made up of the following elements:

	31-Mar-16 £'000	31-Mar-17 £'000
Cash held by the Authority	5	6
Bank Current Accounts	1,804	2,240
Short term deposits with WCC	13,400	11,900
	15,209	14,146

60. The only financial asset held by the Authority is the short term deposit via Worcestershire County Council, there are no other investments.

61. Creditors

	31-Mar-16 (restated) £'000	31-Mar-17 £'000
Central Government Bodies	497	1,110
Other Local Authorities	1,198	980
Other entities and individuals	2,680	2,292
	4,375	4,382

Termination Benefits and Packages

62. As a result of a redundancy process the Authority terminated the contracts of 17 employees, incurring liabilities of £0.495m.
63. The numbers of exit packages with the total cost per band are set out in the table below. The Authority did not pay any other exit packages.

2016/17

	No. of Staff	Redundancy Payments £	Compromise Agreement £	Total £
£0 to £20,000	3	37,591	750	38,341
£20,001 to £40,000	12	363,290	3,000	366,290
£40,001 to £60,000	2	90,254	500	90,754
		491,135	4,250	495,385

The total cost of £495,385 in the table above includes £25,931 for exit packages charged to the Authority's Comprehensive Income and Expenditure Account for 2017/18, the authority was committed to these exit packages at the end of the financial year.

2015/16

	No. of Staff	Redundancy Payments £	Compromise Agreement £	Total £
£0 to £20,000	10	89,887	2,500	92,387
£20,001 to £40,000	5	136,495	1,250	137,745
£40,001 to £60,000	2	90,254	500	90,754
		316,636	4,250	320,886

Pension Arrangements

64. As part of the terms and conditions of employment of its staff, the Authority offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.
65. The Authority participates in five schemes:
- The Firefighters' Pension Scheme (FFPS) (the "1992 Scheme"). This is a statutory un-funded defined benefit final salary scheme and has been closed to new entrants since 6 April 2006.

- The 2006 Firefighters' Pension Scheme (NFPS) (the "2006 Scheme") – is open to all uniformed staff (except Fire Control) and is also a statutory unfunded defined benefit final salary scheme, with differing benefits.
 - The 2015 Firefighters' Pension Scheme (FFCARE) – this is a career average scheme, and is available to operational firefighters appointed on or after 1 April 2015. Serving firefighters will also have been transferred into the scheme unless they have protected status under one of the existing schemes.
 - The Firefighters' Compensation Scheme (FFCS) (the Injury Scheme) – another statutory unfunded defined benefit scheme covering existing and new injury pensions.
 - The four Firefighters' schemes are unfunded meaning that there are no investment assets built up to meet the pensions liabilities and cash has to be generated to meet the actual pensions payments as they eventually fall due. The arrangements are determined by the Home Office.
 - The Local Government Pension Scheme (LGPS) – subject to qualifying criteria, open to staff not covered by the Firefighters' schemes. This scheme is administered by Worcestershire County Council and 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.
 - The Local Government Pension Scheme (LGPS – Place Partnership Ltd) – The Fire Authority has transferred all of its Property Section staff to Place Partnership Ltd, as part of the agreement between the partners of this company, the Fire Authority has guaranteed any pension fund liability will be met based on the proportion of staff transferred into the scheme. Prior to the transfer the liability relating to these staff was included in the Fire Authority liability. At the Balance Sheet date this liability was zero.
66. The retirement benefits are recognised in the Net Cost of Service when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made against council tax precept is based on the cash payable in the year, (as described in paragraph 76 below) so the real cost of retirement benefits is reversed out in the Movement in Reserves Statement (MiRS).
67. Charges made to the Income and Expenditure Account for council tax precept purposes are as below:
- LGPS – the employer's contribution payable to the Pension Fund.
 - FFPS/NFPS – the notional employer's contribution payable into the Pension Account as explained in Paragraphs 39-40 on page 10 of the Narrative Report.
 - FFCS – the actual injury pensions and any RDS ill-health pensions payable.
68. Transactions made in the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement (MiRS) during the year are shown in the tables below:

	LGPS 2016/17 £'000	FFPS 2016/17 £'000	NFPS 2016/17 £'000	FF CARE 2016/17 £'000	FFCS 2016/17 £'000	TOTAL 2016/17 £'000
Income and Expenditure Account						
Net Cost of Services:						
Current Service Cost	735	1,570	220	2,090	110	4,725
Curtailment Cost	16	160				176
Other Operating Expenditure comprising						
Business Combinations						
Administration Expenses	12					12
Pensions Grant		(8,044)	(5)	1,968		(6,081)
Financing and Investment Income and Expenditure						
Net Interest Expense	328	8,670	520	150	560	10,228
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services	1,091	2,356	735	4,208	670	9,060
Remeasurement of the net defined benefit liability comprising:						
Actuarial (gains)/losses arising on changes in financial assumptions (retained settlement)						
Experience (gains)/losses	(1,847)	(870)	520	(290)	(400)	(2,887)
Return on plan assets (excluding the amount included in the net interest expense)	(1,883)					(1,883)
Actuarial (gains) and losses arising on changes in demographic assumptions	(435)	(4,480)	10		(1,100)	(6,005)
Actuarial (gains) and losses arising in financial assumptions	7,548	52,020	6,010	2,450	2,300	70,328
Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	4,474	49,026	7,275	6,368	1,470	68,613
Movement in Reserves Statement						
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(1,091)	(2,356)	(735)	(4,208)	(670)	(9,060)
Reversal of remeasurements of the net defined benefit liability/asset charged to Other Comprehensive Income and Expenditure	(3,383)	(46,670)	(6,540)	(2,160)	(800)	(59,553)
Actual Amount charged against the General Fund Balance for pensions in the year:						
Employer's contribution payable to scheme	717	737	121	1,055		2,630
Retirement Benefits payable to Pensioners					710	710
Net Charge to General Fund	717	737	121	1,055	710	3,340

	LGPS 2015/16 £'000	FFPS 2015/16 £'000	NFPS 2015/16 £'000	FF CARE 2015/16 £'000	FFCS 2015/16 £'000	TOTAL 2015/16 £'000
Income and Expenditure Account						
Net Cost of Services:						
Current Service Cost	722	2,390	230	2,480	580	6,402
Curtailment Cost	0				10	10
Other Operating Expenditure comprising						
Business Combinations	0					0
Administration Expenses	12					12
Pensions Grant		(6,052)	(94)	1,826		(4,320)
Financing and Investment Income and Expenditure						
Net Interest Expense	324	9,120	810	50	550	10,854
Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services	1,058	5,458	946	4,356	1,140	12,958
Remeasurement of the net defined benefit liability comprising:						
Actuarial (gains)/losses arising on changes in financial assumptions (retained settlement)			(8,000)			(8,000)
Experience (gains)/losses		(8,400)	340	(320)	(40)	(8,420)
Return on plan assets (excluding the amount included in the net interest expense)	920					920
Actuarial (gains) and losses arising on changes in demographic assumptions		(3,730)	(210)	(40)	(180)	(4,160)
Actuarial (gains) and losses arising in financial assumptions	(1,735)	(23,330)	(2,920)	(240)	(950)	(29,175)
Total Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement	243	(30,002)	(9,844)	3,756	(30)	(35,877)
Movement in Reserves Statement						
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(1,058)	(5,458)	(946)	(4,356)	(1,140)	(12,958)
Actual Amount charged against the General Fund Balance for pensions in the year:						
Employer's contribution payable to scheme	649	935	160	987		2,732
Retirement Benefits payable to Pensioners					731	731
Net Charge to General Fund	649	935	160	987	731	3,463

Pensions Assets and Liabilities Recognised in the Balance Sheet

	Funded Liability LGPS 2016/17 £'000	Un-funded Liability FFPS 2016/17 £'000	Un-funded Liability NFPS 2016/17 £'000	Un-funded Liability FFCARE 2016/17 £'000	Un-funded Liability FFCS 2016/17 £'000	TOTAL 2016/17 £'000
Present value of the defined benefit obligation	33,196	296,194	21,616	8,082	16,457	375,545
Fair Value of Plan assets	(19,826)					(19,826)
Net liability arising from defined benefit obligation	13,370	296,194	21,616	8,082	16,457	355,719

	Funded Liability LGPS 2015/16 £'000	Un-funded Liability FFPS 2015/16 £'000	Un-funded Liability NFPS 2015/16 £'000	Un-funded Liability FFCARE 2015/16 £'000	Un-funded Liability FFCS 2015/16 £'000	TOTAL 2015/16 £'000
Present value of the defined benefit obligation	26,805	247,905	14,462	2,769	15,697	307,638
Fair Value of Plan assets	(17,193)					(17,193)
Net liability arising from defined benefit obligation	9,612	247,905	14,462	2,769	15,697	290,445

Assets and Liabilities in relation to post-employment benefits

69. Reconciliation of the present value of scheme liabilities:

	Funded Liabilities (LGPS) 2016/17 £'000	Un-funded Liabilities (FFPS) 2016/17 £'000	Un-funded Liabilities (NFPS) 2016/17 £'000	Un-funded Liabilities (FF CARE) 2016/17 £'000	Un-funded Liabilities (FFCS) 2016/17 £'000	TOTAL 2016/17 £'000
at 1 April	26,805	247,905	14,462	2,769	15,697	307,638
Removal of Prior year PPL adjustment	(12)					(12)
Current Service Cost	735	1,570	220	2,090	110	4,725
Curtailment	16					16
Interest Cost	1,011	8,670	520	150	560	10,911
Employee Contributions	217					217
Remeasurement Gains and Losses						
Experience (Gains) and Losses	(1,847)	(870)	520	(290)	(400)	(2,887)
Actuarial (Gains) and Losses arising on changes in demographic assumptions	(435)	(4,480)	10		(1,100)	(6,005)
Actuarial (Gains) and Losses arising on changes in financial assumptions	7,548	52,020	6,010	2,450	2,300	70,328
Actuarial (Gains) and Losses arising on changes in financial assumptions (retained settlement)						
Losses/(Gains) on curtailments		160				160
Pensions Grant		(8,044)	(5)	1,968		(6,081)
Employer contributions firefighter scheme/benefits paid LGPS scheme	(842)	(737)	(121)	(1,055)	(710)	(3,465)
at 31 March	33,196	296,194	21,616	8,082	16,457	375,545

	Funded Liabilities (LGPS) 2015/16 £'000	Un-funded Liabilities (FFPS) 2015/16 £'000	Un-funded Liabilities (NFPS) 2015/16 £'000	Un-funded Liabilities (FF CARE) 2015/16 £'000	Un-funded Liabilities (FFCS) 2015/16 £'000	TOTAL 2015/16 £'000
at 1 April	27,387	278,842	24,466	0	16,458	347,153
Current Service Cost	722	2,390	230	2,480	580	6,402
Interest Cost	922	9,120	810	50	550	11,452
Employee Contributions	194					194
Remeasurement Gains and Losses						
Experience (Gains) and Losses		(8,400)	340	(320)	(40)	(8,420)
Actuarial (Gains) and Losses arising on changes in demographic assumptions		(3,730)	(210)	(40)	(180)	(4,160)
Actuarial (Gains) and Losses arising on changes in financial assumptions	(1,735)	(23,330)	(2,920)	(240)	(950)	(29,175)
Actuarial (Gains) and Losses arising on changes in financial assumptions (retained settlement)			(8,000)			(8,000)
Losses/(Gains) on curtailments					10	10
Pensions Grant		(6,052)	(94)	1,826		(4,320)
Employer contributions firefighter scheme/benefits paid LGPS scheme	(685)	(935)	(160)	(987)	(731)	(3,498)
at 31 March	26,805	247,905	14,462	2,769	15,697	307,638

70. Reconciliation of fair value of scheme assets:

	Funded Assets (LGPS) 2015/16 £'000	Funded Assets (LGPS) 2016/17 £'000
Fair value at 1 April	17,369	17,193
Removal of Prior year PPL adjustment		(12)
Interest Income	598	682
Remeasurement gain/loss		
Return on plan assets (excluding the amount included in the net interest expense)	(920)	1,883
Other (administration expenses)	(12)	(12)
Employer Contributions	649	717
Employee Contributions	194	217
Benefits Paid	(685)	(842)
at 31 March	17,193	19,826

71. The expected rate of return on assets (LGPS only) is based on market expectations, at the beginning of the period, for investment returns over the life of the entire life of the related obligation. The assumption used is the average of the assumptions shown in table 82 appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset class as shown in table 83. Note that rates quoted are gross of expenses. The actual return on schemes' assets in the year was £4.438m (2015/16 £1.280m).
72. The objective of the Local Government Pension scheme is to keep employers' contributions at as constant a rate as possible. The Worcestershire County Council Pension Fund has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 25 years. Funding levels are

monitored on an annual basis. The next triennial valuation is due to be completed for 31 March 2019.

73. The Firefighter scheme employer contribution rates are set by the Home Office and the next revised rates are anticipated from April 2019.
74. The Authority anticipated to pay approximately £0.741m expected contributions to the Local Government Pension scheme in 2016/17.
75. Expected employers' contributions for the firefighters' pension schemes in the year to 31 March 2017 are expected to be approximately £1.865m.

76. Reconciliation of Movements in Net Pensions Liability:

	Funded Liabilities (LGPS) 2016/17 £'000	Un-funded Liabilities (FFPS) 2016/17 £'000	Un-funded Liabilities (NFPS) 2016/17 £'000	Un-funded Liabilities (FF CARE) 2016/17 £'000	Un-funded Liabilities (FFCS) 2016/17 £'000	TOTAL 2016/17 £'000
at 1 April	9,612	247,905	14,462	2,769	15,697	290,445
Current Service Cost	735	1,570	220	2,090	110	4,725
Curtailment	16					16
Employer Contributions	(717)	(737)	(121)	(1,055)	(710)	(3,340)
Pensions Grant		(8,044)	(5)	1,968		(6,081)
Administration Expenses	12					12
(Gain)/Loss from Curtailments		160				160
Interest on Liabilities	1,011	8,670	520	150	560	10,911
Interest on Assets	(682)					(682)
Net remeasurement gains and losses	3,383	46,670	6,540	2,160	800	59,553
at 31 March	13,370	296,194	21,616	8,082	16,457	355,719

	Funded Liabilities (LGPS) 2015/16 £'000	Un-funded Liabilities (FFPS) 2015/16 £'000	Un-funded Liabilities (NFPS) 2015/16 £'000	Un-funded Liabilities (FF CARE) 2015/16 £'000	Un-funded Liabilities (FFCS) 2015/16 £'000	TOTAL 2015/16 £'000
at 1 April	10,018	278,842	24,466	0	16,458	329,784
Current Service Cost	723	2,390	230	2,480	580	6,403
Employer Contributions	(650)	(935)	(160)	(987)	(731)	(3,463)
Pensions Grant		(6,052)	(94)	1,826		(4,320)
Administration Expenses	12					12
(Gain)/Loss from Curtailments					10	10
Interest on Liabilities	922	9,120	810	50	550	11,452
Interest on Assets	(598)					(598)
Net remeasurement gains and losses	(815)	(35,460)	(10,790)	(600)	(1,170)	(48,835)
at 31 March	9612	247,905	14,462	2,769	15,697	290,445

77. Scheme History

	31-Mar 2012 £'000	31-Mar 2013 £'000	31-Mar 2014 £'000	31-Mar 2015 £'000	31-Mar 2016 £'000	31-Mar 2017 £'000
Present value of liabilities:						
LGPS : Local Government Pension Scheme	18,243	22,103	21,561	27,387	26,805	33,196
FFPS : Firefighters' 1992 Scheme	213,344	252,780	250,351	278,842	247,905	296,194
NFPS : Firefighters' 2006 Scheme	6,978	11,589	13,131	24,466	14,462	21,616
FFCARE: Firefighters' 2015 Scheme					2,769	8,082
FFCS : Firefighters' Injury Scheme	23,702	29,055	25,903	16,458	15,697	16,457
	262,267	315,527	310,946	347,153	307,638	375,545
Fair value of assets in the LGPS	11,290	13,474	15,384	17,369	17,193	19,826
	11,290	13,474	15,384	17,369	17,193	19,826
Net Liabilities of the scheme:						
LGPS : Local Government Pension Scheme	6,953	8,629	6,177	10,018	9,612	13,370
FFPS : Firefighters' 1992 Scheme	213,344	252,780	250,351	278,842	247,905	296,194
NFPS : Firefighters' 2006 Scheme	6,978	11,589	13,131	24,466	14,462	21,616
FFCARE: Firefighters' 2015 Scheme					2,769	8,082
FFCS : Firefighters' Injury Scheme	23,702	29,055	25,903	16,458	15,697	16,457
Total	250,977	302,053	295,562	329,784	290,445	355,719

78. The liabilities show the underlying commitments that the Authority has in the long run to pay retirement benefits. The total liability of £355,719m has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet, resulting in a negative overall balance of £307,367m.
79. However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy:
- The deficit on the LGPS will be made good by contributions over the remaining working life of employees, as assessed by the scheme actuary.
 - Finance is only required to be raised to cover Firefighters' pensions when the pension is actually paid.

Basis for Estimating Liabilities

80. 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.
81. Estimates for the LGPS have been made by Mercer Human Resource Consulting Ltd (an independent firm of actuaries), and for the firefighters' schemes by GAD, the Government Actuary's Department.

82. The principal assumptions used by the Actuaries are shown overleaf:

	LGPS 2016/17	FFPS 2016/17	NFPS 2016/17	FFCARE 2016/17	FFCS 2016/17
Mortality assumptions:					
Longevity at 65 for current pensioners					
Male	22.6	22.4	22.4	22.4	22.4
Female	25.6	22.4	22.4	22.4	22.4
Longevity at 65 for future pensioners					
Male	24.8	24.7	24.7	24.7	24.7
Female	27.9	24.7	24.7	24.7	24.7
Rate of inflation (CPI)	2.30%	2.35%	2.35%	2.35%	2.35%
Short term rate of increase in salaries	n/a	1.00%	1.00%	1.00%	1.00%
Long term rate of increase in salaries	n/a	4.35%	4.35%	4.35%	4.35%
Rate of increase in salaries	3.80%	n/a	n/a	n/a	n/a
Rate of CARE revaluation	n/a	4.35%	4.35%	4.35%	4.35%
Rate of increase in pensions	2.30%	2.35%	2.35%	2.35%	2.35%
Rate for discounting scheme liabilities	2.60%	2.65%	2.65%	2.65%	2.65%
Take-up of option to convert annual pension into retirement lump sum:					
take maximum cash	50%	n/a	n/a	n/a	n/a
take 3/80ths cash	50%	n/a	n/a	n/a	n/a

	LGPS 2015/16	FFPS 2015/16	NFPS 2015/16	FFCARE 2015/16	FFCS 2015/16
Mortality assumptions:					
Longevity at 65 for current pensioners					
Male	23.5	22.3	22.3	22.3	22.3
Female	25.9	22.3	22.3	22.3	22.3
Longevity at 65 for future pensioners					
Male	25.8	24.6	24.6	24.6	24.6
Female	28.2	24.6	24.6	24.6	24.6
Rate of inflation (RPI)	n/a	3.35%	3.35%	3.35%	3.35%
Rate of inflation (CPI)	2.00%	2.20%	2.20%	2.20%	2.20%
Short term rate of increase in salaries	n/a	1.00%	1.00%	1.00%	1.00%
Long term rate of increase in salaries	n/a	4.20%	4.20%	4.20%	4.20%
Rate of increase in salaries	3.50%	n/a	n/a	n/a	n/a
Rate of CARE revaluation	n/a	n/a	n/a	4.20%	n/a
Rate of increase in pensions	2.00%	2.20%	2.20%	2.20%	2.20%
Rate for discounting scheme liabilities	3.60%	3.55%	3.55%	3.55%	3.55%
Take-up of option to convert annual pension into retirement lump sum:					
take maximum cash	50%	n/a	n/a	n/a	n/a
take 3/80ths cash	50%	n/a	n/a	n/a	n/a

83. The Firefighters' schemes have no assets to cover their liabilities. The LGPS assets consist of the following categories by proportion of the total assets held – shown in the following table.

Asset Category	Sub Category	31-Mar-16	31-Mar-17
Equities	UK Quoted	0.7%	0.5%
	Overseas Quoted	34.2%	27.9%
	UK Managed Funds	28.0%	26.9%
	UK Managed Funds – Overseas Equities)	20.0%	29.9%
	Overseas Managed Funds	0.7%	0.3%
Bonds	UK Corporate	0.4%	0.3%
	Overseas Corporate	5.7%	5.1%
Property	European Property Funds	3.1%	2.8%
	UK Property Debt	1.2%	0.9%
	Overseas Property Debt	0.2%	0.5%
Alternatives	UK Infrastructure	3.7%	2.7%
Cash	Cash Instruments	0.6%	0.2%
	Cash Accounts	0.5%	0.6%
	Net Current Assets	1.0%	1.4%
Total		100.0%	100.0%

Injury Awards

84. The level of injury awards payable to eligible members is dependent on the salary, service and also degree of disablement of the member at the time the injury is incurred. Therefore, in line with IFRS Code of Practice, the assumption that such awards are “not usually subject to the same degree of uncertainty as the measurement of post-employment benefits” can be rebutted and injury awards are therefore accounted for, under IAS19, in the same manner as for the main pension scheme benefits.

Useable Reserves

85. Movements in the Authority’s usable reserves are summarised in the Movement in Reserves Statement and Notes and are described below:

	31-Mar-16 £'000	31-Mar-17 £'000
General Fund	1,838	1,838
Earmarked Reserves	9,664	11,507
Unapplied Grants	5,238	5,201
Capital Receipts Reserve	2,532	2,060
	19,272	20,606

86. General Fund Balance

	2015/16 £'000	2016/17 £'000
Balance at 01 April	1,838	1,838
Transfers from CIES	0	0
Balance at 31 Mar	1,838	1,838

Earmarked Reserves

87. Earmarked revenue reserves are held for a variety of purposes, the nature and value of these is outlined below:
- **Equipment Reserve** – To fund additional equipment required within the service, when it falls due, (in particular cutting gear, mobile data terminals and fire-ground

radios) as well as allowing investment in new equipment on an “invest to save” basis.

- **ESMCP Reserve** – to fund the costs associated with the implementation of the new national radio/communications system
- **C&C Reserve** – to fund the cyclical upgrade/replacement of the mobilising system. The current system was largely funded by specific government grant.
- **RPE Reserve** – To fund the future costs of replacing Respiratory Protective Equipment (RPE)
- **Property Maintenance Reserve** – to be utilised in future years to ensure the completion of planned station maintenance.
- **ICT Reserve** – to fund the approved extension of mobile working that did not proceed in 2016/17 due to staffing resource constraints.
- **YFA Reserve** – Held for the Young Firefighters’ Association to smooth annual expenditure.
- **Capital Finance Phasing Reserve** – this arises from savings in capital financing costs as a result of re-phasing of the Major Buildings programme due to delays outside the control of the Authority
- **Fleet Funding Reserve** – financing of the capital programme is predicated on using the receipts from the sale of old assets to part fund their replacement. However, any individual receipt below £0.01.m is technically not a capital receipt and is treated as revenue. This reserve makes those revenue receipts available to fund capital expenditure as planned.
- **ICP Work-wear Reserve** – To match the budgeted routine replacement of non-PPE work-wear with the charging profile under the national Integrated Clothing Project (ICP). – The majority of this was utilised in 2012/13.
- **Pensions Reserve** – To meet the potential back cost of any matters arising from pensions.
- **Operational Activity Reserve** – To fund exceptional activity costs arising from spare conditions e.g. prolonged fires in the Malvern Hills or flooding.
- **New Dimensions Reserve** – planned to be used to create additional training facilities and fund exercises in respect of New Dimensions.
- **Development Reserve** – To provide funding for capacity building or “invest to save” type initiatives to prepare for future grant reductions.
- **Insurance Reserve** – This reserve is created to fund the excess on any long-tail claims.
- **Pension Tribunal Reserve** – to meet the potential costs of HMRC challenge relating to employment of Fire Fighters on the retained fire fighter duty system who had retired from whole-time posts before reaching the age of 55.
- **CSR Grant Phasing Reserve** – this reserve will be used to smooth the effect of the front-loading of the grant reductions over the MTFP period.
- **Collection Fund Loss Reserve** - this reserve will be used to support the budget over the MTFP period.
- **Budget Reduction Reserve** – this reserve is being used as part of the MTFP to fund the short term costs to implement the measures necessary to achieve long term sustained budget reductions.

88. A summary of movements is shown below.

	Balance at 31-Mar-16 £000	From/(to) Rev 16/17 £000	16/17 Savings £'000	Sub Total £'000	16/17 Savings £000	Balance at 31-Mar-17 £000
Equipment Reserve	394			394	979	1,373
ESMCP Reserve	0		1,291	1,291		1,291
C & C Reserve	267			267	1,000	1,267
RPE Reserve	0			0	1,000	1,000
Property Maintenance Reserve	213			213		213
ICT Reserve	0		33	33		33
YFA Reserve	17			17		17
Capital Finance Phasing Reserve	575			575	(575)	0
Fleet Funding Reserve	42	(42)		0		0
ICP Workwear Reserve	4			4	(4)	0
	1,512	(42)	1,324	2,794	2,400	5,194
Pensions Reserve	422			422		422
Operational Activity Reserve	600			600		600
New Dimensions Reserve	381			381		381
Development Reserve	311			311		311
Insurance Reserve	130	(9)	9	130		130
Pension Tribunal Reserve	400			400		400
	2,244	(9)	9	2,244	0	2,244
CSR Grant Phasing Reserve	1,185			1,185	(225)	960
Collection Fund Reserve	46			46		46
Budget Reduction Reserve	4,677	(502)	1,063	5,238	(2,175)	3,063
	5,908	(502)	1,063	6,469	(2,400)	4,069
	9,664	(553)	2,396	11,507	0	11,507

89. The comparative movements for 2015/16 are summarised below:

	Balance at 31-Mar-15 £000	From/(to) Rev 15/16 £000	15/16 Savings £000	Balance at 31-Mar-16 £000
Equipment Reserve	300		94	394
ESMCP Reserve	0			0
C & C Reserve	267			267
RPE Reserve	0			0
Property Maintenance Reserve	213			213
ICT Reserve	0			0
YFA Reserve	17			17
Capital Finance Phasing Reserve	575			575
Fleet Funding Reserve	0		42	42
ICP Workwear Reserve	4			4
	1,376	0	136	1,512
Pensions Reserve	422			422
Operational Activity Reserve	600			600
New Dimensions Reserve	445	(64)		381
Development Reserve	323	(12)		311
Insurance Reserve			130	130
Pension Tribunal Reserve	400			400
	2,190	(76)	130	2,244
CSR Grant Phasing Reserve	1,185			1,185
Collection Fund Reserve	130	(84)		46
Budget Reduction Reserve	3,216	301	1,160	4,677
	4,531	217	1,160	5,908
	8,097	141	1,426	9,664

90. Unapplied Grant

	Formula Capital Grant £'000	Control Rooms Funding £'000	Evesham Station Contribution	JPV Funding £'000	Transform ation Grant £'000	TOTAL £'000
Balance at 31 March 2015	904	91	16		0	1,011
Grant Received in year			380	417	4,270	5,067
Used to Finance Capital Expenditure in 2015/16		(43)	(380)	(417)		(840)
Balance at 31 March 2016	904	48	16	0	4,270	5,238
Grant Received in year			2,346			2,346
Used to Finance Capital Expenditure in 2016/17		(21)	(2,362)			(2,383)
Balance at 31 March 2017	904	27	0	0	4,270	5,201

91. Capital Receipts

	2015/16 £'000	2016/17 £'000
Balance at 01 April	294	2,532
Net Proceeds from sale of fixed assets	2,251	301
Used to Finance Capital Expenditure	(13)	(773)
Balance at 31 March	2,532	2,060

92. Unusable Reserves

	31-Mar-16 restated £000	31-Mar-17 £'000
Revaluation Reserve	7,227	7,731
Capital Adjustment Account	17,272	19,879
Pensions Reserve	(290,445)	(355,719)
Collection Fund Adjustment Account	(48)	330
Accumulated Absences Adjustment Account	(187)	(194)
	(266,181)	(327,973)

Revaluation Reserve

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

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

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

	2015/16 £'000	2016/17 £'000
Balance at 1 April	7,538	7,227
Upward revaluation of assets	516	1,235
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(143)	(535)
Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	7,911	7,926
Difference between fair value depreciation and historical cost depreciation	(147)	(146)
Accumulated gains on assets sold	(537)	(50)
Accumulated gains on assets derecognised		
Amounts written off to the Capital Adjustment Account		
Balance at 31 March	7,227	7,731

Capital Adjustment Account

95. The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of

acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

96. The Account contains accumulated gains and losses on Investment Properties and gains recognised as donated assets that have yet to be consumed by the Authority.
97. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.
98. The table below provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2015/16 £'000	2016/17 £'000
Balance at 1 April	19,888	17,272
Charges for depreciation and impairment of non-current assets	(1,944)	(2,011)
Revaluation gains/(losses) on Property, Plant and Equipment	(1,382)	(418)
Revaluation gains/(losses) on current assets held for sale	(812)	(6)
Amortisation of intangible assets	(82)	(70)
Amounts of current assets (assets held for sale) written off on Disposal or sale as part of the gain/loss on disposal in the Comprehensive Income and Expenditure Statement	(1,525)	(121)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal in the Comprehensive Income and Expenditure Statement	(50)	(132)
	14,093	14,514
Adjusting amounts written out to the Revaluation Reserve <i>- difference in depreciation on historical & current cost basis</i>	147	146
	14,240	14,660
<u>Capital financing applied in the year:</u>		
Use of the Capital Receipts Reserve to finance new capital expenditure	13	773
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to to capital financing	840	2,383
Statutory provision for the financing of capital investment charged against the General Fund balance.	1,132	1,152
Capital expenditure charged against the General Fund balance	1,047	911
Balance at 31 March	17,272	19,879

Pensions Reserve

99. The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions.
100. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing for years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2015/16 £'000	2016/17 £'000
Balance at 1 April	329,784	290,445
Actuarial gains or losses on pensions assets & liabilities	(48,835)	59,554
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services the CIES	12,958	9,061
Employer's pensions contributions and direct payments to pensioners payable in the year	(3,462)	(3,341)
Balance at 31 March	290,445	355,719

Collection Fund Adjustment Account

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

	2015/16 £'000	2016/17 £'000
Balance at 1 April	5	(48)
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:		
Council Tax	8	(22)
Non-Domestic Rates	(61)	400
Balance at 31 March	(48)	330

Accumulated Absences Account

102. 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, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2015/16 £'000	2016/17 £'000
Balance at 1 April	(97)	(187)
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory provisions	(90)	(7)
Balance at 31 March	(187)	(194)

Contingent Liabilities

103. A Pension Tribunal Reserve has been set up following a dispute between HMRC and several Fire Authorities regarding the interpretation of continued RDS service as re-engagement of Fire fighters following retirement, and the decision to take a pensions before reaching the age of 55, without taking a break in service.
104. Following guidance obtained from the Authority's Pension Advisors, it had been determined that the Authority faces no additional liability for taxation liability for these pensions, as the Fire fighters cannot have not been re-employed by the Authority, as they were already contractually employed as retained Fire fighters. As the Fire Authority believes that there is no liability, no accrual has been included with the financial statements. However, a reserve has been set up to cover potential claims if HMRC are proved to be correct, and to meet the costs of any potential tribunal challenge if they are not.
105. As a result of the "Norman v Cheshire" case the Authority has reviewed all allowances and contractual arrangements to determine whether any of the principles apply to our staff. Initial indications, which are yet to be fully recognised and accepted, is that there are costs which arise from back-dating this ruling. At the Balance Sheet date the calculation is not certain enough to create a provision and remains as a contingent liability. It is highly unlikely to be fully resolved in 2017/18.

Provision - NNDR Appeals Provision

106. This is a provision to reflect the authority's share of the appeals made by NNDR payers at billing authorities.

	2015/16 £'000	2016/17 £'000
Balance at 1 April	276	377
Transfer from CIES	101	(134)
Balance at 31 March	377	243

Specific Government Grants

107. The following grants are included as income within the CIES on page 23

	2015/16 £'000	2016/17 £'000
Fire Revenue Grant - New Dimensions/Firelink	1,127	1,122
ESMCP Control Room Grant		771
	1,127	1,893

Cashflow Statement – Operating Activities

108. The surplus or deficit on the provision of services has been adjusted for the following non-cash movements

	2015/16 £'000	2016/17 £'000
Depreciation	(1,944)	(2,011)
Downward revaluations	(2,195)	(424)
Amortisations	(82)	(70)
Increase/decrease in creditors	(324)	(81)
Increase/decrease in debtors	(22)	2,085
Increase/decrease in inventories	2	26
Movement in pensions liability	(9,496)	(5,720)
Carrying amount of non-current assets sold or derecognised	(2,115)	(303)
Other non-cash items charged to the net surplus or deficit on the provision of services	(78)	134
	(16,254)	(6,364)

109. The net surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

	2015/16 £'000	2016/17 £'000
Receipt of Capital grant	4,687	2,511
Proceeds of sales of Property, Plant & Equipment – Capital Receipts	2,251	301
	6,938	2,812

110. The cashflows for operating activities include the following items:

	2015/16 £'000	2016/17 £'000
Interest Paid	(573)	(549)
Interest Received	49	54
	(524)	(495)

111. Cashflow Statement – Investing Activities

	2015/16 £'000	2016/17 £'000
Purchase of Property, Plant & Equipment	3,572	5,323
Capital Grants received	(4,687)	(2,511)
Proceeds of sales of Property Plant & Equipment - Capital Receipts	(2,251)	(301)
	(3,366)	2,511

112. Cashflow Statement – Financing Activities

	2015/16 £'000	2016/17 £'000
Principal Payments on Finance Leases	0	0
Long Term Loans Repaid	834	500
	834	500

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

113. The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made based on past experience, current trends and other relevant factors. As some balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.
114. The items in the balance sheet at 31 March 2017 for which there is a significant risk of material adjustment in the forthcoming financial year are set out below. The list does not include items which are carried at fair value based on recently observed market prices, such as land and buildings, for which the Authority relies on independent advice from specialist valuers.
115. Action has been taken by HMRC in other Fire Authorities, which relates to the retirement of whole time firefighters before reaching the age of 55, if they remain employed as Firefighters on the Retained Duty System. HMRC are stating that the individual losses their protected status for tax exemption as they have been re-employed. However, guidance has been sought from the Authority's Pension Advisors who have determined that the employee has not broken their service and so have not been re-employed. A reserve has been set up to cover any potential losses or costs that could arise in relation to this.
116. The Actuaries have provided an assessment of the effect of changes in the assumptions used in estimating the pension and assets included in the Accounts according to the requirements of IAS19.
- There are a range of actuarial assumptions which is acceptable under IAS19, particularly in respect of expected salary increases and demographic factors. The assumptions made are the responsibility of the Authority, after taking advice of the Actuaries. There are risks and uncertainties associated with whatever assumptions are adopted, as the assumptions are effectively projections of future investment returns and demographic experience many years into the future. Inevitably this involves a great deal of uncertainty about what constitutes a "best estimate" under IAS19. The Actuaries interpret this as meaning that the proposed assumptions are neutral, i.e. there is an equal chance of actual experience being better or worse than the assumptions used.
 - The assumptions used are largely prescribed and reflect market conditions at 31 March 2017. Changes in market conditions can have a significant effect on the value of liabilities reported. For example, a reduction in the net discount rate will increase the assessed value of liabilities as a higher value is placed on benefits paid in the future. The effect of changes in financial assumptions made by the relevant Actuary is shown in the table.

- With regard to the LGPS, it is also relevant to note that IAS19 requires the discount to be set with reference to the yields on high quality corporate bonds irrespective of the actual investment strategy of the Fund. Therefore the balance sheet position may change significantly due to relative changes in the equity and AA corporate bond markets at the reporting date.

117. Approximate increase in Net Liability

Change in financial assumptions 2016/17 : 1992 Firefighters' Scheme		
	£'000	%
0.5% Decrease in rate of discounting scheme liabilities	26,600	9.0%
0.5 % Increase in rate of salaries	2,300	0.8%
0.5% increase in rate of pensions/deferred revaluation	25,700	8.7%
Life Expectancy: each pensioner subject to longevity of an individual 1 further year younger than assumed	7,800	2.6%
Early retirement each member assumed to retire 1 year earlier than expected	100	0.0%

Change in financial assumptions 2016/17 : 2006 Firefighters' Schemes		
	£'000	%
0.5% Decrease in rate of discounting scheme liabilities	3,200	14.6%
0.5 % Increase in rate of salaries	1,100	4.9%
0.5% increase in rate of pensions/deferred revaluation	2,300	10.6%
Life Expectancy: each pensioner subject to longevity of an individual 1 further year younger than assumed	500	2.4%
Early retirement each member assumed to retire 1 year earlier than expected	(100)	(0.7%)

Change in financial assumptions 2016/17 : 2015 Firefighters' Schemes		
	£'000	%
0.5% Decrease in rate of discounting scheme liabilities	1,300	15.9%
0.5 % Increase in rate of salaries	600	7.1%
0.5% increase in rate of pensions/deferred revaluation	900	11.1%
Life Expectancy: each pensioner subject to longevity of an individual 1 further year younger than assumed	200	2.3%
Early retirement each member assumed to retire 1 year earlier than expected	100	1.3%

Change in financial assumptions 2016/17 : LGPS		
	£'000	%
0.1% Increase in real discount rate	(654)	(4.9%)
0.1% Increase in rate of increase in salaries	668	5.0%
1 Year Increase in Member Life Expectancy	625	4.7%

Property, Plant and Equipment

118. Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.
119. If the useful life of assets is reduced, depreciation increases and the carrying amount of the asset falls. It is estimated that the annual depreciation charge for

buildings would increase by approximately £9,000 for every year that useful lives had to be reduced.

Critical Judgements in Applying Accounting Policies

120. In applying the accounting policies set out previously in this document, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:
121. There is a high degree of uncertainty about future levels of funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be significantly impaired as a result of a need to close facilities and reduce levels of service provision.

Kings Court EMC Ltd

122. The Authority is a member of Kings Court EMC Ltd, which manages ground maintenance on the common areas of the office site where the Headquarters building is located. The company is one that is limited by guarantee, for which the maximum liability to the Authority is £1. The turnover of the company for 2016/17 is estimated at £XX,XXX (2015/16 £15,591), and the Authority has appointed the Director of Finance and Assets as its (unpaid) director.

123. Other Operating Expenditure

	2015/16 £'000	2016/17 £'000
Gross Expenditure		
(Gain)/loss on disposal of non-current assets	39	132
Net loss on disposal/revaluation of assets held for sale	638	(124)
LGPS pensions administrative costs	12	12
	689	20
Gross Income		
Firefighter Scheme Pension Grant	(4,320)	(6,079)
Total Other Operating Expenditure	(3,631)	6,059

SUPPLEMENTARY FINANCIAL STATEMENT

Firefighters' Pension Fund

1. Since 2006/07 Firefighters' pensions are paid out of a separate account into which the employee's contributions and an employer's contribution are paid. Any deficit on this account is made up by direct government grant.
2. A detailed explanation of the schemes can be found on pages 46-47, but although they are all statutory, national un-funded defined benefit schemes, they are administered locally by each Authority.
3. The financial arrangements for the schemes were established under the Firefighters' Pension Scheme (Amendment) (England) Order 2006.
4. The employer's contribution is borne by the General Fund for Council Tax Precept setting purposes.
5. Employees' and employers' contribution levels are based on percentages of pensionable pay set nationally by HO/WAG and subject to triennial revaluation by the Government Actuary's Department.
6. In accordance with the requirements of IAS19 the employer's contribution is replaced by the current service cost of pensions in the CIES, and reversed out again in the MiRS.
7. Although the scheme remains an un-funded one, Government has determined that this account is deemed a Pension Fund separate from the income and expenditure account and is thus reported on separately. As an un-funded scheme there are no assets and the difference between income and expenditure is met by the direct government grant.
8. The accounts are prepared in accordance with the same Code of Practice and accounting policies as outlined in the Statement of Accounting Policies set out on pages 14-22.
9. Any Government grant payable is paid in two instalments, 80% of the estimated annual amount at the start of the year, and the actual balance paid following completion of the accounts for the year.
11. The following Statement shows the income and expenditure for the year. It does not take account of liabilities to pay pensions and other benefits after the year end. These are calculated in accordance with IAS 19 and are included in the Balance Sheet on page 27 and detailed in the Notes to the Core Financial Statements on pages 46-55.

Firefighters' Pension Fund Account

	2015/16 £000	2016/17 £000
Contributions receivable		
Fire & Rescue Authority		
Contributions in relation to pensionable pay	(2,015)	(1,884)
Other	(67)	(30)
Firefighters' Contributions	(1,952)	(1,528)
	(4,034)	(3,442)
Transfers in from other schemes	0	(12)
Benefits Payable		
Pensions	6,897	6,959
Commutations & lump sum retirement benefits	1,020	2,476
Backdated Commutation Adjustment & Interest	1,001	(17)
Other Payments to Scheme Members		
Refund of Firefighters' Contributions	0	160
Payments to and on account of leavers		
Transfers out to other schemes	55	101
Net amount payable for the year	4,939	6,225
Top-up grant payable by government	(3,932)	(6,079)
Backdated Commutation Grant Payable by Government	(1,007)	17
Firefighters' Contribution Holiday Grant Payable by Government	0	(163)
	0	0

Firefighters' Pension Fund Statement of Net Assets

The following balances are held in relation to the Pensions Fund.

	31-Mar-16 £000	31-Mar-17 £000
Current Assets		
Debtors		
Employer Contributions Due	116	107
Employee Contributions Due	100	96
Top Up receivable from the government	234	(2,504)
Prepayments		
Pensions paid in advance	996	583
Creditors		
Unpaid Pension Benefits	(40)	(21)
Amounts due to General Fund	(1,406)	1,739
	0	0

ANNUAL GOVERNANCE STATEMENT 2016/17

To be included

AUDIT OPINION

To be issued at conclusion of audit

Report of the Treasurer

External Audit Findings Report 2016/17

Purpose of report

1. To put forward the External Auditors' Report for consideration and to recommend approval of the letter of representation.
-

Recommendations

The Treasurer recommends that:

- i) the External Audit Findings Report 2016/17 including an unqualified opinion on the 2016/17 accounts be noted; and***
- ii) the letter of representation be approved on behalf of the Authority.***

Audit Findings Report 2016/17

2. The Audit Findings Report, which will be presented by the External Auditor, sets out any issues that the Committee should consider before approving the accounts.
3. Appendix 1 provides the draft audit opinion and Value For Money conclusion and it is pleasing to note that once again these are clear.
4. Appendix 2 is the letter of representation which the Committee will need to approve before it can be signed by the Chairman and the Treasurer, and the Audit can be formally concluded.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	No
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	No
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	No
Consultation (identify any public or other consultation that has been carried out on this matter)	No
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/a

Supporting Information

Appendix 1 – Draft Audit Opinion 2016/17

Appendix 2 – Letter of Representation 2016/17

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The Audit Findings for Hereford & Worcester Fire Authority

Year ended 31 March 2017

August 2017

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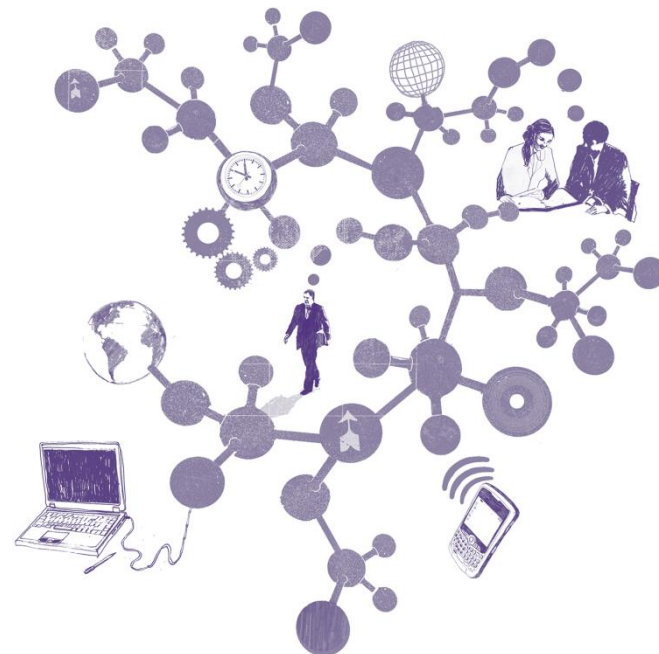
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August 2017

Dear Members of the Audit & Standards Committee

Audit Findings for Hereford & Worcester Fire Authority for the year ending 31 March 2017

This Audit Findings report highlights the key findings arising from the audit that are significant to the responsibility of those charged with governance (in the case of Hereford & Worcester Fire Authority, the Audit & Standards Committee), to oversee the financial reporting process, as required by International Standard on Auditing (UK & Ireland) 260, the Local Audit and Accountability Act 2014 and the National Audit Office Code of Audit Practice. Its contents have been discussed with.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland) ('ISA (UK&I)'), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements and giving a value for money conclusion. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Yours faithfully

Mark Stocks

Chartered Accountants

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Section 1: Executive summary

01. Executive summary
02. Audit findings
03. Value for Money
04. Fees, non audit services and independence
05. Communication of audit matters

Our audit of your accounts went well. Officers prepared the accounts by early June, which bodes well for the end of May deadline next year. We will discuss areas where further improvements can be made in order to meet the audit deadline of 31 July 2018. Working papers were good quality and officers were responsive to our questions. There are no significant changes to the accounts that we need to report to you. Our audit identified a number of disclosure amendments and improvements that your officers have agreed to in the financial statements.

We anticipate being able to issue an unqualified opinion on your financial statements and an unqualified value for money conclusion.

Purpose of this report

This report highlights the key issues affecting the results of Hereford & Worcester Fire Authority ('the Authority') and the preparation of the Authority's financial statements for the year ended 31 March 2017. It is also used to report our audit findings to management and those charged with governance in accordance with the requirements of ISA (UK&I) 260, and the Local Audit and Accountability Act 2014 ('the Act').

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion, the Authority's financial statements give a true and fair view of the financial position of the Council and its income and expenditure for the year and whether they have been properly prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting. .

We are also required to consider other information published together with the audited financial statements (including the Annual Governance Statement (AGS) and Narrative Report, whether it is consistent with the financial statements, apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Authority acquired in the course of performing our audit; or otherwise misleading.

We are required to carry out sufficient work to satisfy ourselves on whether the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('the value for money (VFM) conclusion'). Auditor Guidance Note 7 (AGN07) clarifies our reporting requirements in the Code and the Act. We are required to provide a conclusion whether in all significant respects, the Authority has put in place proper arrangements to secure value for money through economic, efficient and effective use of its resources for the year.

The Act also details the following additional powers and duties for local government auditors, which we are required to report to you if applied:

- a public interest report if we identify any matter that comes to our attention in the course of the audit that in our opinion should be considered by the Authority or brought to the public's attention (section 24 of the Act);
- written recommendations which should be considered by the Authority and responded to publicly (section 24 of the Act);
- application to the court for a declaration that an item of account is contrary to law (section 28 of the Act);
- issue of an advisory notice (section 29 of the Act); and
- application for judicial review (section 31 of the Act).

We are also required to give electors the opportunity to raise questions about the accounts and consider and decide upon objections received in relation to the accounts under sections 26 and 27 of the Act.

Introduction

In the conduct of our audit we have not had to alter or change our audit approach, which we communicated to you in our Audit Plan dated April 2017.

Our audit is substantially complete although we are finalising our procedures in the following areas:

- review of the final version of the financial statements
- obtaining and reviewing the management letter of representation; and
- updating our post balance sheet events review, to the date of signing the opinion.

We received draft financial statements and accompanying working papers at the commencement of our work, in accordance with the agreed timetable.

Key audit and financial reporting issues

Financial statements opinion

We have not identified any adjustments affecting the Authority's reported financial position (details are recorded in section two of this report). The draft and audited financial statements for the year ended 31 March 2017 recorded net expenditure on Cost of Services of £30,629k. We have recommended a number of adjustments to improve the presentation of the financial statements.

The key messages arising from our audit of the Authority's financial statements are:

- the financial statements were prepared by early June, which places the Authority in a good position to meet the end of May deadline next year;
- our audit went well and we were able to complete our detailed testing as planned;
- officers were responsive to our questions and adopted a positive attitude throughout the audit;
- we will discuss with officers further efficiencies in the audit process to meet the end of July deadline for next year; and
- we did not identify any significant issues affecting the primary statements. There are two changes to the Firefighters' Pension Fund Statement of Net Assets. (1) The top up receivable from the government - should be a positive £2,504k and not negative. (2) The Amounts due to the General Fund is misstated at £1,739k and should be (£3,269k). These net off so that there is Nil net effect on the Net Assets. The only other changes made to the financial statements were to further improve clarity and better comply with the CIPFA Code.

Further details are set out in section two of this report.

We anticipate providing a unqualified audit opinion in respect of the financial statements (see Appendix A).

Other financial statement responsibilities

As well as an opinion on the financial statements, we are required to give an opinion on whether other information published together with the audited financial statements is consistent with the financial statements. This includes if the AGS and Narrative Report is misleading or inconsistent with the information of which we are aware from our audit.

Based on our review of the Authority's Narrative Report and AGS we are satisfied that they are consistent with the audited financial statements. We are also satisfied that the AGS meets the requirements set out in the CIPFA/SOLACE guidance and that the disclosures included in the Narrative Report are in line with the requirements of the CIPFA Code of Practice.

Controls

Roles and responsibilities

The Authority's management is responsible for the identification, assessment, management and monitoring of risk, and for developing, operating and monitoring the system of internal control.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the Authority.

Findings

Our work has not identified any control weaknesses which we wish to highlight for your attention.

Further details are provided within section two of this report.

Value for Money

Based on our review, we are satisfied that, in all significant respects, the Authority had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Further detail of our work on Value for Money are set out in section three of this report.

Other statutory powers and duties

We have not identified any issues that have required us to apply our statutory powers and duties under the Act.

Further details of our work on other statutory powers and duties is set out in section four of this report.

The way forward

Matters arising from the financial statements audit and our review of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources have been discussed with the Director of Finance & Assets (Treasurer).

Acknowledgement

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during our audit.

Grant Thornton UK LLP
August 2017

Section 2: Audit findings

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non audit services and independence

05. Communication of audit matters

The Authority presented a full set of accounts prior to the deadline and provided good working papers to support the statements.

Materiality

In performing our audit, we apply the concept of materiality, following the requirements of ISA (UK&I) 320: Materiality in planning and performing an audit. The standard states that 'misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements'.

As we reported in our audit plan, we determined overall materiality to be £717k (being 2% of gross revenue expenditure reported in 2015/16). We have considered whether this level remained appropriate during the course of the audit and have made no changes to our overall materiality.

We also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulated effect of such amounts would have a material impact on the financial statements. We have defined the amount below which misstatements would be clearly trivial to be £36k. This remains the same as reported in our audit plan.

As we reported in our audit plan, we identified the following items where we decided that separate materiality levels were appropriate. These remain the same as reported in our audit plan.

Balance/transaction/disclosure	Explanation	Materiality level
Related party transactions	Due to public interest in these disclosures and the statutory requirement for them to be made.	£20k It should be noted however, errors identified by testing will be assessed individually, with due regard given to the concept of materiality to both the Fire Authority and the related party.
Disclosures of officers' remuneration, salary bandings and exit packages in the notes to the financial statements	Due to public interest in these disclosures and the statutory requirement for them to be made.	£20k

Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK&I) 320)

Audit findings against significant risks

In this section we detail our response to the significant risks of material misstatement which we identified in the Audit Plan. As we noted in our plan, there are two presumed significant risks which are applicable to all audits under auditing standards

Risks identified in our audit plan	Work completed	Assurance gained and issues arising
<p>The revenue cycle includes fraudulent transactions</p> <p>Under ISA (UK&I) 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Hereford & Worcester Fire Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition; • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of local authorities, including Hereford & Worcester Fire Authority, mean that all forms of fraud are seen as unacceptable. 	<p>Our audit work has not identified any issues in respect of revenue recognition.</p>
<p>Management over-ride of controls</p> <p>Under ISA (UK&I) 240 it is presumed that the risk of management over-ride of controls is present in all entities.</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • review of entity controls • review of journal entry process and selection of unusual journal entries for testing back to supporting documentation • review of accounting estimates, judgements and decisions made by management • review of unusual significant transactions. 	<p>Our audit work has not identified any evidence of management over-ride of controls. In particular the findings of our review of journal controls and testing of journal controls and testing of journal entries has not identified any significant issues</p> <p>We set out later in this section of the report our work and findings on key accounting estimates and judgements.</p>

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty." (ISA (UK&I) 315) . In making the review of unusual significant transactions "the auditor shall treat identified significant related party transactions outside the entity's normal course of business as giving rise to significant risks." (ISA (UK&I) 550)

Audit findings against significant risks (continued)

We have also identified the following significant risks of material misstatement from our understanding of the entity. We set out below the work we have completed to address these risks.

Risks identified in our audit plan	Work completed	Assurance gained and issues arising
<p>Valuation of pension fund net liability</p> <p>The Authority's pension fund asset and liability as reflected in its balance sheet represent a significant estimate in the financial statements.</p>	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> identified the controls put in place by management to ensure that the pension fund liability is not materially misstated. assessed whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement. reviewed the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. gained an understanding of the basis on which the valuation is carried out. undertaken procedures to confirm the reasonableness of the actuarial assumptions made. reviewed the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary. obtained assurance from the external auditor of the Worcestershire County Council Pension Fund (WCCPF) regarding the relevant controls and processes in place at the WMPF in order that we can rely on the outputs from the WCCPF. 	<p>Our audit work has not identified any significant issues in relation to the risk identified.</p>

Audit findings against other risks

In this section we detail our response to the other risks of material misstatement which we identified in the Audit Plan.

Transaction cycle	Description of risk	Work completed	Assurance gained & issues arising
Employee remuneration	<p>Payroll expenditure represents a significant percentage of the Authority's gross expenditure.</p> <p>We identified the completeness of payroll expenditure in the financial statements as a risk requiring particular audit attention:</p> <ul style="list-style-type: none"> Employee remuneration accruals understated (Remuneration expenses not correct) 	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> reviewed and documented the control environment for employee remuneration and conducted walkthrough testing to ensure controls in place have been functioning effectively in the period, in relation to the completeness assertion which we consider to present a risk of material misstatement to the financial statements. completed a monthly trend analysis of total payroll. tested a sample of employee remuneration payments for the period to ensure they have been accurately accounted for. reviewed the reconciliation between payroll and the general ledger. tested and agreed other payroll disclosures in the financial statements, such as senior officer remuneration and exit packages. 	<p>Our audit work has not identified any significant issues in relation to the risk identified.</p>
Operating expenses	<p>We identified the completeness of non-pay expenditure in the financial statements as a risk requiring particular audit attention:</p> <ul style="list-style-type: none"> Creditors understated or not recorded in the correct period (Operating expenses understated) 	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> reviewed and documented the control environment for operating expenses and conducted walkthrough testing to ensure controls in place have been functioning effectively in the period. reviewed the year end accruals process and calculation of significant accruals. conducted unrecorded liabilities testing of payments after the year end. tested a sample of operating expenses for the period to ensure they have been accurately accounted for. tested a sample of creditor balances at 31/3/17. 	<p>Our audit work has not identified any significant issues in relation to the risk identified.</p>

"In respect of some risks, the auditor may judge that it is not possible or practicable to obtain sufficient appropriate audit evidence only from substantive procedures. Such risks may relate to the inaccurate or incomplete recording of routine and significant classes of transactions or account balances, the characteristics of which often permit highly automated processing with little or no manual intervention. In such cases, the entity's controls over such risks are relevant to the audit and the auditor shall obtain an understanding of them." (ISA (UK&I) 315)

Audit findings against other risks (continued)

Transaction cycle	Description of risk	Work completed	Assurance gained & issues arising
Fire Pensions Benefits Payable	Benefits improperly computed / Claims liability understated	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none">• reviewed and documented the control environment for firefighters' pensions benefits payments and conducted walkthrough testing to ensure controls in place have been functioning effectively in the period.• tested a sample of firefighters' pensions benefit payments for the period to ensure they have been accurately accounted for.• agreed pension disclosures in the financial statements to supporting evidence.• completed substantive analytical procedures on the total pensions liability to ensure completeness of liability.	Our audit work has not identified any significant issues in relation to the risk identified.


Going concern

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK&I) 570).

We reviewed the management's assessment of the going concern assumption and the disclosures in the financial statements and concluded that we are satisfied with management's assessment that the going concern basis is appropriate for the 2016/17 financial statements.

Accounting policies, estimates and judgements

In this section we report on our consideration of accounting policies, in particular revenue recognition policies, and key estimates and judgements made and included with the Authority's financial statements.

Accounting area	Summary of policy	Comments	Assessment
Revenue recognition	<ul style="list-style-type: none"> The accounts of the Authority are maintained on an accruals basis. 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 flow to the Authority. (Accounting Policy 2). Where revenue has been recognised but cash has not been received, a debtor 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. (Accounting Policy 2). The Authority has adopted the standard revenue recognition for Local government as set out in the Code for the receipt of Government Grants. Government grants and contributions are recognised in the CIES when conditions attached to the grant or contribution have been satisfied. Government grants that have not been satisfied are carried in the Balance Sheet as creditors. (Accounting Policy 47). The Authority has adopted the standard revenue recognition for Local government as set out in the Code for the receipt of council tax and non-domestic rates income. The Council tax and the non-domestic rates income included in the CIES will show the accrued income for the year. (Accounting Policy 53). The Authority's Balance Sheet shows the proportion of surplus/deficit of the Billing Authorities' Collection Fund in the debtors/creditors balance. The Authority also shows the attributable share of the impairment allowance for doubtful debts and a provision for non-domestic rates appeals. (Accounting Policy 54). 	The Authority's revenue recognition policies are appropriate, adequate and Code compliant.	 (Green)




Assessment

● (Red) Marginal accounting policy which could potentially attract attention from regulators


● (Amber) Accounting policy appropriate but scope for improved disclosure

● (Green) Accounting policy appropriate and disclosures sufficient

Accounting policies, estimates and judgements (continued)

Accounting area	Summary of policy	Comments	Assessment
Judgements and estimates	<p>Key estimates and judgements include:</p> <ul style="list-style-type: none"> – Useful life of PPE – Revaluations – Impairments – Accruals – Valuation of pension fund net liability 	<p>The Authority's approach to estimates and judgements are reasonable and appropriately disclosed, using expert advice where appropriate.</p> <p>We are satisfied that the valuations recognised in the balance sheet are not materially different to their carrying fair value.</p> <p>Our review of key estimates and judgements has highlighted one issue which we wish to bring to your attention. The Authority raised an invoice to Wychavon District Council in the amount of £394,437 on 16 October 2016. The invoice relates to the funding of Evesham Fire Station, but is being disputed by Wychavon DC. The Authority has not made any provision for doubtful debts in respect of this invoice. Given it is 10 months since the invoice date, and the significant value, we wish to bring this to your attention.</p>	 (Green)
Judgements - changes to the presentation of local authority financial statements	<p>CIPFA has been working on the 'Telling the Story' project, for which the aim was to streamline the financial statements and improve accessibility to the user and this has resulted in changes to the 2016/17 Code of Practice.</p> <p>The changes affect the presentation of income and expenditure in the financial statements and associated disclosure notes. A prior period adjustment (PPA) to restate the 2015/16 comparative figures is also required.</p>	<p>The Authority's approach to the presentational changes required is reasonable, and we have identified only minor changes that we have asked officers to make.</p>	 (Green)
Going concern	<p>The Director of Finance & Assets (Treasurer) has a reasonable expectation that the services provided by the Authority will continue for the foreseeable future. Members concur with this view. For this reason, the Authority continue to adopt the going concern basis in preparing the financial statements.</p>	<p>We have reviewed the Authority's assessment and are satisfied with management's assessment that the going concern basis is appropriate for the 2016/17 financial statements.</p>	 (Green)

Accounting policies, estimates and judgements (continued)

Accounting area	Summary of policy	Comments	Assessment
Other accounting policies	We have review ed the Authority's policies against the requirements of the CIPFA Code and accounting standards.	<p>We have review ed the Authority's policies against the requirements of the CIPFA Code of Practice. The Authority's accounting policies are appropriate and consistent w ith previous years.</p> <p>Accounting policies 2 and 3 set out the policies for recognising income and expenditure. We are satisfied that the exceptions to the standard policy at accounting policy 3 do not lead to any material or significant misstatement.</p>	<div></div> <div>(Green)</div>

Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.


	Issue	Commentary
1.	Matters in relation to fraud	<ul style="list-style-type: none"> We have previously discussed the risk of fraud with the Audit & Standards Committee. We have not been made aware of any incidents in the period and no other issues have been identified during the course of our audit procedures.
2.	Matters in relation to related parties	<ul style="list-style-type: none"> From the work we carried out, we have not identified any related party transactions which have not been disclosed.
3.	Matters in relation to laws and regulations	<ul style="list-style-type: none"> You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
4.	Written representations	<ul style="list-style-type: none"> A standard letter of representation has been requested from the Authority.
5.	Confirmation requests from third parties	<ul style="list-style-type: none"> We obtained direct confirmations from the PWLB for loans and from Worcestershire County Council for short term deposits which they manage on behalf of the Authority.
6.	Disclosures	<ul style="list-style-type: none"> Our review found no non-trivial omissions in the financial statements that have not been adjusted.
7.	Matters on which we report by exception	<p>We are required to report on a number of matters by exception. However, we have not identified any issues we would be required to report by exception in the following areas:</p> <ul style="list-style-type: none"> If the Annual Governance Statement does not meet the disclosure requirements set out in the CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit. The information in the Narrative Report is materially inconsistent with the information in the audited financial statements or our knowledge of the Authority acquired in the course of performing our audit, or otherwise misleading.
8.	Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>Note that detailed work is not required as the Authority does not exceed the threshold set by the National Audit Office (NAO).</p>

Internal controls

The purpose of an audit is to express an opinion on the financial statements.

Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. We considered and walked through the internal controls for Employee Remuneration, Operating Expenses and Fire fighters' pensions benefit payments as set out on pages 12 and 13above. The controls were found to be operating effectively and we have no matters to report to the Audit and Standards Committee.



We have also completed a review of the Authority’s IT control environment, and have three issues to report to you as set out below.

	Assessment	Issue and risk	Recommendations
1.	<div> (Amber)</div>	<p>Security administration rights granted to those performing financial reporting processes or controls</p> <p>At the time of review , two individuals responsible for performing financial reporting processes or controls had the ability to administer security within Technology One. The combination of financial reporting duties and security administration is considered a segregation of duties conflict. This finding was previously reported in our previous review and no action has been taken to address our recommendations.</p> <p><u>This condition poses the following risk(s) to the organisation:</u></p> <p>Segregation of duties is one of the most important internal controls. To achieve appropriate segregation of duties, administrator rights should not be assigned to staff who are involved in the financial reporting process. This could result in a risk of:</p> <ul style="list-style-type: none">• unauthorised changes to system configuration parameters• creation of unauthorised accounts,• unauthorised updates to their own account's privileges,• security administration processes (such as user administration processes) may not function consistently or reliably over time to control access to information assets• internal access to information assets and administrative functionality may not be restricted on the basis of legitimate business need.	<p>Management should implement a formal monitoring process designed to detect misuse of administrative functionality by personnel responsible for performing financial reporting processes or controls.</p> <p>Management response:</p> <p>The Finance Section is very small, so there are insufficient staff to always ensure full separation of duties for Security Administrators as they do have to undertake other finance duties. As separation of duties is viewed as fundamental to the functioning of the section compensating controls have been put in place to ensure both staff and the Authority are safeguarded. No Technology One administrator is able to authorise payments or bank transfers and have no privileges to sign cheques or authorise amendments to the bank information.</p>

Assessment

- (Red) Material weakness - risk of material misstatement
- (Amber) Significant deficiency - risk of significant misstatement
- (Green) Deficiency - risk of inconsequential misstatement

Internal controls (continued)

	Assessment	Issue and risk	Recommendations
2.	 (Amber)	<p>Active Directory Account lockout after unsuccessful login attempts</p> <p>Active Directory accounts are locked following 25 unsuccessful login attempts, this number is considered excessive.</p> <p>This finding was previously reported in our previous review and no action has been taken to address our recommendations.</p> <p><u>This condition poses the following risk(s) to the organisation:</u></p> <p>In the absence of this control there is a risk that user accounts could be compromised through password guessing or cracking.</p>	<p>The number of failed login attempts permitted for Active Directory should be reduced to between 3-5 in line with recognised best-practice.</p> <p>Management response:</p> <p>In October 2017, the Fire Authority will begin the implementation of the Office365 environment this will incorporate the appropriate changes to reduce the number of login attempts.</p>
3.	 (Green)	<p>Ineffective process of Information Security policies acknowledgement by users</p> <p>During our review, we noted that all employees are required to sign a form stating that they have read and agree to abide by HWFRA IT Security Policy. This is read in conjunction with Acceptable use policy. However, HR do not consistently follow these to ensure that all employees have signed the confidentiality agreements and acceptable use.</p> <p><u>This condition poses the following risk(s) to the organisation:</u></p> <p>Confidentiality agreements help clarify and reinforce the importance that the organisation places on security in the minds of the people signing them. They also help the organisation pursue disciplinary or legal action against a person who breaches confidentiality. Not requiring staff to sign a confidentiality agreement may contribute to a sense among staff that security is not a high priority; however, this is of relatively low importance compared to, say, management's attitude to control.</p>	<p>All permanent employees, temporary staff and contractors sign a confidentiality agreement before being connected to the organisation's IT facilities</p> <p>Management response:</p> <p>This process was not being undertaken within the Human Resources section systemically, this has now been identified and is being fully implemented within the induction process.</p>

"The purpose of an audit is for the auditor to express an opinion on the financial statements.

Our audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

The matters being reported are limited to those deficiencies that the auditor has identified during the audit and that the auditor has concluded are of sufficient importance to merit being reported to those charged with governance." (ISA (UK&I) 265)

Adjusted misstatements

A number of adjustments to the draft accounts have been identified during the audit process. We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management. The table below summarises the adjustments arising from the audit which have been processed by management.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year.

We identified two changes to the Firefighters' Pension Fund Statement of Net Assets which officers have made. The accounting entries were correct, but the signage for one of them was incorrectly copied into the table on page 68 of the accounts. These net off and so do have any impact on the Net Assets which remain at £0.

- 1) The top up receivable from the government - should be a positive £2,504k and not negative.
- 2) The Amounts due to the General Fund is misstated at £1,739k and should be (£3,269k).

Unadjusted misstatements

We have not identified any adjustments to the financial statements which officers have declined to make. The section above provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Misclassifications and disclosure changes

We have not identified any misclassification or disclosure changes which are significant enough to warrant separate disclosure. We identified a number of enhancements to the financial statements to better comply with the CIPFA Code and to correct typographical errors.

Impact of uncorrected misstatements in the prior year

In our Audit Findings Report for 2015/16 we set out one item which management declined to adjust the accounts for. This is set out below. The income was received in 2016/17, so this issue has been resolved.

Detail		Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Reason for not adjusting
1	Overstatement of debtors balance:			
	• Reduction in income	43		• The actual sum (and more) will be received in 2016/17.
	• Reduction in short term debtors		(43)	• It does not materially effect the Users interpretation of the Accounts and final position.
	• Decrease in Total Comprehensive Income & Expenditure		(43)	
	• Overall Decrease in Net Assets			
Overall impact		£43	(£43)	

Section 3: Value for Money

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non-audit services and independence

05. Communication of audit matters

The Authority has a realistic Medium Term Financial Plan which underpins the annual budget. Savings against budget have been made in recent years, with the surplus being set aside to finance any future deficits, or to pump prime projects.

However, there are risks associated with some of the projects and some are not entirely within the Authority's control to deliver.

Background

We are required by section 21 of the Local Audit and Accountability Act 2014 (the Act) and the NAO Code of Audit Practice (the Code) to satisfy ourselves that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VFM) conclusion.

We are required to carry out sufficient work to satisfy ourselves that proper arrangements are in place at the Authority. The Act and NAO guidance state that for local government bodies, including fire authorities, auditors are required to give a conclusion on whether the Authority has put proper arrangements in place.

In carrying out this work, we are required to follow the NAO's Auditor Guidance Note 3 (AGN 03) issued in November 2016. AGN 03 identifies one single criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

AGN03 provides examples of proper arrangements against three sub-criteria but specifically states that these are not separate criteria for assessment purposes and that auditors are not required to reach a distinct judgement against each of these.

Risk assessment

We carried out an initial risk assessment in and identified one significant risk in respect of specific areas of proper arrangements using the guidance contained in AGN03. We communicated this risk around the Medium Term Financial Plan to you in our Audit Plan dated April 2017.

We have continued our review of relevant documents up to the date of giving our report, and have not identified any further significant risks where we need to perform further work.

We carried out further work only in respect of the significant risk we identified from our initial and ongoing risk assessment. Where our consideration of the significant risk determined that arrangements were not operating effectively, we have used the examples of proper arrangements from AGN 03 to explain the gaps in proper arrangements that we have reported in our VFM conclusion.

Significant qualitative aspects

AGN 03 requires us to disclose our views on significant qualitative aspects of the Authority's arrangements for delivering economy, efficiency and effectiveness.

We have focused our work on the significant risk that we identified in the Authority's arrangements. In arriving at our conclusion, our main considerations were addressing the gap in the Medium Term Financial Plan.

We have set out more detail on the risks we identified, the results of the work we performed and the conclusions we drew from this work on page 23.

Overall conclusion

Based on the work we performed to address the significant risks, we concluded that:

- the Authority had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources.

The text of our report, which confirms this can be found at Appendix A.

Key findings

We set out below our key findings against the significant risk we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

Significant risk	Work to address	Findings and conclusions
<p>Medium Term Financial Plan (MTFP) The Authority approved a four year MTFP in February 2017. This identified a total deficit over the four years to 2020/21 of £1,750k.</p> <p>The Authority is planning to use reserves to smooth this over the four year period. This would still leave £1,430k in the reserve. In the long term, use of reserves to achieve breakeven is not sustainable and the Authority is working on some longer term schemes to get a recurrent budget over time.</p>	<p>We have:</p> <ul style="list-style-type: none"> examined the savings plans and efficiencies in the MTFP which have been identified to achieve the forecasts; tested a sample of these to ensure they are robust and realistic; and looked at the plans to address the residual shortfall and how well these have been worked up to ensure they also are realistic and achievable. 	<p>The Authority has forecast that it will be able to set a balanced budget, through the use of an earmarked reserve specifically for the purpose, for the next five financial years, even if no action is taken to make further efficiencies. We note that the majority of the projects in place to address the underlying deficit are well worked through and realistic. It is therefore possible that the reserve will not be required in full, as savings start to materialise.</p> <p>The cost of running with "Excess Staff" is reducing - in 2018/19 the estimated cost is £589k, but this falls to £96k in 2019/20. The Budget Reduction Reserve will be used to cover the cost. As at 31 March 2017 this reserve had a balance of £3,063k.</p> <p>The MTFP reports budget surplus or deficits as: 2017/18 = £753k surplus; 2018/19 = £251k surplus; 2019/20 = £1,201k deficit; 2020/21 = £1,553k deficit. Giving a total over the MTFP of £1,750k deficit.</p> <p>This shortfall will be covered by the Budget Reduction Reserve, and the Authority has longer terms schemes in place which it considers will address the ongoing forecast deficit. However, there are risks associated with some of the schemes. In particular, the Wyre Forest Blue Light Hub is not within the Authority's control and is still not in a position to proceed. Similarly, the crewing savings depend on firefighters volunteering for a different work pattern and the changes are being consulted upon. The timescale for this scheme may be optimistic.</p> <p>On the basis of the Fire Authority plans and its current reserves, we have concluded that the financial risks are sufficiently mitigated and the Authority has proper arrangements for ensuring sustainable resource deployment.</p>

Significant difficulties in undertaking our work

We did not identify any significant difficulties in undertaking our work on your arrangements which we wish to draw to your attention.

Significant matters discussed with management

There were no matters where no other evidence was available or matters of such significance to our conclusion or that we required written representation from management or those charged with governance.

Any other matters

There were no other matters from our work which were significant to our consideration of your arrangements to secure value for money in your use of resources.

Section 4: Fees, non-audit services and independence

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non audit services and independence

05. Communication of audit matters

The audit fee is unchanged from that previously reported to you. There are no independence issues.

We confirm below our final fees charged for the audit and confirm there were no fees for the provision of non audit services.

Fees

	Proposed fee £	Final fee £
Fire Authority audit	32,872	32,872
Total audit fees (excluding VAT)	32,872	32,872

The proposed fees for the year were in line with the scale fee set by Public Sector Audit Appointments Ltd (PSAA).

Independence and ethics

- Ethical Standards and ISA (UK&I) 260 require us to give you timely disclosure of matters relating to our independence.
- We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and confirm that we are independent and are able to express an objective opinion on the financial statements.
- We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.
- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Authority. The table below summarises all non-audit services which were identified.

We confirm that no non-audit or audited related services have been undertaken for the Authority.

Section 5: Communication of audit matters

01. Executive summary

02. Audit findings

03. Value for Money

04. Fees, non audit services and independence

05. Communication of audit matters

Audit matters have been communicated appropriately.

Communication to those charged with governance

ISA (UK&I) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

This document, The Audit Findings, outlines those key issues and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

The Audit Findings Report has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by Public Sector Audit Appointments Limited (<http://www.psa.co.uk/appointing-auditors/terms-of-appointment>).

We have been appointed as the Council's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England at the time of our appointment. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the NAO (<https://www.nao.org.uk/code-audit-practice/about-code/>). Our work considers the Council's key risks when reaching our conclusions under the Code.

It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged Details of safeguards applied to threats to independence	✓	✓
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		✓
Expected modifications to auditor's report, or emphasis of matter		✓
Unadjusted misstatements and material disclosure omissions		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern	✓	✓

Appendices

A. Audit Opinion

A: Audit opinion

We anticipate we will provide the Authority with an unmodified audit report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEREFORD AND WORCESTER FIRE AUTHORITY

We have audited the financial statements of Hereford and Worcester Fire Authority (the "Authority") for the year ended 31 March 2017 under the Local Audit and Accountability Act 2014 (the "Act"). The financial statements comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement and the related notes and include the firefighters' pension fund financial statements comprising the Fund Account and the Fund Statement of Net Assets Statement. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Act and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members 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 Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Treasurer and auditor

As explained more fully in the Statement of Responsibilities, the Treasurer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the "Code of Audit Practice") and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Treasurer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Narrative Report and the Annual Governance Statement to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements present a true and fair view of the financial position of the Authority as at 31 March 2017 and of its expenditure and income for the year then ended; and
- the financial statements have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and applicable law.

Opinion on other matters

In our opinion, the other information published together with the audited financial statements in the Narrative Report and the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the audited financial statements.

Matters on which we are required to report by exception

We are required to report to you if:

- in our opinion the Annual Governance Statement does not comply with the guidance included in 'Delivering Good Governance in Local Government Framework (2016)' published by CIPFA and SOLACE; or
- we have reported a matter in the public interest under section 24 of the Act in the course of, or at the conclusion of the audit; or
- we have made a written recommendation to the Authority under section 24 of the Act in the course of, or at the conclusion of the audit; or
- we have exercised any other special powers of the auditor under the Act.

We have nothing to report in respect of the above matters.

Conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Respective responsibilities of the Authority and auditor

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 20(1)(c) of the Act 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.

Scope of the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2016, as to whether the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether in all significant respects the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2016, we are satisfied that in all significant respects *the Authority* put in place proper arrangements for securing economy, efficiency and effectiveness in its use of its resources for the year ended 31 March 2017.

Certificate

We certify that we have completed the audit of the financial statements of the Authority in accordance with the requirements of the Act and the Code of Audit Practice.

Mark Stocks

for and on behalf of Grant Thornton UK LLP, Appointed Auditor

The Colmore Building
20 Colmore Circus
Birmingham
B4 6AT

6 September 2017



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Hereford & Worcester Fire Authority

2 Kings Court Charles Hastings Way Worcester WR5 1JR

Tel. (switchboard) 0845 122 4454

Grant Thornton UK LLP
The Colmore Building
20 Colmore Circus
Birmingham B4 6AT

6 September 2017

Dear Sirs

Hereford and Worcester Fire Authority Financial Statements for the year ended 31 March 2017

This representation letter is provided in connection with the audit of the financial statements of Hereford and Worcester Fire Authority for the year ended 31 March 2017 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i We have fulfilled our responsibilities for the preparation of the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 ("the Code") which give a true and fair view in accordance therewith.
- ii We have complied with the requirements of all statutory directions affecting the Authority and these matters have been appropriately reflected and disclosed in the financial statements.
- iii The Authority has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

- vi We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. There are no other material judgements that need to be disclosed.
- vii Except as disclosed in the financial statements:
 - there are no unrecorded liabilities, actual or contingent
 - none of the assets of the Authority has been assigned, pledged or mortgaged
 - there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- ix Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the Code.
- x All events subsequent to the date of the financial statements and for which the Code requires adjustment or disclosure have been adjusted or disclosed.
- xi Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of the Code.
- xii We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xiii We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv We believe that the Authority's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Authority's needs. We believe that no further disclosures relating to the Authority's ability to continue as a going concern need to be made in the financial statements.

Information Provided

- xv We have provided you with:
 - a access to all information of which we are 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 us for the purpose of your audit; and

unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.

- xvi We have communicated to you all deficiencies in internal control of which management is aware.
- xvii All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xviii We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xix We have disclosed to you all our knowledge of fraud or suspected fraud affecting the Authority involving:
 - a management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- xx We have disclosed to you all our knowledge of any allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated by employees, former employees, regulators or others.
- xxi We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxii We have disclosed to you the identity of all the Authority's related parties and all the related party relationships and transactions of which we are aware.
- xxiii We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxiv We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Authority's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

- xxv The disclosures within the Narrative Report fairly reflect our understanding of the Authority's financial and operating performance over the period covered by the financial statements.

Approval

The approval of this letter of representation was minuted by the Authority's Audit and Standards Committee at its meeting on 6 September 2017.

Yours faithfully

Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

Signed on behalf of the Authority

Report of the Treasurer

External Audit : Future Plans

Purpose of report

1. To update the Committee on the audit fee for 2017/18 and the scope and timing of work to be undertaken along with Audit arrangements for future years.
-

Recommendations

The Treasurer recommends that the Committee note:

- i) **the External Audit Fee 2017/18 from Grant Thornton UK LLP; and**
- ii) **the appointment of Grant Thornton UK LLP as Auditors for 2018/19 onwards.**

Introduction and Background to 2017/18

2. Grant Thornton (UK) LLP was appointed by the Audit Commission to act as auditors for Hereford and Worcester Fire and Rescue Authority.
3. Public Sector Audit Appointments Ltd (PSAA) as successor body to the Audit Commission continues to determine the scale fee for Audit work.

Scale Fee 2017/18 Audit

4. The scale fee is defined as the fee required by auditors to carry out the work necessary to meet statutory responsibilities in accordance with the Code of Audit Practice.
5. The Authority's scale fee for 2017/18 is £32,872 which is the same audit fee set for 2016/17 and considerably less than the circa £80,000 pre-Austerity fees.
6. Fees will be reviewed and updated as necessary as the audit work progresses.
7. Fees will be billed quarterly in advance.
8. The scale fee excludes any work requested by the Authority that Grant Thornton may agree to undertake outside of the audit code. Each additional piece of work will be separately agreed and a detailed project specification and fee agreed with the Authority.

Outline Audit Timetable 2017/18 Audit

9. Audit planning and interim audit procedures has already commenced. Upon completion of this phase of work a detailed audit plan setting out findings and details of audit approach will be issued. Final accounts and work on the Value for Money Conclusion will be completed in July 2018 and work on the whole of government accounts return in August 2018.

Phase of Work	Timing	Outputs
Audit planning and interim audit	Nov 17 – Feb 18	Audit Plan
Final accounts audit	June – July 2018	Audit Findings Report (to those charged with governance)
Value for Money Conclusion	February – July 2018	Audit Findings Report (to those charged with governance)
Whole of government accounts	August 2018	Opinion on the Whole Government Accounts (WGA) return
Annual audit letter	October 2018	Annual Audit Letter to the Authority

Future Arrangements

10. Members will be aware, from the Report brought to the October 2016 Fire Authority meeting, of the changed arrangements for the appointment of external auditors from the 2018/19 Audit.
11. In common with almost all local authorities, the Fire Authority signed up with the LGA company “Public Sector Audit Appointments Ltd” (PSAA) to manage the tendering process.
12. On the 15th August, the Chief Fire Officer/Chief Executive and Treasurer received notification of the appointment of Grant Thornton LLP as auditors for the five years commencing with the 2018/19 audit.
13. The detail of this notification is provided at Appendix 2.

14. There are no valid (as set out in the appendix) or other reasons why Grant Thornton should not be the Authority's External Auditor for the next 5 years and therefore the appointment has been accepted .
15. The appointment will give continuity to the audit in a period when the whole process is to be speeded up.
16. It is also pleasing to note an expected further fall in Audit Fees of around 18%, which equates to a £6,000 annual saving.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	Fees (see paras 4 – 8)
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	None.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	None.
Consultation (identify any public or other consultation that has been carried out on this matter)	None.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A

Supporting Information

Appendix 1: Grant Thornton UK LLP – Planned Audit Fee for 2017/18 letter dated 5 April 2017

Appendix 2: Formal Communication from Public Sector Audit Appointments Ltd (PSAA)

Background Papers

Fire Authority 11th Oct 2016: 7. Changes to arrangements for Appointment of External Auditors

Contact Officer

Martin Reohorn, Treasurer
(01905 368205)

Email: mreohorn@hwfire.org.uk

Mr Martin Reohorn
Director of Finance & Assets (Treasurer)
Hereford & Worcester Fire & Rescue Authority
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WR5 1JR

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The Colmore Building
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B4 6AT

www.grant-thornton.co.uk

5 April 2017

Dear Martin

Planned audit fee for 2017/18

The Local Audit and Accountability Act 2014 provides the framework for local public audit. Under these provisions the Secretary of State for Communities and Local Government delegated some statutory functions from the Audit Commission Act 1998 to Public Sector Audit Appointments Limited (PSAA) on a transitional basis.

PSAA will oversee the Audit Commission's audit contracts for local government bodies until they end in 2018, following the announcement by the Department for Communities and Local Government (DCLG) that it will extend transitional arrangements until 2017/18. PSAA's responsibilities include setting fees, appointing auditors and monitoring the quality of auditors' work. Further information on PSAA and its responsibilities are available on the [PSAA website](#).

From 2018/19 PSAA has been specified by the Secretary of State as an appointing person for principal local government and police bodies, and will make auditor appointments and set fees for bodies that have opted into the national auditor appointment scheme it is developing.

Scale fee

PSAA prescribes that 'scale fees are based on the expectation that audited bodies are able to provide the auditor with complete and materially accurate financial statements, with supporting working papers, within agreed timescales'.

There are no changes to the overall work programme for local government audited bodies for 2017/18. PSAA have therefore set the 2017/18 scale audit fees at the same level as the scale fees applicable for 2016/17. The Authority's scale fee for 2017/18 has been set by PSAA at £32,872.

The audit planning process for 2017/18, including the risk assessment, will continue as the year progresses and fees will be reviewed and updated as necessary as our work progresses.

Scope of the audit fee

Under the provisions of the Local Audit and Accountability Act 2014, the National Audit Office (NAO) is responsible for publishing the statutory Code of Audit Practice and guidance for auditors from April 2015. Audits of the accounts for 2017/18 will be undertaken under this Code, on the basis of the 2017/18 work-programme and scales of fees set out on

the PSAA website. Further information on the NAO Code and guidance is available on the [NAO website](#).

The scale fee covers:

- our audit of your financial statements;
- our work to reach a conclusion on the economy, efficiency and effectiveness in your use of resources (the value for money conclusion); and
- our work on your whole of government accounts return (if applicable).

PSAA will agree fees for considering objections from the point at which auditors accept an objection as valid, or any special investigations, as a variation to the scale fee.

Value for Money conclusion

The Code requires us to consider whether the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VfM) conclusion.

The NAO issued its guidance for auditors on value for money work in November 2016. The guidance states that for local government bodies, auditors are required to give a conclusion on whether the Authority has put proper arrangements in place.

The NAO guidance identifies one single criterion for auditors to evaluate:
In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

Billing schedule

Fees will be billed as follows:

Main Audit fee	£
September 2017	8,218
December 2017	8,218
March 2018	8,218
June 2018	8,218
Total	32,872

Outline audit timetable

We will undertake our audit planning and interim audit procedures in November 2017 to February 2018 . Upon completion of this phase of our work we will issue a detailed audit plan setting out our findings and details of our audit approach. Our final accounts audit and work on the VfM conclusion will be completed in July and work on the whole of government accounts return in August.

Phase of work	Timing	Outputs	Comments
Audit planning and interim audit	November 2017 to February 2018	Audit plan	The plan summarises the findings of our audit planning and our approach to the audit of the Authority's accounts and VfM.
Final accounts audit	June to July	Audit Findings (Report to those charged with governance)	This report sets out the findings of our accounts audit and VfM work for the consideration of those charged with governance.
VfM conclusion	February to July	Audit Findings (Report to those charged with governance)	As above
Whole of government accounts	August	Opinion on the WGA return	This work will be completed alongside the accounts audit.
Annual audit letter	October	Annual audit letter to the Authority	The letter will summarise the findings of all aspects of our work.

Our team

The key members of the audit team for 2017/18 are:

	Name	Phone Number	E-mail
Engagement Lead	Mark Stocks	0121 232 5437	mark.c.stocks@uk.gt.com
Engagement Manager	Neil Preece	0121 232 5292	Neil.A.Preece@uk.gt.com
In Charge Auditor	Allison Thomas	0121 232 5278	Allison.A.Thomas@uk.gt.com

Additional work

The scale fee excludes any work requested by the Authority that we may agree to undertake outside of our Code audit. Each additional piece of work will be separately agreed and a detailed project specification and fee agreed with the Authority.

Quality assurance

We are committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively you may wish to contact Jon Roberts, one of our Public Sector Assurance regional lead partners, via jon.roberts@uk.gt.com.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Mark Stocks', written over a faint horizontal line.

Mark Stocks

Engagement Lead

For Grant Thornton UK LLP

This is a formal communication to the chief executive and chief finance officer of Hereford and Worcester Fire and Rescue Authority to consult on the auditor appointment from 2018/19

I am writing to consult you on the appointment of Grant Thornton (UK) LLP to audit the accounts of Hereford and Worcester Fire and Rescue Authority for five years from 2018/19. The appointment will start on 1 April 2018.

Background

For audits of the accounts from 2018/19, PSAA is responsible for appointing an auditor to principal local government and police bodies that have chosen to opt into its national auditor appointment arrangements. More information on the [appointing person scheme](#) is available on our website.

About the proposed appointment

PSAA must, under regulation 13 of the Regulations, appoint an external auditor to each opted-in authority and consult the authority about the proposed appointment.

Hereford and Worcester Fire and Rescue Authority has opted into PSAA's auditor appointment arrangements. We have sent regular email communications to audited bodies about this process, and wrote to you on 19 June 2017 to advise you that we had completed a procurement to let audit contracts from 2018/19. Grant Thornton (UK) LLP was successful in winning a contract in the procurement, and we propose appointing this firm as the auditor of Hereford and Worcester Fire and Rescue Authority.

Grant Thornton UK comprises around 4,500 employees delivering services to 40,000 clients. The public sector has played a significant role within the firm for over 30 years. The UK Public Sector Assurance team employs 301 people, including 29 Key Audit Partners, based in designated 'centres of excellence', providing it with locally based public sector specialists across the country. The team is solely dedicated to public audit work in local government and the NHS, with contracts with PSAA, Audit Scotland and the Wales Audit Office. The Public Sector Assurance team is a regular commentator on issues facing the sector and oversees the firm's development of appropriate thought leadership and support, such as its series of publications and workshops on income generation in local authorities. In addition, the team can draw on the commercial skills and experience of a wider assurance team of over 1,516 individuals, to reflect the changing assurance needs of local authorities and NHS bodies.

In developing this appointment proposal, we have applied the following principles, balancing competing demands as much as we can, based on the information provided to us by audited bodies and audit firms:

- ensuring auditor independence, as we are required to do by the Regulations;
- meeting our commitments to the firms under the audit contracts;

- accommodating joint/shared working arrangements where these are relevant to the auditor's responsibilities;
- ensuring a balanced mix of authority types for each firm;
- taking account of each firm's principal locations; and
- providing continuity of audit firm if possible, but avoiding long appointments.

Further information on the [auditor appointment process](#) is available on our website.

Responding to this consultation

We are consulting you on the proposed appointment of Grant Thornton (UK) LLP to audit the accounts of Hereford and Worcester Fire and Rescue Authority for five years from 2018/19. The consultation will close at **5pm on Friday 22 September 2017**.

If you are satisfied with the proposed appointment, please confirm this by email to auditorappointments@psaa.co.uk. No further action is needed from you.

The PSAA Board will consider all proposed auditor appointments at its meeting scheduled for 14 December 2017. We will write by email to all opted-in bodies after this Board meeting to confirm auditor appointments.

Process for objecting to the proposed auditor appointment

If you wish to make representations to PSAA about the proposed auditor appointment, please send them by email to auditorappointments@psaa.co.uk to arrive by **5pm on Friday 22 September 2017**.

Representations can include matters that you believe might be an impediment to the proposed firm's independence, were it to be your appointed auditor. Your email should set out the reasons why you think the proposed appointment should not be made. The following may represent acceptable reasons:

1. there is an independence issue in relation to the firm proposed as the auditor, which had not previously been notified to PSAA;
2. there are formal and joint working arrangements relevant to the auditor's responsibilities, which had not previously been notified to PSAA; or
3. there is another valid reason, for example you can demonstrate a history of inadequate service from the proposed firm.

We will consider carefully all representations and will respond by Monday 16 October 2017 by email.

If your representations are accepted, we will consult you on an alternative auditor appointment between 16-27 October 2017. If your representations are not accepted, we will confirm this to you. You may choose to make further representations to the PSAA Board, providing any additional information to support your case.

We will write to all bodies to confirm the Board's final decision on the appointment of the auditor before 21 December 2017.

Scale fees for 2018/19

We will consult on scale fees for 2018/19 in due course and will publish confirmed scale fees for 2018/19 for opted-in bodies on our website in March 2018. The results of the audit procurement indicate that a reduction in scale fees in the region of approximately 18 per cent should be possible for 2018/19, based on the individual scale fees applicable for 2016/17. Further [information on the audit procurement](#) is available on our website.

Further information

If you have any questions about your proposed auditor appointment or the consultation process, please email us at auditorappointments@psaa.co.uk.

Yours sincerely

Jon Hayes
Chief Officer

Report of the Head of Corporate Services

Annual Statement of Assurance 2017-18

Purpose of report

1. To consider and approve the draft Statement of Assurance 2017-18 for publication.
-

Recommendation

It is recommended that the Committee adopts the draft Statement of Assurance 2017-18 and approves it for publication.

Introduction and Background

2. The Government's Fire and Rescue National Framework for England 2012 requires Fire and Rescue Authorities to publish an annual Statement of Assurance. The Statement must provide members of the public with assurance on financial, governance and operational matters. It must also show that Authorities have due regard to the expectations set out in their Integrated Risk Management Plans and other requirements in the National Framework.
3. The Statement of Assurance summarises key points and signposts the reader to other relevant publicly available Fire Authority reports; it is not designed to reproduce or cross reference those other reports.
4. This is the Authority's fifth Statement of Assurance and all previous Statements are available on the Service website.

Annual Statement of Assurance 2017-18

5. The Statement of Assurance 2017-18 is a short report designed to give staff, partners and members of the public assurance that the Authority is doing everything it can to keep them safe as well as providing value for money.
6. The Statement covers three areas; governance, finance and frontline response (operational) matters. It provides information about how Authority funds are managed and how its services are carried out properly, efficiently and effectively.

7. The Statement sits alongside existing documents including the Fire Authority Annual Report 2017-18, the Community Risk Management Plan 2014-2020, the Annual Governance Statement and the Statement of Accounts for 2016-17. The Statement also provides links to other assurance documents to help readers assess performance and value for money.

Scrutiny of the draft Statement of Assurance 2017-18

8. Responsibility for scrutinising the content of the Statement of Assurance lies with the Audit & Standards Committee, and Members must satisfy themselves that the Statement provides the appropriate levels of assurance to the public and the Government in relation to governance, financial and operational matters.
9. The Committee is asked to provide constructive scrutiny of the draft Statement and approve it for adoption and publication.
10. The draft Statement is attached as Appendix 1.

Conclusion/Summary

11. The Statement of Assurance 2017-18 will be the Authority's fifth annual Statement of Assurance. Much of the information in the Statement is already publicly available elsewhere, and links are provided in the document where appropriate as advised in the national guidance.
12. Subject to Committee approval, the finalised version of the Statement of Assurance 2017-18 will be published on the Service website.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	Financial, property and human resources activities are highlighted in the Statement of Assurance.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	The Statement of Assurance sits alongside existing documents including the Fire Authority Annual Report, the Statement of Accounts, the Governance Statement and the Community Risk Management Plan 2014-2020.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	The Statement of Assurance highlights, where appropriate, the work of the Authority around Risk Management / Health & Safety.

Consultation (identify any public or other consultation that has been carried out on this matter)	Senior Management Board consultation undertaken.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	Not completed as the Statement of Assurance is a high level overview document. Links to Equality & Diversity activities are highlighted as appropriate in the Statement.

Supporting Information

Appendix 1 – Draft Statement of Assurance 2017-18

Contact Officer

Jean Cole, Head of Corporate Services
(01905 368329)
Email: jcole@hwfire.org.uk



Hereford & Worcester
Fire Authority

Fire Authority Statement of Assurance

2017-18

Foreword

This year's Statement of Assurance comes at a pivotal moment for the Fire and Rescue Service. At the national level, the new Policing and Crime Act 2017 was published putting a duty on all emergency services to keep opportunities for collaboration under review and enabling Police and Crime Commissioners (PCCs) to assume governance of Fire Authorities, where considered appropriate. The Fire Minister also introduced a new Fire Reform programme aimed at making all fire and rescue services more efficient, accountable and professional. The programme includes the creation of a new independent fire inspectorate, a new professional standards body, a national fire website and a full rewrite of the Fire and Rescue National Framework.

Locally, we have continued to implement our transformation programme and collaboration projects, which are designed to help ensure the Service remains sustainable in delivering its range of

prevention, protection, response and resilience services into the future. We have also launched our overarching Saving More Lives vision, which sets out how we can make more of a difference every day for the communities of Herefordshire and Worcestershire.

In June 2017, the PCC for West Mercia published a consultation document outlining his proposal to undertake the governance of the Fire and Rescue Service alongside Shropshire Fire and Rescue Service and West Mercia Police.

More information about our plans can be found on the [Service website](#), in our [Fire Authority Annual Report 2017-18](#) and details of the West Mercia PCC proposal can be found at his [website](#).

What is a Statement of Assurance?

A Statement of Assurance is a short report designed to give our staff, partners and local communities an assurance we are doing everything we can to keep them safe and that we are providing value for money.

The Statement covers three main areas: our governance, our finances and our frontline response (operational) services. This gives an overview of how we make sure everything we do is done

properly, efficiently and effectively, how we manage the money we receive and how we conduct our business.

The Statement includes a short directory with links to a wealth of information, which will also help you assess our performance and value for money. Our [website](#) is also full of facts and figures about everything we do, which will also help you judge how well we are doing.

We trust the Statement of Assurance gives you confidence that the Fire Authority maintains the highest standards in all aspects of its work and that the Service continues to deliver its frontline and support services to the best of its abilities for the communities of Herefordshire and Worcestershire.



Councillor Roger Phillips,
Chairman of the Fire Authority



Nathan Travis, Chief Fire Officer/
Chief Executive

Governance

The counties of Herefordshire and Worcestershire cover a largely rural area of around 1,500 square miles (390,000 hectares) and are home to over three-quarters of a million people (320,000 households). By 2030, the population of the two counties is projected to grow to over 800,000 people, with people aged 65 and over likely to represent close to one in three of the total.¹

To serve this very large area, we have 27 fire stations mostly located in the main towns, with 41 frontline fire engines supported by 28 specialist vehicles. At the end of March 2017, the stations were crewed by 237 wholetime and 390 part-time firefighters.

In 2016-17 we attended 6,749 incidents, about 130 each week. This was an increase on the previous year, though the majority of incidents were false alarms (3,302 incidents). In terms of potential life risk incidents, there were fewer accidental dwelling fires and we also attended fewer road traffic collisions than we did in 2015-16.

More details on population, Service resources and incidents attended can be found in the [Fire Authority Annual Report 2017-18 and](#) in the pages of our [website](#).

¹ Population projections for Herefordshire and Worcestershire can be found at the following website links: [Herefordshire projections](#), [Worcestershire projections](#).

The Service's overall governing body is Hereford & Worcester Fire Authority, which is made up of 25 local councillors, six from Herefordshire Council and 19 from Worcestershire County Council. They make sure the Service carries out its duties in relation to fire prevention, fire safety, firefighting and rescues, including from road traffic collisions and other emergencies such as flooding, as set out in the [Fire and Rescue Services Act 2004](#).

The Authority sets the budget and approves the overall direction for the Service. It also appoints the Chief Fire Officer and makes sure the Service has the right people, equipment and training to deliver their services effectively and efficiently in the best interests of the communities of Herefordshire and Worcestershire. The Police and Crime Commissioner (PCC) for West Mercia also attends Fire Authority meetings and participates in discussions as a non-voting member.

The Authority meets four times a year and is supported by three committees. Full details of all meetings and decisions can be found on the [Service website](#).

The Fire Authority has a responsibility to ensure that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The Authority must have in place proper arrangements for the governance of its affairs and ensure it is doing the right things in the right ways for the right people in a timely, inclusive, open, honest and accountable manner.

Each year the Authority prepares an Annual Governance Statement setting out how it meets these responsibilities. It comprises the systems and processes, culture and values by which the Authority is directed and controlled and through which it accounts to and engages with its communities. This includes maintaining a sound system of internal control and ensuring robust arrangements for managing risk are in place. This is supported by a [Code of Corporate Governance](#) setting out how the Authority promotes good governance.

The main elements of the governance framework are as follows:

- Constitution – defines the roles and responsibility of the Authority, Committees, Members and Officers.
- Audit and Standards Committee – reviews arrangements for identifying and managing the Authority's business risks and the approval of policies in respect of the governance framework.
- Monitoring Officer – provides advice on the scope of powers and responsibilities of the Authority, and has a statutory duty to ensure lawfulness and fairness of decision making.
- Chief Financial Officer (Treasurer) – ensures the sound administration of the financial affairs of the Authority as required by the statutory duties under the Local Government Act 1972, the Local Government Finance Act 1988 and the Accounts and Audit Regulations 2015.

- Ethical Framework and Code of Conduct – in place for all staff and familiarisation is included in the local induction.

Following the Worcestershire Internal Audit Shared Service audit of Risk Management 2015/16, the Strategic and Departmental Risk Registers (and management systems) have now been revised and amended to reflect the results and recommendations of the audit.

Audit reviews in three key risk areas were carried out during the year; Safeguarding, Training Centre and Technical Fire Safety. No fundamental weaknesses were identified in the areas audited and there were no 'high priority' recommendations where further action is needed.

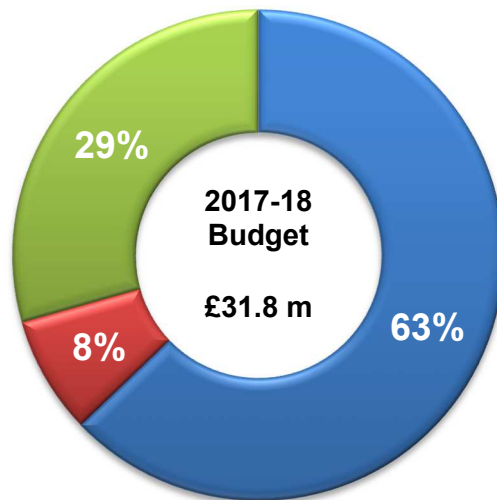
The Head of Worcestershire Internal Audit Shared Service concluded that the audit plan delivered in 2016-17 has provided an assurance level of 'full for the core financial areas.

This means that the system of internal control meets the organisation's objectives with all of the expected system controls tested are in place and are operating effectively.

Finance

Funds available to the Fire and Rescue Service continue to reduce. The budget for 2017-18 is £200,000 less than last year. Our funding comes from three main sources, the majority of which comes from Council Tax as shown in the following chart:

How the Service is paid for: 2017-18



- H&W Council Tax: £21.9 m
- H&W share of Business Rates: £2.3 m
- Government Grants: £7.6 m

The cost to the average household in Herefordshire and Worcestershire in 2017-18 (Council Tax Band D) is £79.53,

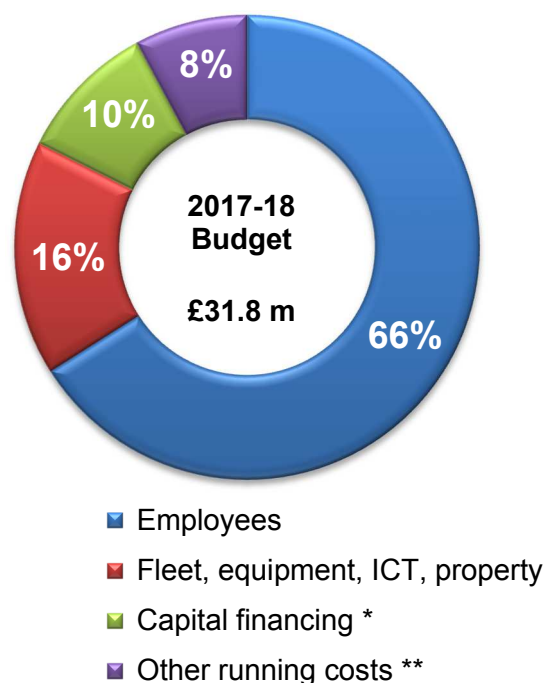
representing less than 22p per day. This is above the £72.80 average for comparable Fire Authorities in 2017-18, but considerably less than the highest cost of £97.65.

To make sure we spend this properly, we have robust financial monitoring processes in place. The Fire Authority requires the Treasurer to prepare an annual Statement of Accounts, which is designed to provide a true and fair view of the financial position, including a statement on income and expenditure. In preparing the statement, the Treasurer follows the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

This year we have also agreed a four year Efficiency Plan with Government. This Plan guarantees a level of grant up to 2019-20, which enables the Fire Authority to plan ahead with more financial certainty and maintain its services while managing with reduced real-terms funding levels. Full details of the financial arrangements set out in the [Efficiency Plan](#) can be found on the Service website.

The Authority approves a Medium Term Financial Plan each year, which sets out the resources needed to deliver our services, and agrees an annual budget as shown in the chart below.

How the budget is spent: 2017-18



* capital financing is interest and provision to repay loans

** other running costs include training costs, community safety material, payroll services, legal costs, Fire Authority costs and insurances

To provide further assurance, every year a structured programme of internal audit reports is carried out, supported by an independent annual external audit. The internal audits are currently carried out by the Worcestershire Internal Audit Shared Service in line with the Public Sector Internal Audit Standards 2013. These audits examine key aspects of how the Service conducts its business including:

- the adequacy and effectiveness of internal controls and risk management,
- compliance with legislation and the Service's own objectives, policies and procedures,
- how well the Service's assets and interests are protected and managed,
- investigation of any allegations of fraud and irregularity,
- advice on the control and risk implications of new systems or other organisational changes.

Six audits of key financial systems and governance provided 'full' assurance with no high priority recommendations or significant risk areas to report.

The audits covered the following areas: Budgetary Control & Reconciliations, Creditors, Debtors, Payroll & Pensions, VAT and Corporate Governance.

The external audit is currently undertaken by Grant Thornton UK LLP and provides an independent assessment of the Fire

Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources. It focuses on arrangements for securing financial resilience and prioritising resources within tighter budgets.

In the latest annual audit review letter, for 2015-16, the auditor concluded that the Authority's financial statement gave a true and fair view of the financial position and was satisfied that the financial statements were sound.

The auditor was also satisfied that, in all significant respects, the Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2016.

Frontline response (operational) services

Making sure our firefighters and communities are kept as safe as possible is at the heart of everything we do. We aim to provide the best training and equipment for our firefighters to do their jobs safely and ensure they have the best command and leadership available. We constantly assess the level of risk across the two counties and use this to help organise how we target our prevention and protection services.

The [Community Risk Management Plan 2014-2020](#) (CRMP) is our overall strategy for planning how to improve community safety, reduce the number of incidents we need to attend and, above all, save lives. It sets out what we do to tackle risks to our communities, to our firefighters, and to the effectiveness and efficiency of our services.

Building on the aims and outcomes highlighted in the CRMP and as a central part of our transformation programme, we have introduced Saving More Lives, our overarching vision for the future direction of our Service. It provides a guide for everything we want to achieve as a vital and trusted organisation working for the communities of Herefordshire and Worcestershire.

Saving More Lives is about improving the lives of everyone in the community, building on our success and securing our future as a Service that makes even more of a difference every day.

The latest [Fire Authority Annual Report 2017-18](#) describes the Saving More Lives vision in more detail and sets out how we are putting it into practice in our reviews of progress in delivering our

plans and services over the previous year. It also includes our CRMP Action Plan for 2017-18, which sets out the services we will be delivering over the forthcoming year, including how we organise our fire and emergency cover arrangements in the light of changing risks and resources.

The [Annual Report](#) also provides an update on our major transformation and collaboration projects designed to help secure the sustainability of our services in the future. Among the many developments underway or completed in the year were the completion of a new fire station and strategic training facility at Evesham, the commencement of a new Operations and Communication Centre at West Mercia Police headquarters in Worcester, approval for the development of a new Wyre Forest Emergency Services Hub to replace the ageing fire stations in Bewdley, Kidderminster and Stourport, and the extension of the flexible Day Crewing Plus shift system at Hereford and Worcester fire stations.

The [Transparency](#) pages on the Service website help to make as much information about how our organisation delivers its responsibilities as freely available as possible. We also publish a quarterly [Performance Snapshot](#) giving information on operational assurance and performance covering firefighter safety, community safety and quality services.

Continuing the focus on the safety critical aspects of our work, in 2016-17 the Operational Assurance audit programme included testing practical skills and station assurance in tactical ventilation,

Breathing Apparatus, Incident Command, road traffic collision hazards, trauma care and casualty decontamination. Overall findings were positive and local action plans have been agreed where development needs were noted.

Directory of assurance documents

The following directory provides links to documents available on the [Service website](#) and to others held on external websites.

A. Governance

The Fire Authority is fully committed to supporting the Government's transparency initiative, promoting openness and accountability through reporting on local decision making, public spending and democratic processes. The Service website lists all the relevant information through its [Transparency Code of Practice](#), including:

- [Draft Annual Governance Statement 2016-17](#)
- [Code of Corporate Governance](#)
- [Fire Authority Constitution](#)
- [Fire Authority and Committees](#)
- [Transparency](#)
- [Performance Snapshot](#)

Links to national legislation and other guidance:

- [Fire and Rescue National Framework for England 2012](#) – provides guidance on assurance and accountability
- [Local Government Transparency Code 2015](#)

B. Finance

Details of the Fire Authority's finances and budgeting arrangements can be found in the following documents:

- [Provisional Annual Statement of Accounts 2016-17](#) *[to be updated when available]*
- Link to previous [Statements of Accounts](#)
- [Budget and Precept 2017-18 and Medium Term Financial Plan](#) and [Appendices](#)

Reports of internal audits and external audit reviews can be found at the following links:

- [Internal Audit Annual Report 2015-16](#) *[to be updated]*
- [Annual Audit Review Letter 2015-16](#) *[to be updated]*

The Service website has further information on spending and links include:

- [Council Tax](#)
- [Invoice payments over £500](#)
- [Pay Policy Statement 2017-18](#)

Links to national legislation and other guidance:

- [Local Government Act 1999](#)
- [Accounts and Audit Regulations 2015](#)
- [Local Government Finance Act 1988](#)
- [Local Government Act 1972](#)
- [Chartered Institute for Public Finance and Accountancy \(CIPFA\) Codes of Practice](#)
- [Public Sector Internal Audit Standards](#)

Previous Statements of Assurance can be found at the following link:

- [Statements of Assurance](#)

C. Operations

The Fire Authority publishes reports on all its services, including the overall strategy, operational performance, policies and financial plans. Key documents include:

- [Fire Authority Annual Report 2017-18](#)
- [Community Risk Management Plan 2014-2020](#)
- [Annual Performance 2016-17](#)

The Service website provides a wide range of information about the Fire Authority and the Fire and Rescue Service, with five main sections:

- [About Us](#)
- [Safety and Advice](#)
- [Your Right To Know](#)
- [Join Us](#)
- [News and Events](#)
- There is also a [Publication Scheme](#), which sets out what information we make publicly available.

Links to national legislation and other guidance:

- [Policing and Crime Act 2017](#)
- [Fire and Rescue Services Act 2004](#)
- [Civil Contingencies Act 2004](#)
- [Regulatory Reform \(Fire Safety\) Order 2005](#)
- [Fire and Rescue Services \(Emergencies\) \(England\) Order 2007](#)
- [Localism Act 2011](#)
- [Health and Safety at Work etc. Act 1974](#)
- [Fire and Rescue National Framework for England 2012](#) and [Addendum 2014](#)

Your right to know: access to information

Hereford & Worcester Fire and Rescue Service collects and maintains information and data to enable it to carry out its statutory duties. A great deal of information on the Service is already available in the public domain through our Publication Scheme and [Transparency](#) webpage. Service staff will help you obtain the information you want unless disclosure would be against the law.

You have a right to request information under the [Freedom of Information Act 2000](#), which gives you a general right of access to recorded information held by the Service. The Act is designed to ensure greater accountability, as well as to promote a more open culture. If you want to know what personal information is held about you, you can make a request under the [Data Protection Act 1998](#). To find out more, please follow the [Your Right to Know](#) link.

What do you think of our Statement of Assurance?

We welcome any views you may have on the content of this Statement of Assurance.

If you have any comments or would like to contact us about any issue, please visit our website at www.hwfire.org.uk where you will find full contact details along with links to further information about our services and activities.

If you have any general enquiries, please call 0345 122 4454 or email us at info@hwfire.org.uk.



You can also follow us on

Twitter www.twitter.com/hwfire



or find us on

Facebook www.facebook.com/hwfire

Alternatively you may write to:

Hereford & Worcester Fire and Rescue Service Headquarters,
2 Kings Court,
Charles Hastings Way,
Worcester
WR5 1JR.

If you would like this information in an alternative language or format such as large print or audio, please contact us on 0345 122 4454.

Report of the Internal Auditor

Internal Audit Annual Report 2016/17

Purpose of Report

1. To provide the Committee with:
 - the overall results in terms of meeting Internal Audit's (IA's) objectives as set out in the internal audit plan for 2016/2017,
 - an audit opinion and commentary on the overall adequacy and effectiveness of the internal control environment.
 - an updated internal audit charter.
-

Recommendation

The Treasurer recommends that the Committee note that audit plan delivered in 2016/17 has provided an assurance level of “full” for the core financial areas and two key areas for improvement, and, approve the Internal Audit Charter.

Introduction and Background

2. The Authority is responsible for maintaining or procuring an adequate and effective internal audit of the activities of the Authority under Regulation 5 of the Accounts and Audit (England) Regulations 2015. This includes considering, where appropriate, the need for controls to prevent and detect fraudulent activity. These should also be reviewed to ensure that they are effective. This duty has been delegated to the Treasurer, and, Internal Audit was provided by Worcestershire Internal Audit Shared Service (WIASS). Management is responsible for the system of internal control and should set in place policies and procedures to ensure that the system is functioning correctly. The Authority is required to publish an Annual Governance Statement to accompany the accounts by the 30th September. 2016/17 saw Hereford and Worcester Fire and Rescue Authority become a full partner within the Internal Audit Shared Service from 1st April.

Objectives of Internal Audit

3. The Chartered Institute of Public Finance and Accounts (CIPFA) Code of Practice for Internal Audit in Local Government in the United Kingdom defines internal audit as: “an assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising risk management, control and governance by evaluating its effectiveness in achieving the organisation’s objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic and effective use of resource”.

Internal Audit

Aims of Internal Audit

4. The objectives of WIASS are to:
 - Examine, evaluate and report on the adequacy and effectiveness of internal control and risk management across the Fire Service and recommend arrangements to address weaknesses as appropriate;
 - Examine, evaluate and report on arrangements to ensure compliance with legislation and the Fire Service's objectives, policies and procedures.
 - Examine, evaluate and report on procedures that the Fire Service's assets and interests are adequately protected and effectively managed.
 - Undertake independent investigations into allegations of fraud and irregularity in accordance with Fire Service's policies and procedures and relevant legislation.
 - Advise upon the control and risk implications of new systems or other organisational changes.
5. WIASS is committed to providing an audit function which conforms to the Public Sector Internal Audit Standards 2013.
6. We recognise there are other review functions providing other sources of assurance (both internally and externally) over aspects of the Council's operations. Where possible we seek to place reliance on such work thus reducing the internal audit coverage as required.
7. To try to reduce duplication of effort we understand the importance of working with the External Auditors. The audit plan was shared with the external auditors for information.

Summary of the prime features

2016/2017 Key Internal Audit planned Inputs for WIASS

8. A summary of the position is provided at Appendix 1

2016/2017 Key Internal Audit planned Outputs for WIASS

9. During 2016/17 Internal Audit was required to:
 - Complete twelve systems audits (including critical friend reviews) of which four needed to suitably assist the External Auditor reach their "opinion". An additional piece of work was also undertaken at the behest of the Treasurer, and, two reviews were merged.

- provide sufficient audit resources for other operational areas which assist the Fire Service maintaining/improving its control systems and risk management processes or implementing / reinforcing its oversight of such systems, i.e. provide an on-going consultancy to managers on internal control, for example where system changes are being made;
 - meet Internal Audit's external work requirements;
 - achieve a benchmark of delivery for 2016/2017 of all audits as agreed in the operational programme as agreed at the July 2016 Committee.
10. The majority of audits, on completion, are assigned an assurance using a predefined definition and all reported recommendations are given a priority. The audit assurance and recommendation priority is agreed with Management before the final report is published. An example of the assurance and priority definitions is provided at Appendix 2 for information.

Productive Work

11. During 2016/2017 there were 131 productive audit days delivered by WIASS against an overall budget of 111 days including the days that have been delivered during April and May 2017 to finalise reports and complete the plan as a whole. The 131 days included the additional work in regard of the CARE Scheme. Appendix 1 gives a break down of the annual budgeted days for systems work. WIASS has achieved what was required according to the 2016/2017 audit plan and completed all audits to final report stage. The appendix shows for each audit report the overall assurance attained as well as providing an overall assurance analysis. Appendix 2 provides an explanation of assurance categorisation. The overall assurance that has been attributed to the various areas that have been audited in regard to the 2016/17 programme reflects the fact there have been four 'high' priority recommendations to report. Due to the nature of the Technical Fire Safety and Training reviews it was decided to merge them into one piece of work.
12. Consultancy, advice and guidance are demand led activities and can fluctuate from year to year but have been contained within the agreed budget.
13. Follow up in respect of audits provided to the Fire and Rescue Service have continued and were included as part of the 2016/17 audit programme and have been undertaken during the past twelve months for example ICT (March 2017), as well as the core financial reviews.
14. Internal audit has worked with external audit to try and avoid duplication of effort, provide adequate coverage for the 2016/17 financial year so that an internal audit opinion can be reached, and, support External Audit by carrying out reviews in support of the accounts opinion work.

Work of interest to the External Auditor

15. The results of the work that we performed on four systems audits during 2016/17 was of direct interest to External Audit. Audit reports are passed to the external auditor on request for their information and for them to inform their opinion.
16. Dialogue continues with the External Auditor to ensure that the IA work will continue to provide the assurance they seek at an acceptable standard.

Quality Measures – internal

17. Managers are asked to provide feedback on systems audits as the audit progresses. Comments have been received from a number of Managers who have expressed their appreciation of the audit approach and the fact that it will assist them to add value to their service area. Feedback has predominantly been immediately forthcoming from the appropriate Managers, however, a questionnaire is available/provided where a more formal response is required. WIASS analyse the returns during the year to ensure that the audit programme continues to add value. The Treasurer, Chief Accountant and External Audit have also confirmed a high satisfaction with the audit product during discussions with the Head of Internal Audit.
18. WIASS internal audit activity is organisationally independent. Internal Audit reports to the Treasurer but has a direct and unrestricted access to senior management and the Audit Committee Chair if required.
19. Further quality control measures embedded in the service include individual audit reviews and regular Client Officer feedback. WIASS staff work to a given methodology and have access to the internal audit manual and Charter which has been updated to reflect the requirements of the standards and is included at Appendix 4.
20. The Client Officer Group (i.e. management board) meet on a regular basis and consider the performance of the Shared Service including progress against the Service Plan and promote continuous improvement of the Service.
21. To further assist the Committee with their assurance of the overall delivery WIASS conforms to the Public Sector Internal Audit Standards 2013.
22. Appendix 3 provides the audit opinion and commentary which provides further assurance to the Committee.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	H&WFRS have joined the Shared Service as a full partner from April 2016. The financial details are not fully detailed in this report.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	None There are legal issues e.g. joining as a partner in the shared service required consideration but are not fully detailed in this report.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	Yes, whole report.
Consultation (identify any public or other consultation that has been carried out on this matter)	N/A – no policy change is recommended
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A

Supporting Information

Appendix 1 – Internal Audit Plan for the Fire & Rescue Service 2016/17

Appendix 2 – Audit Reports 2016/17

Appendix 3 – Audit Opinion and Commentary for 2016/17

Contact Officer

Andy Bromage, Head of Internal Audit Shared Service

(01905 722051)

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Appendix 1

INTERNAL AUDIT PLAN FOR THE FIRE & RESCUE SERVICE 2016/17

Audit Area	Planned Days 2016/17	Overall Assurance	Audit completed
Accountancy & Finance Systems			
Main Ledger (incl. Budgetary Control & Bank Rec)	8	Full	Completed Dec 2016
Creditors	8	Full	Completed Dec 2016
Debtors	5	Full	Completed Dec 2016
Payroll & Pensions (incl. GARTAN)	13	Full	Completed Dec 2016
VAT	3	Full	Completed Jan 2017
SUB TOTAL	37		
Corporate Governance (incl Health & Safety arrangements)			
Corporate Governance (AGS)	10	Full	Completed Nov 2016
ICT Audit	10	Critical Friend	Completed July 2017
System / Management Arrangements			
Safeguarding	8	Limited	Completed April 2017
*Training Centre	8	*Critical Friend	Completed April 2017
Property & Asset Mngt(Client Side)	9	Moderate	Completed May 2017
Fees and Charges (Value for Money)	5	Critical Friend	Completed April 2017
*Technical Fire Safety (Commercial)	8	*Critical Friend	Completed April 2017
SUB TOTAL	58		
General			
Follow up 2014/15 & 2015/16 Reviews	5	N/A	Q1 to Q4 inclusive
Advice, Guidance, Consultation, Investigations	2	N/A	Q1 to Q4 inclusive
Audit Cttee Support	5	N/A	Q1 to Q4 inclusive
Reports & Meetings	4	N/A	Q1 to Q4 inclusive
SUB TOTAL	16		
TOTAL BUDGETED DAYS	111		
TOTAL DELIVERED	131		

Note: GAD has been not included ~ conformity to be provided by Worcestershire County Council.

* These reviews were 'merged' into a single piece of work.

In addition to the plan above there was an additional review in regard to the Pensions to ensure the CARE system is operating satisfactorily. Assurance outturn for this review was 'limited'.

Summary of 2016/17 Audit Assurance Levels

2016/17	Number of Fire and Rescue Service Audits	Assurance	Overall % (rounded)
From 12 reviews (inclusive of the extra review and the merging of 2)	6	Full	50%
	0	Significant	0%
	1	Moderate	8%
	2	Limited	17%
	0	No	0%
	0	To be finalised i.e. remains at clearance	0%
	3	Critical Friend	25%

Note:

Follow Up, Advice, Audit Committee Support and management reporting areas are not included in the above figures.

Overall Conclusion:

- 83% of the finalised audits undertaken for 2016/17 which have been allocated an assurance returned a level of moderate or above. This figure includes the 'critical friend' reviews.
- Managers and the Treasurer are satisfied with the audit process and service delivery from the feedback received from them.

Audit Reports 2016/17

Definition of Audit Opinion Levels of Assurance

Opinion	Definition
Full Assurance	<p>The system of internal control meets the organisation's objectives; all of the expected system controls tested are in place and are operating effectively.</p> <p>No specific follow up review will be undertaken; follow up will be undertaken as part of the next planned review of the system.</p>
Significant Assurance	<p>There is a generally sound system of internal control in place designed to meet the organisation's objectives. However isolated weaknesses in the design of controls or inconsistent application of controls in a small number of areas put the achievement of a limited number of system objectives at risk.</p> <p>Follow up of medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
Moderate Assurance	<p>The system of control is generally sound however some of the expected controls are not in place and / or are not operating effectively therefore increasing the risk that the system will not meet its objectives. Assurance can only be given over the effectiveness of controls within some areas of the system.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
Limited Assurance	<p>Weaknesses in the design and / or inconsistent application of controls put the achievement of the organisation's objectives at risk in many of the areas reviewed. Assurance is limited to the few areas of the system where controls are in place and are operating effectively.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
No Assurance	<p>No assurance can be given on the system of internal control as significant weaknesses in the design and / or operation of key controls could result or have resulted in failure to achieve the organisation's objectives in the area reviewed.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>

Definition of Priority of Recommendations

Priority	Definition
H	<p>Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives.</p> <p>Immediate implementation of the agreed recommendation is essential in order to provide satisfactory control of the serious risk(s) the system is exposed to.</p>
M	<p>Control weakness that has or is likely to have a medium impact upon the achievement of key system, function or process objectives.</p> <p>Implementation of the agreed recommendation within 3 to 6 months is important in order to provide satisfactory control of the risk(s) the system is exposed to.</p>
L	<p>Control weakness that has a low impact upon the achievement of key system, function or process objectives.</p> <p>Implementation of the agreed recommendation is desirable as it will improve overall control within the system.</p>

Audit Opinion and Commentary for 2016/17

**Hereford and Worcester Fire and Rescue Authority
Commentary and Audit Opinion 2016/17**

1. Internal Audit: Hereford and Worcester Fire and Rescue Authority's responsibility for maintaining an adequate and effective internal audit function is set out in Regulation 5 of the Accounts and Audit (England) Regulations 2015.
2. The Internal Audit function is provided by the Worcestershire Internal Audit Shared Service (WLIASS) which was set up as a shared service in 2010/11, and hosted by Worcester City for 5 district councils and the Fire and Rescue Service. 2016/17 was the first year Hereford and Worcester Fire and Rescue Authority became a full voting member of the shared service. The shared service operates in accordance with, and conforms to, the Public Sector Internal Audit Standards 2013. It objectively reviews, on a continuous basis, the extent to which the internal control environment supports and promotes the achievement of the Fire and Rescue Authority objectives and contributes to the proper, economic and effective use of resources.
3. The Internal Audit Plan was agreed with External Audit, the Treasurer and s151 Officer and was approved by the Audit and Standards Committee on the 4th July 2016. It included:
 - a number of core systems which were designed to suitably assist the external auditor to reach their 'opinion'
 - other corporate systems for example governance and risk management.
4. Based on the audits performed by WLIASS in accordance with the approved audit plan the Head of Internal Audit Shared Service can report that the Hereford and Worcester Fire and Rescue Authority governance framework arrangements during 2016/2017 have provided assurance outturns of 'full' in regard to the core financial areas along with mixed assurances in regard to other operational aspects.
5. 'Full' to 'moderate' assurance essentially provides there is generally a sound system of internal control in place, no significant control issues have been encountered and no material losses have been identified.
6. Two areas reviewed as part of the 2016/2017 plan recorded 'limited' assurance, namely Safeguarding and the CARE Scheme. Outstanding issues were being addressed as part of the process of continuous improvement and clear management actions plans had been agreed, where appropriate, for the review areas.

7. It should be noted that as part of the risk based approach WIASS delivered all the audits expected in the 2016/17 plan.
8. In relation to the twelve reviews that have been undertaken all have been completed and discussed with management with reports issued in finalised form. Risk management continues to feature prominently with regular reports continuing to be brought before the Committee. Work continues to ensure that it is becomes fully embedded throughout the organisation.
9. The Head of Internal Audit Shared Service has concluded that although not all the reviews returned a 'moderate' or above assurance internal control arrangements during 2016/2017 effectively managed the principal risks identified in the audit plan and can be reasonably relied upon to ensure that the Fire and Rescue Authority corporate objectives have been met. In two areas of the work WIASS carried out in support of the 2016/2017 plan it identified some fundamental weaknesses but these are actively being addressed by management. As a result of the findings four 'high' priority recommendations were reported to committee in regard to 2016/2017 audits.
10. WIASS can conclude that no system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance. This statement is intended to provide reasonable assurance based on the audits performed in accordance with the approved plan and the scoping therein.

Andy Bromage
Head of Internal Audit Shared Service
July 2017



Worcestershire Internal Audit Shared Service (WIASS)

Internal Audit Charter

Hereford and Worcester Fire and Rescue Authority

Definitions

1. Management refers to the Chief Fire Officer, Deputy Chief Fire Officer, Assistant Chief Fire Officer/Directors and Area Commanders/Heads of Service.
2. Board refers to the Audit & Standards Committee

This Charter was last reviewed April 2017 and was approved by the Audit & Standards Committee on 5th July 2017

1. Introduction

Purpose

- 1.1 The purpose of this charter is to define what Internal Audit is and explain its purpose, role and responsibilities.

Provision of Internal Audit Services

- 1.2 WIASS covers five district authorities Wychavon, Malvern Hills, Bromsgrove, Redditch and Worcester and one Fire Service Hereford and Worcester Fire and Rescue Authority. WIASS also provides internal audit services to Place Partnership Limited.
Worcester City Council hosts the Shared Service provision under an on-going Administrative Collaborative Agreement. It is governed by a Client Officer Group which is made up of the district and Fire Service s151 officers each having an 'equal say'. The Client Officer Group meets approximately 4 times a year.
- 1.3 For line management matters internal audit will report to the Corporate Director of Resources (s151 Officer within Worcester City Council) and the Monitoring Officer in their prolonged absence.

2. Definition

- 2.1 Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bring a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

3. Scope and Authority of Internal Audit Work

- 3.1 Under the Accounts and Audit Regulations 2015 No. 234 Part 2 Regulation 5:
(1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.
(2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit—
(a) make available such documents and records; and
(b) supply such information and explanations;
as are considered necessary by those conducting the internal audit.
(3) In this regulation "documents and records" includes information recorded in an electronic form.
To aid compliance with Regulation 5 of the Accounts and Audit Regulations 2015, the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 details that "Internal Audit should work in partnership with management to improve the control environment and assist the organisation in achieving its objectives".
Internal Audit work should be planned, controlled and recorded in order to determine priorities, establish and achieve objectives.
- 3.2 In the course of their reviews internal audit staff, under the direction of the Head of Service, shall have authority in all partner organisations to:-
- at all reasonable times after taking account of audit requirements, enter on any partners' premises or land;
 - have access to, and where internal audit deem necessary take into their possession, any records, documents and correspondence relating to any matter that is the subject of an audit;
 - require and receive such explanations as may be considered necessary from any officer of the Partner regardless of their position;
 - require any officer of the Partner to produce forthwith cash, stores or any other property under their control.

for which the internal audit service is being provided.

3.3 Internal Audit work will normally include, but is not restricted to:

- review and assess the soundness, adequacy, integrity and reliability of financial and non-financial management and performance systems, and quality of data;
- reviewing the means of safeguarding assets;
- examine, evaluate and report on compliance with legislation, plans, policies, procedures, laws and regulations;
- promote and assist the Partner in the effective use of resources
- examine, evaluate and report on the adequacy and effectiveness of internal control and risk management across the Partner and recommend arrangements to address weaknesses as appropriate;
- advise upon the control and risk implications of new systems or other organisational changes.
- provide a 'critical friend' to assist services to achieve value for money
- undertake independent investigations into allegations of fraud and irregularity in accordance with the Partner's policies and procedures and relevant legislation
- at the specific request of management¹, internal audit may provide consultancy services provided:
 - the internal auditors independence is not compromised
 - the internal audit service has the necessary skills to carry out the assignment, or can obtain skills without undue cost or delay
 - the scope of the consultancy assignment is clearly defined and management¹ have made proper provision for resources within the annual plan
 - management understand that the work being undertaken is not internal audit work.

4. Responsibility of Management¹ and of Internal Audit.

- 4.1 At all times internal audit will operate in accordance with the partner's Constitution and legal requirements and all internal audit staff will adhere to recognised Professional Standards and Codes of Conduct and Ethics e.g. the Institute of Internal Auditors' and/or CIPFA as well as the Partner's Codes of Conduct and Anti-Fraud and Corruption Policies.
- 4.2 It is the responsibility of Management to put in place adequate controls to ensure systems meet their objectives and that they are notified without delay of any instances where systems are failing to operate properly. However, where there has been, or there are grounds to suspect that there is risk of a serious breakdown in a significant system, the Head of Service should be informed of the problem and any counter measures already in hand or proposed, as quickly as possible, in order that the Head of Internal Audit Shared Service can decide whether audit involvement is needed.
- 4.3 Similarly, it is the responsibility of Management to put in place adequate controls to prevent and detect fraud, irregularities, waste of resource, etc. Internal Audit will assist Management to effectively manage these risks. However, no level of controls can guarantee that fraud and the like will not occur even when the controls are performed diligently with due professional care. As a consequence all cases of actual or suspected fraud should be reported to the Head of Internal Audit Shared Service forthwith. The Head of Internal Audit Shared Service will then decide the course of action to be taken with due regard to the Partner's Constitution, e.g. Whistleblower's Charter, Stopping Fraud and Corruption Strategy, etc.

- 4.4 Any officer of a partner organisation who has genuine concerns at raising a suspected instance of fraud or malpractice through their normal reporting channels, can raise the matter under the Partner's Whistleblower's Charter directly with any of the persons named in the policy document, including the Head of Internal Audit Shared Service. Head of Internal Audit Shared Service will then pursue the matter in accordance with the provisions of the policy document.
- 4.5 Internal audit is not responsible for any of the activities which it audits. WIASS will not assume responsibility for the design, installation, operation or control of procedures. However should any partner/client contract for specialist services within an area then the WIASS staff member assigned will not be asked to review any aspect of the work undertaken until two years have passed from the completion of the assignment.
- 4.6 The Head of Internal Audit Shared Service will ensure that the Section 151 Officer is briefed on any matter coming to the attention of internal audit that could have a material impact on the finances of the Partner as quickly as possible and will ensure the appropriate Officer of the Authority e.g. Director, Monitoring Officer is regularly briefed on the progress of audits having a corporate aspect. Matters involving fraud or malpractice should be reported to an appropriate Officer of the Authority e.g. Managing Director, Chief Executive, Director, Monitoring Officer and Section 151 Officer (except where the latter may involve the Managing Director, Chief Executive, Director, Monitoring Officer and/or the Section 151 Officer when the Head of Internal Audit Shared Service for the Worcestershire Internal Audit Shared Service will brief the Chairman of the Board¹ and/or Leader of the Partner on the position and agree the way forward in accordance with Financial Regulations).
- 4.7 In order to (1) maintain a broad skills base within Internal Audit and (2) maximise the ability of the team to offset the cost of providing the internal audit function to the Partner, the strategic plan will include a commitment that internal audit obtains income to the Partner from external work either from partnership working and/or selling its expertise. Such activities will be governed by targets set out in the Collaborative Administrative Agreement and will be approved and reported on to the Client Officer Group.

5. Planning and Reporting

- 5.1 To meet the objectives above, the Head of Internal Audit Shared Service shall:-
- a) prior to the beginning of each financial year, following consultation with Management¹ and after taking into account comments from Members arising from the reporting process set out below, provide the Committee with:
 - a risk based audit plan forecasting which of the Partner's activities are due to receive audit attention in the next 12 months. The risk based plan will take into consideration a number of risk factors and provide a basis of a three year strategic plan. A key responsibility of the Head of Internal Audit Shared Service is to ensure all core activities receive attention at least once every 3 years with higher risk areas receiving more frequent attention, at the same time meeting the requirements of the latest appointed External Auditor guidance, whereby internal and external audit should work in partnership. Also, where there is a potential difference between strategy/plan and resource that this is reported to the Board²;
 - a detailed operational plan using a risk based assessment methodology showing how/what resources will be required/allocated in the coming financial year in order to meet the requirements of the Partners strategic plans. The Plans will be flexible and include a small contingency contained as part of the consultancy budget to allow for changes in priorities, emerging risks, ad hoc projects, fraud and irregularity, etc. The Head of Internal Audit Shared Service will bring to the attention of the s151 Officer

if this budget is depleted so an additional contingency can be agreed. 'Consultancy', for the purposes of WIASS activity, is defined as work that is of a specialist nature and commissioned/requested in regard to an area of work activity within a service area that is in addition to the agreed partners audit plan. The work can be financial or governance based and the output will provide management¹ with challenges to consider depending on it's nature. The approach to the assignment can be flexible but follow a similar path in regard to the methodology.

- b) during the course and at the close of each financial year provide the Board² with:
 - quarterly progress reports on actual progress compared to the plan and performance indicators. Such reports to highlight serious problems, either affecting the implementation of the plan, or, in the take up of audit recommendations;
 - an annual report summarising the overall results for the year compared to the plan and pointing out any matters that will impact on internal audit's ability to meet the requirements in the strategic plan;
- c) during the course and close of each full systems/risk audit provide the client manager¹ with:
 - a copy of an audit brief and audit information request setting out the objectives and scope of the audit prior to commencement of the audit and a confirmation of resource requirements for the audit.
 - draft recommendations, which will be discussed with the responsible manager¹ prior to sending the draft audit report. The manager¹ is responsible for confirming the accuracy of the audit findings and is invited to discuss the report during the 'clearance' meeting prior to the issue of the draft report.
 - an audit report containing an overview of the quality of the control system, an opinion as to the level of system assurance and detailed findings and recommendations including priority. 'Assurance', for WIASS purposes, is defined as the determination of an overall outcome against a predetermined criteria leading to an applied level giving an overall summary for the work audited.
- d) shortly after the close of each financial year provide for the purposes of the Annual Governance Statement:
 - an annual audit opinion of the Partner's system of controls based on the audit work performed during the year in accordance with the plans at 5.1(a) above and reported in accordance with 5.1(b) and (c) above and on the assurance methodology adopted, and, a statement of conformance with the Public Sector Internal Audit Standards and the results of quality assurance and improvement programme.

5.2 Expectations of Clients:

Managers and staff should co-operate with the Auditors, and responses should be made to draft reports as outlined at 3 above. Responses should include an action plan, dates for action and responsibility where actions are delegated. The final 'High' and 'Medium' recommendations will be reported to the Board².

5.3 Audit reports will be drawn up following the internal audit report framework. A matrix type report displaying audit findings, risks and recommendations along with a column for management comments, as per 5.1(c), will be provided to management¹. The report will also contain an introduction and priority categories for each of the recommendations. A covering report will be attached to the matrix providing details of the partner organization, circulation, audit scope and objectives, an audit opinion and executive summary and an audit assurance rating as well as a clear indication of

what action is required by management. Also included in the report will be the definition of audit opinion levels of assurance and definitions of priority of recommendations.

- 5.4 Upon completion of audits, the audit exceptions will be discussed with the relevant line manager and will form the basis of the draft audit reports. The draft audit reports are issued to the relevant line managers for them to confirm the accuracy of the audit findings and content. Managers are invited to contact the Auditor if they wish to discuss the report and asked to show their response in the form of an action plan to each recommendation on the draft report. For accepted recommendations, dates for action or implementation are recorded. The managers' responses are recorded in the final reports that are issued to the appropriate Management¹ officers as deemed relevant for the audit.
- 5.5 In accordance with professional standards, after three/six months from the date of issue of the final report, follow-up audits are undertaken to ensure that the agreed recommendations and action plans have been implemented, or, are in the process of being implemented. A formal follow up procedure / methodology is used to follow up audit reports. A follow up is then undertaken every three months to coincide with the Board² cycle so progress reporting is timely.
- 5.6 Internal Audit works to the reporting quality standards of:
- draft audit reports to be issued within 5 working days of the clearance meeting;
 - management responses received within 10 working days;
 - final audit reports to be issued within 5 working days of the final discussions of the draft audit report and receipt of management responses;
 - final reports to be followed-up initially within 3 to 6 months of the date issue of the final audit report depending on the recommendation priority and residual risk, to ensure that the accepted recommendations due for implementation have been established.

6. External Relationships

6.1 The main contacts are with:

- Institute of Internal Auditors
- External Auditors
- Local Authorities in the Worcestershire area
- Local Authorities in the Midlands area
- Organisations within the Exeter Benchmarking Group
- CIPFA (publishers of the systems based auditing control matrices written by Exeter IA section)
- National Fraud Initiative via DCLG and Cabinet Office

But may include other external parties as necessary.

Notes

- a) In the absence of the Head of Internal Audit Shared Service all provisions relating to him/her above will apply to the relevant Team Leader in accordance with the duties allocated by the Head of Internal Audit Shared Service.

Version Control:	Date of Change	Action	Updated by
1.0	2 nd March 2012	Charter for WIASS	AB
2.0	9 th August 2012	Update to Charter	AB
3.0	23 rd April 2013	Update to Charter re. International Standards	AB
4.0	21 st Janaury2016	Update to Charter re. legislative requirements & title changes	AB
5.0	1 st July 2016	Update re. titles and definition of 'consultancy' and 'assurance'.	AB
6.0	April 2017	Full review in line with Standards	HT
7.0	May 2017	COG suggestion: Update of H&WFRS name to reflect legal entity & 'Council's' to 'Partners'.	HT

Report of the Head of Internal Audit Shared Service

Internal Audit Monitoring Report 2017/18

Purpose of report

1. To provide the Committee with a progress update on the 2017/18 audit plan delivery and residual summary reporting for 2016/17.
-

Recommendation

The Treasurer recommends that the report is noted.

Introduction and Background

2. The Authority is responsible for maintaining or procuring an adequate and effective internal audit of the activities of the Authority under the Accounts and Audit (England) Regulations 2015. This includes considering, where appropriate, the need for controls to prevent and detect fraudulent activity. These should also be reviewed to ensure that they are effective. This duty has been delegated to the Treasurer and Internal Audit is provided by Worcestershire Internal Audit Shared Service (WIASS). Management is responsible for the system of internal control and should set in place policies and procedures to ensure that the system is functioning correctly.

Objectives of Internal Audit

3. The Public Sector Internal Audit Standards 2013 defines internal audit as: “an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”. WIASS is committed to conforming to the requirements of the Public Sector Internal Audit Standards

Aims of Internal Audit

4. The objectives of WIASS are to:
 - Examine, evaluate and report on the adequacy and effectiveness of internal control and risk management across the Fire Service and recommend arrangements to address weaknesses as appropriate;
 - Examine, evaluate and report on arrangements to ensure compliance with legislation and the Fire Service’s objectives, policies and procedures;

- Examine, evaluate and report on procedures that the Fire Service's assets and interests are adequately protected and effectively managed;
 - Undertake independent investigations into allegations of fraud and irregularity in accordance with Fire Service's policies and procedures and relevant legislation; and
 - Advise upon the control and risk implications of new systems or other organisational changes.
5. Internal audit has worked with external audit to try and avoid duplication of effort, provide adequate coverage for the 2017/18 financial year so that an internal audit opinion can be reached and support External Audit by carrying out reviews in support of the accounts opinion work.

Audit Planning

6. To provide audit coverage for 2017/18, an audit operational programme to be delivered by WIASS was discussed and agreed with the Authority's Section 151 Officer and Treasurer as well as Senior Management Board and was brought before Committee on 12th April 2017 for consideration. The audit programme provides a total audit provision of 111 audit days; 95 operational and 16 management days.

Audit Delivery

7. 2017/18 audits commenced after the Committee had agreed the 2017/18 plan at the 12th April 2017 Committee (Appendix 2).
8. To assist the Committee to consider assurance on the areas of work undertaken, an overall assurance level is given, when appropriate, to each audit area based on a predetermined scale (Appendix 3). Also, the findings are prioritised into 'high', 'medium' and 'low' within audit reports with all 'high' priority recommendations being reported before committee (Appendix 3).

2017/18 Audits:

9. The summary results of these audits are included below. Where recommendations have been made, these are being addressed through management actions.

Risk Management (Follow-up)

10. The original audit report gave 'moderate' assurance and 4 'medium' priority recommendations were reported. Follow up of the original report dated 30th June 2016 was undertaken on the 14th June 2017 and found the 4 'medium' priority recommendations have been implemented in regard to management board meetings, risk registers, background information and risk management training.
11. From the explanations received and the evidence provided/sought Internal Audit is satisfied that all of the recommendations have been satisfactorily implemented and no further follow-ups will be required.

Audit Type: Follow Up Review
Follow Up Report Date: 14th June 2017
Original Assurance: Moderate

12. Reviews that are currently progressing include:
- Training and Development (baseline and core skill delivery)
 - Transformational Planning (Critical Review) 20:20 Board
 - Corporate Governance (Business Continuity)
 - Partnership Working, and,
 - Capital Programme has just commenced.
13. The outcome to the reviews listed above will be reported to Committee in summary form as soon as they are completed.

Residual 2016/17 Audits:

14. The summary results of these audits are included below. Where recommendations have been made, these are being addressed through appropriate management actions.

CARE System – Pensions

15. The audit of the Care Scheme was carried out as an additional review at the request of the Director of Finance and Assets (S151 Officer) to provide assurance over the data held in relation to the CARE scheme.
16. The review found the following areas of the system were working well:
- There are individual 2015 Care Scheme Records maintained
17. The review found the following areas of the system where controls could be strengthened:
- The accuracy of the reports produced from the Pension System;
 - The reconciliation of the data held within the payroll system to the data held within the Pension System.
18. There was 1 'high' priority recommendation reported.

Audit Type: Limited Scope
Final Report Date: 10th April 2017
Assurance: Limited

Safeguarding

19. The review is a full system review concentrating on the key requirements and areas of the safeguarding system.
20. The review found the following areas of the system were working well:
 - The Service has formally documented its policy and procedure relating to Safeguarding including roles and responsibilities;
 - Risk assessments relating to activities involving children were available on request;
 - Arrangements are in place for the recording of and conducting of home visits;
 - The service has procedures in place to ensure that the Service does not knowingly permit a barred individual to engage in 'regulated activity';
 - Where a DBS check records a caution and / or conviction a risk assessment is carried out and a final decision on appointment taken by a senior officer;
 - Safeguarding awareness training covers the key areas of the Safeguarding and the Safeguarding Policy;
 - Arrangements are in place for the receipt, investigation and recording of allegations concerning safeguarding against HWFRS staff members / volunteers;
 - Records of safeguarding referrals including dates, details of concerns and who reported to are maintained; and
 - Any information relating to safeguarding referrals is shared over a secure GCSX email. Where such agencies have electronic referral forms on secure websites these are used to make referrals or to share data on cases.
21. The review found the following areas of the system where controls could be strengthened:
 - There is a lack of evidence of an assessment of the overall risk exposure of the Service in terms of Safeguarding. For example there has been no formal assessment of the exposure risks of open days, home visits, etc;
 - There is no reference to the Service's Safeguarding policy and procedures within current employee induction programmes;
 - Safeguarding awareness training is not included as a mandatory course on the Competency and Training Record (CTR) system;
 - Recording of all training undertaken in relation to Safeguarding awareness including refresher training that should be undertaken every three years;
 - Completion of all Personal Declaration Forms by Lay Instructors; and
 - There was no formal procedure in place for the regular monitoring of the operation of the Young Fire Fighters Association in terms of compliance with safeguarding policy.

22. In addition to the above there are other areas which have an impact on the assurance level but the Service's own internal controls have already identified and are working to address them and therefore no further recommendations are made within this report:
- At the time of review both the Operational Policy for Safeguarding Children, Young People and Adults at Risk of Harm; and the Service Policy – Instruction No. 1 – Staff / Volunteers working with Children / Vulnerable Adults had exceeded their stated next review dates stated on the footer of each page of Jan 2016. The current Safeguarding policy on DBS checks is out of date in terms of current practice adopted by the Service. Management is aware of the need for the review of Safeguarding Policy and has a timetable in place to do so.
 - The Safeguarding Policy Instruction No. 1 at section 5 Record Keeping requires that Disclosure and Barring Service (DBS) checks be renewed every three years. At the time of the review management was in the process of reviewing their records of DBS and bringing these up to date in terms of renewals.
23. There were 3 'high' and 1 'medium' priority recommendations reported.

Audit Type:	Full system audit
Final Report Date:	10 th April 2017
Assurance:	Limited

Training Centre and Technical Fire Safety

24. This area forms a significant part of the National Framework and is also extensively covered in the Annual Plan which reports on outcomes against previous years. The review was a critical friend review limited to key fire safety audit areas whilst taking into consideration the Annual Plan. The review challenged the current and on-going arrangements in place at the time of the review.
25. The review found that there is a generally sound system of control surrounding the Services' Technical Fire Safety arrangements and that the systems in place for the risk assessment and scheduling of Technical Fire Safety Audits are in line with Chief Fire Officer Association guidance. Areas where current arrangements could be strengthened have been identified during the review including the currency of related policy and procedures, data quality, use of resources and business continuity.
26. At the time of review the Service was reviewing policy and procedures, looking at the use of short audit forms and enhanced risk assessment processes along with the re-introduction of electronic solutions to the recording of audit visits. The Service is also liaising with its software suppliers in order to improve the resilience of the CFRMIS system. Management is currently working towards improvements in this area which will enable staff to work smarter in this area in the future.
27. There were no 'high' or 'medium' priority recommendations reported.

Audit Type: Critical Friend
Final Report Date: 10th April 2017
Assurance: N/a

Fees and Charges

28. This review was a critical review that has concentrated on the following areas:
- SPI 3 – Section 7 Part 7.31 Cost Recovery including Special Services;
 - The process of ascertaining that a debt is due and the charge to be raised;
 - Raising of the invoice;
 - Management of the Debt;
 - Receipt of income.
29. With austerity continuing it is necessary to consider what measures can be undertaken in order to reduce the pressures on Services in the future and in this case whether the additional income achieved, which is not guaranteed, from Special Services is worth the up keep of Policies and Procedures and the resource time required from front line officers.
30. Internal Audit can not state whether the Cost Recovery Policy including Special Services should remain in its current format, changed or be removed altogether, this is a decision to be made by Senior Management. However, the consideration of this process rather than just updating the policy shows that Management are looking to transform and are investing in the future but the key consideration in whether value for money is being achieved and can be justified if challenged.
31. There were no 'high' or 'medium' priority recommendations reported.

Audit Type: Critical Friend
Final Report Date: 10th April 2017
Assurance: N/a

Property – Client Management

32. This review considered the on-going processes in place for:
- Service Level Agreement;
 - Strategic property issues;
 - The provision of accurate and timely KPI data;
 - Review of performance;
 - Property maintenance related fees;
 - Charges approval and contractual variations.
33. The review found the following areas of the system were working well:
- There is a signed Service Level Agreement with PPL covering property services which includes the responsibilities of both parties;
 - Regular meetings are held with the contractor to review performance; and
 - Payments made are in line with agreed amounts.

34. The review found the following areas of the system where controls could be strengthened:
- Production of an up to date Property and Assets Strategy;
 - Availability of complete and accurate key performance indicators and financial data;
 - Timing of agreed fees and charges under the agreement prior to budget setting; and
 - Contingency arrangements for property management services.
35. There were no 'high' priority recommendations reported.

Audit Type: Full system audit
Final Report Date: 19th May 2017
Assurance: Moderate

36. The following review is currently at final draft report stage the outcome of which will be reported in summary form at the next Audit Committee:

ICT

37. This critical review will be limited to the following areas of the ICT Service and will cover the period from April 2016 to the time of the audit.
- Progress in completing the Service work programme during 2016/17 to date, including completed work programme items and those underway;
 - Action plans to address issues raised.
38. 'Follow up' is continuing in regard to previously completed audits to provide assurance that recommendations have been implemented and any risk mitigated. Where there is a programmed annual visit to an area the 'follow up' is included as part of the audit review e.g. ICT. There are no exceptions to report in regards to 'follow up' findings.

Conclusion/Summary

39. The Internal Audit Plan for 2017/18 will continue to progress steadily throughout the forthcoming year. The residual 2016/17 work has reported 4 'high' priority recommendations arising along with potential risks. Recommendations that have been made are being addressed through robust management action plans.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	There are no financial issues that require consideration.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	Selected audits are risk based and linked to the delivery of priorities and policy framework.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	Yes, whole report.
Consultation (identify any public or other consultation that has been carried out on this matter)	N/A – no policy change is recommended
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A

Supporting Information

Appendix 1 – 2016/17 Audit Plan overview

Appendix 2 – 2017/18 Audit Plan progress

Appendix 3 – ‘High’ priority recommendations for completed audits, and, assurance and priority definitions

Contact Officer

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Appendix 1

INTERNAL AUDIT PLAN FOR THE FIRE & RESCUE SERVICE 2016/17 WORCESTERSHIRE INTERNAL AUDIT SHARED SERVICE

Audit Area	Source (max risk score 45)	Planned Days 2016/17	Audit completed
Accountancy & Finance Systems			
Main Ledger (incl. Budgetary Control & Bank Rec)	Risk Score 28	8	Completed Dec 2016
Creditors	Risk Score 28	8	Completed Dec 2016
Debtors	Risk Score 25	5	Completed Dec 2016
Payroll & Pensions (incl. GARTAN)	Risk Score 35	13	Completed Dec 2016
VAT	Risk Score 27	3	Completed Jan 2017
SUB TOTAL		37	
Corporate Governance (incl Health & Safety arrangements)			
Corporate Governance (AGS)	Risk Score 25	10	Completed Nov 2016
ICT Audit	Risk Score 36	10	Completed July 2017
System / Management Arrangements			
Safeguarding	Risk Score 30	8	Completed April 2017
Training Centre	Risk Score 33	8	Completed April 2017
Property & Asset Mngt(Client Side)	Risk Score 31	9	Completed May 2017
Fees and Charges (Value for Money)	Risk Score 25	5	Completed April 2017
Technical Fire Safety (Commercial)	Risk Score 24	8	Completed April 2017
SUB TOTAL		58	
General			
Follow up 2014/15 & 2015/16 Reviews	Routine & s151	5	Q1 to Q4 inclusive
Advice, Guidance, Consultation, Investigations	n/a	2	Q1 to Q4 inclusive
Audit Cttee Support	n/a	5	Q1 to Q4 inclusive
Reports & Meetings	n/a	4	Q1 to Q4 inclusive
SUB TOTAL		16	
TOTAL CHARGEABLE		111	

Note: GAD has been not included ~ conformity to be provided by Worcestershire County Council.
In addition to the plan above there will be an additional review in regard to the Pensions to ensure the CARE system is operating satisfactorily.

Appendix 2

INTERNAL AUDIT PLAN FOR THE FIRE & RESCUE SERVICE 2017/18 WORCESTERSHIRE INTERNAL AUDIT SHARED SERVICE

Audit Area	Proposed review	Planned days 2017/18	Provisional Audit Quarter
Accountancy & Finance Systems			
Main Ledger (incl. Budgetary Control & Bank Rec)	Limited Scope	5	Q3
Creditors	Full	8	Q3
Debtors	Limited Scope	4	Q3
Payroll & Pensions (incl. GARTAN)	Full	13	Q3
Capital Programme (Fleet)	Full	8	Planning Stage
SUB TOTAL		38	
Corporate Governance (incl Health & Safety arrangements)			
Corporate Governance (Business continuity, resilience & emergency planning)	Full	9	Fieldwork Review Stage
ICT Audit	Full	8	Q4
Risk Management	Limited Scope	5	Completed 14/06/2017
System / Management Arrangements			
Partnership Working (Governance Arrangements)	Full	6	Fieldwork Stage
Training (Baseline & Core skill delivery)	Full	8	Clearance Stage
Transformational Planning	Critical Friend	9	Fieldwork Stage
Procurement /Contracts	Full	8	Q4
SUB TOTAL		53	
General			
Follow up Reviews		7	Q1 to Q4 inclusive
Advice, Guidance, Consultation, Investigations		3	Q1 to Q4 inclusive
Audit Cttee Support		5	Q1 to Q4 inclusive
Reports & Meetings		5	Q1 to Q4 inclusive
SUB TOTAL		20	
TOTAL CHARGEABLE		111	

Appendix 3

'High' Priority Recommendations reported (2016/17 Reviews)

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
Audit: CARE Scheme 2016/17					
Assurance: Limited					
1	High	<p><u>Accuracy of Data and Reports.</u></p> <p>Internal audit testing found that</p> <ul style="list-style-type: none"> 6 out of the 10 Firefighters shown on the 2006 Pensions Report were new starters who would have only been enrolled into the 2015 CARE Scheme and should therefore have not appeared on the 2006 Pensions Report. Within the current Pensions system in order to add a new starter it is necessary to allocate the record to one of the existing pension schemes and then have an Individual 2015 Care record attached. However it should be noted that contributions were being paid correctly into the 2015 CARE Scheme. Another member of the 2006 scheme should have been shown on the transfer section of the report. 1 out of the 7 Members of the 2006 (Modified) Scheme shown as transferring to the 2015 CARE Scheme meets conditions that they will never transfer into the 2015 Care Scheme. 	<p>That the data being used for reporting is not accurate resulting in possible challenge or legal action leading to financial loss and reputational damage</p>	<p>Hereford and Worcester Fire and Rescue Service need to satisfy itself the checks that are being undertaken between the Payroll data and the Pension data are effective and are providing an effective control that will highlight all exceptions that need investigating.</p> <p>The reporting from the Pensions system needs to be checked to ensure that the information being produced is accurate and can be relied upon.</p>	<p>The Audit identified 2 key problems,</p> <ol style="list-style-type: none"> 1) Mis-understanding of the complexities of movements between the 2006 Scheme the 2006 modified scheme and the 2015 Scheme, resulting in differing treatment on payroll and pensions. These have now been amended and corrected 2) In-correct "flagging" of data within the payroll system meaning that non-comparative data was being reported for comparison. These have now been amended. <p>To ensure future compliance 2 changes have taken place:</p> <p>1 The Pensions provider has undertaken enhanced report writer training to allow production of more useful reports</p>

		<ul style="list-style-type: none"> A comparison of Pension System Reports and Payroll System Reports showed some differences that could not be easily explained. 			<p>2 Audit exercise is to be rerun internally on an annual basis.</p> <p>Responsible Manager:</p> <p>Temporary Pensions Manager</p> <p>Implementation date:</p> <p>On-going</p>
Audit: Safeguarding 2016/17					
Assurance: Limited					
1	High	<p><u>Assessment of Risk Exposure.</u></p> <p>There is a lack of evidence of an assessment of the overall risk exposure of the Service in terms of Safeguarding. For example there has been no formal assessment of the exposure risks of open days, home visits etc.</p>	Where areas of possible exposure are not identified there is an increased risk that mitigating actions are not put in place increasing the risk that exposure occurs. Such exposure leading to reputational damage.	A full overall assessment of the risk that the fire service is exposed to in relation to Safeguarding involving any activity where there is the potential for a one to one with children or vulnerable adults should be undertaken and recorded.	<p>Action: implement recommendation.</p> <p>Responsible Manager:</p> <p>Area Commander – Community Risk</p> <p>Implementation date:</p> <p>June 2017</p>
2	High	<p><u>Safeguarding Awareness Training.</u></p> <p>The review found:</p> <p>There is no reference to Safeguarding in current induction processes for either operational or non operational staff.</p> <p>The Service's Operational Policy under risk critical information states that all HWFRS Personnel who come into contact with adults and children as part of their working duties will receive appropriate Safeguarding training. However testing</p>	Employees are unaware of the Service's current policy and procedure in relation to Safeguarding and of their role in it potentially leading to an increased risk that employees are unable to identify and report the signs of abuse, or other safeguarding concerns, when undertaking their	<p>Hereford and Worcester Fire and Rescue Service to review the training requirements in relation to Safeguarding Awareness and develop a policy that covers legislation and best fits the needs of the service. This policy to include but not be limited to:</p> <ul style="list-style-type: none"> Uniformed and non uniformed induction 	<p>Action: implement recommendation.</p> <p>Responsible Manager:</p> <p>Head of Corporate Services</p> <p>Implementation date:</p> <p>To be confirmed when new post holder appointed.</p>

		<p>found that there is no record of safeguarding awareness training having been undertaken for the following categories of employee within our samples;</p> <ul style="list-style-type: none"> • New Staff – No relevant training record for 12/12 (7/12 being Retained Duty System Fire Fighters); • Existing Staff – No relevant training record for 8/8 of staff with roles involving non office based activities (Technicians and Safety Advisers); • Lay Instructors – No relevant training record for 8/8; • YFFA Activity Attendees – No relevant training record for 10/13; • Home Visits – No relevant training record for 21/46; and <p>Safeguarding is not currently included as a mandatory course on the Competency and Training Record. Therefore the only training records relating to safeguarding are those maintained by the Central Training Unit. These records relate to formal training sessions undertaken by the Unit. The last such formal session was held in 2014. There is no record of safeguarding awareness training for employees commencing employment since 2014.</p> <p>The Policy also requires refresher training to be undertaken every three years. Testing of those individuals in the sample that had a recorded Safeguarding training date found that the majority of these dates were more than three years ago.</p>	<p>duties. This could potentially lead to an increased risk that such abuse continues along with reputational damage to the Service.</p>	<p>processes to include reference to safeguarding policy and procedure.</p> <ul style="list-style-type: none"> • Safeguarding awareness training for employee roles that require working in the community to be mandatory and included on the Competency and Training system where appropriate. • An E-learning solution to be considered for Safeguarding awareness training, recording and monitoring for the training of new employees and for the provision of regular refresher training of existing staff and Lay Instructors. 	
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3	High	<p><u>Monitoring of Young Fire Fighters Association.</u></p> <p>There are currently no formal processes in place for the regular monitoring of compliance with safeguarding policy by the Young Fire Fighters Association.</p> <p>Testing around DBS records and records of safeguarding awareness training during the review found examples of non-compliance with the Service's Safeguarding framework.</p> <p>For example our testing of 13 attendees at summer camp and /or selected evening drills found that :</p> <p>2/13 had no record of DBS and one was no longer a Lay Instructor; of the remaining 10 attendees for which a renewal was required for 8/10 of these their DBS had not been renewed in the last three years; and</p> <p>10/13 had no record of having received safeguarding awareness training.</p> <p>Our testing of a list of 10 Lay Instructors provided by Community Risk found that 7/8 had a DBS on record (one being an applicant and not in receipt of a DBS at time of review) but that of these 2/7 of the sample for which a last DBS record was found the date of last DBS was over three years old.</p>	<p>Where monitoring of compliance of third parties with the Services' Safeguarding policies and procedures does not take place there is an increased risk that any non compliance goes unidentified potentially leading to increased occurrences of Safeguarding concerns and associated reputational damage.</p>	<p>Processes should be devised to allow for the regular monitoring of third party compliance with the Service's Safeguarding policy and procedures.</p>	<p>Action: implement recommendation.</p> <p>Responsible Manager: Area Commander – Community Risk</p> <p>Implementation date: March 2018 – working towards reviewing procedures in the meantime.</p>
end					

Definition of Priority of Recommendations

Priority	Definition
High	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. Immediate implementation of the agreed recommendation is essential in order to provide satisfactory control of the serious risk(s) the system is exposed to.
Medium	Control weakness that has or is likely to have a medium impact upon the achievement of key system, function or process objectives. Implementation of the agreed recommendation within 3 to 6 months is important in order to provide satisfactory control of the risk(s) the system is exposed to.
Low	Control weakness that has a low impact upon the achievement of key system, function or process objectives. Implementation of the agreed recommendation is desirable as it will improve overall control within the system.

Definition of Audit Opinion Levels of Assurance

Opinion	Definition
Full Assurance	<p>The system of internal control meets the organisation's objectives; all of the expected system controls tested are in place and are operating effectively.</p> <p>No specific follow up review will be undertaken; follow up will be undertaken as part of the next planned review of the system.</p>
Significant Assurance	<p>There is a generally sound system of internal control in place designed to meet the organisation's objectives. However isolated weaknesses in the design of controls or inconsistent application of controls in a small number of areas put the achievement of a limited number of system objectives at risk.</p> <p>Follow up of medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
Moderate Assurance	<p>The system of control is generally sound however some of the expected controls are not in place and / or are not operating effectively therefore increasing the risk that the system will not meet its objectives. Assurance can only be given over the effectiveness of controls within some areas of the system.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
Limited Assurance	<p>Weaknesses in the design and / or inconsistent application of controls put the achievement of the organisation's objectives at risk in many of the areas reviewed. Assurance is limited to the few areas of the system where controls are in place and are operating effectively.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
No Assurance	<p>No assurance can be given on the system of internal control as significant weaknesses in the design and / or operation of key controls could result or have resulted in failure to achieve the organisation's objectives in the area reviewed.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>

Report of the Head of Corporate Services

Organisational Development - Equality and Diversity Review

Purpose of report

1. To provide an update on the findings of an independent review of Equality and Diversity in the Service and to outline steps being taken to address key points and recommendations.
-

Recommendation

It is recommended that the findings and recommendations set out in the Equality and Diversity Review be welcomed and incorporated within an action plan being developed as part of the forthcoming People Strategy.

Introduction and Background

2. Members will be aware that responsibility for Equality and Diversity now sits with the Audit and Standards Committee. In light of this, at the last meeting Members requested an update on the independent review of Equality and Diversity carried out by The Wisdom Factory CIC (Community Interest Company) on behalf of the Service's Organisational Development (OD) Group. The OD Group, led by the Head of Corporate Services, is currently examining key areas of the equality agenda including organisational culture, equality objectives and workforce development. This is being drawn together into an overarching People Strategy and action plan.
3. The review is a central component of this overall approach helping to set a baseline for integrating the Service's commitment to promoting equality and diversity into day-to-day work.
4. The areas examined and the findings of the review are set out in The Wisdom Factory CIC report 'Equality and Diversity Review' dated March 2017 attached as Appendix 1 to this report.

Undertaking the Review

5. Throughout February 2017, two members of The Wisdom Factory CIC (both of whom are highly experienced equality and diversity practitioners) conducted a review of the Service against the Leadership, Partnership and Service Commitment element of the national Fire and Rescue Service Equality Framework. The Equality Framework is a self-assessment toolkit developed by the Local Government Association and the Chief Fire Officers Association to support fire services in assessing their work on equality.

6. The team considered the full range of relevant Service documents, conducted telephone interviews with a broad spectrum of staff and facilitated two focus groups held at Service headquarters. They also undertook an equality data monitoring exercise to establish the current employment position.
7. Their report considered two main areas; Employment Monitoring, which identified eight recommendations, and Framework Review, which has identified 16 recommendations. In addition, the report also highlights a number of helpful themes in relation to organisational culture and experience, which emerged through the interviews and focus group meetings.

Findings and Recommendations

Employment Monitoring

8. In examining the employment position, full year data from 2015-16 was examined. The report sets out data relating to the number and proportion of staff in terms of gender, ethnicity, disability, age, sexual orientation and religion and belief. It also notes instances of grievances and disclosure, and comments on how data is collected and reported. Finally, it suggests there are similarities in relation to the national picture across the fire and rescue service as a whole.
9. Key themes emerging from the research identified the following:

Recruitment	The majority of applications are from men (65%). 90% of applications for retained positions are male.
Applications for promotion	Of 47 applications: <ul style="list-style-type: none"> • all identified as White British, • two identified as female, • six identified as disabled, • none identified as LGB (Lesbian, Gay, Bisexual).
Black and Minority Ethnic (BAME) representation	While the Service attracts a strong number of job applications from the BAME community, they are underrepresented in the number of staff in post.
Formal Grievances	Disabled members of staff raised three out of the six formal grievances this year.
Age	65% of the current workforce sit within the age brackets 36-45 and 46-55.
LGB	Less than 1% of the workforce identify as LGB.
Ethnicity	A large proportion of job applicants prefer not to state their ethnicity.
Disclosure within the workforce	No employees declined to state their disability status or age, and ethnicity disclosure is very high. However, over half declined to disclose their sexual orientation or religion.

10. Full details are set out in the report at Appendix 1. There were eight specific recommendations in relation to employment monitoring, which were set out under the heading of Equality Monitoring and Data Collection. They are a mix of practical actions and suggested improvements to monitoring activities and are detailed below:

1	Consider a review of the terminology and range of options in the data forms.
2	Consistently provide a 'prefer not to say' option for all characteristics in data collection processes and monitor those responses. This may indicate characteristics which still attract stigma and act as barriers to an open and respectful culture.
3	Add gender reassignment, marriage/civil partnership and pregnancy/maternity to the full data collection and reporting processes or otherwise ensure there is a mechanism to monitor these protected characteristics.
4	Consider why non-disclosure rates are disproportionately high for ethnicity at the job application stage and for sexual orientation and religion among the workforce. This may require reflection on a 'it's no-one's business but mine' belief and consideration of the benefits of an open-minded and trusting workforce.
5	Amend the data collection process to ensure collection and analysis of successful and unsuccessful applications for employment and promotion by reference to protected characteristics in order to further evidence commitment to the public sector equality duty. We know, for example, that this year 11% of job applicants were from the BAME community but what was the conversion rate? What proportion was offered a job compared to other ethnicities? If certain protected groups were disproportionately failing in recruitment stages, it is important to know this and consider the impact of issues like unconscious bias.
6	The new regular reminder to staff to keep their data up to date is positive. Consider monitoring the response rate by retained staff who may not have the same levels of access to the office and may need a facilitated time to do this to demonstrate the importance of this exercise. Consider clearly articulating the benefits of disclosure, reflecting our communities and having accurate data.
7	Check that the current I.T systems are being fully utilised to their full reporting capabilities.
8	Evaluate staff's understanding of disability in its true broad terms using training and surveys. Also, seek to combat myths and unnecessary fears by exploring opportunities internally and in recruitment to demonstrate real life examples of adjustments which the Service has implemented to support disabled staff.

Framework Review

11. The review considered six main areas under the Equality Framework heading and identified 16 recommendations that would help advance the equalities agenda. Summaries of each area considered are set out below followed by the related recommendations.

Leadership	<p>The Service's values offer a public commitment to diversity and inclusion. There are many valuable initiatives and campaigns which undoubtedly benefit minority groups, including older and disabled people. There seems to be a firm and widespread commitment to seeking data-sharing arrangements to optimise all opportunities to identify people 'at risk' and to find new and innovate ways to support them.</p> <p>Vulnerability overlaps with equality but they are not the same.</p> <p>A clear and transparent equality strategy would allow the Service to expand upon its values, by agreeing a shared vision for the Service internally and for the way in which it provides services to the community and setting achievable objectives. This would help the Service demonstrate that the leadership understands the importance of equality and inclusion to employees, the different equality needs of local communities and give clear direction to everyone at all levels in the organisation.</p>
Local Vision and Priorities	<p>A lot of good work is being done by individuals who are passionate about serving the community and particularly vulnerable people. There are programmes emerging or in existence which target specific groups identified as a local priority. Confidence levels in established processes like signposting and Home Fire Safety Checks are high. Many people are leading on new strategic partnerships to deliver Services differently to meet local needs in light of shrinking budgets. Knowledge of local 'at risk' groups is also strong.</p> <p>Interviewees and focus group participants struggled to articulate a clear 'shared vision' across the two counties with partners. There was a perception that most initiatives are responsive rather than part of a clear plan. This may not be the case and, if it is not, this is a communication issue not a strategy problem.</p>
Corporate Policies and Processes	<p>There is some suggestion that the equality impact assessment processes lack teeth. They are often criticised in organisations for being a 'box ticking' exercise. Their true value is only seen when they do their job and identify a positive or negative impact on a vulnerable group. For them to do their job, the person performing or overseeing them needs to have a sufficient knowledge about differing needs of groups and barriers.</p> <p>The annual employment data monitoring exercise is an important corporate process for reflecting on equality and diversity and evidencing commitment to the public sector</p>

	<p>equality duty.</p> <p>The consistent messaging around 'vulnerable groups' in corporate documents is strong. A concerted effort to identify and communicate the Service's 'equality story' with reference to specific minority groups into future documents would be very powerful in advancing the equalities agenda.</p> <p>Levels of confidence in the Signposting and Home Fire Safety Checks processes appear high.</p> <p>Staff seem empowered to create partnerships and suggest initiatives to better support community groups. Confidence levels to make advances on the equality agenda <i>inside the Service</i> were not so high with some anxiety expressed about how this might affect career progression. The Organisational Development group members all nominated themselves to get involved and support policy-making which is very positive. The interest in a positive action group also demonstrates commitment from current staff to improve diversity within the Service. It is important that these groups are provided with training so they continue to feel empowered, to ensure their input is based on sound and knowledgeable foundations and to create a legacy impact by sharing this expertise in their day to day work.</p>
Meeting the Public Sector Equality Duty (PSED)	<p>The Service has devised and published equality objectives in line with its PSED. It is accepted that, to date, there has been a low level of monitoring and scrutiny. The absence of references to the duty in corporate documents and strategies suggests that, to date at least, they have not been consciously valued. This is echoed by the fact that no-one in the two focus groups - staff who are engaged in equality matters – could identify one of the Service's equality objectives.</p> <p>Some processes are really becoming more robust eg by using an expert provider for the Wyre Forest consultation to secure contact with members of the community from all protected characteristics.</p> <p>There is no strategy as yet around equality and diversity so this presents an opportunity to reflect on what the workforce and leadership will/could look like in ten years time and what interventions are needed both practically and culturally to achieve this.</p>
Monitoring and Scrutiny	<p>It appears that there has been a great deal of reflection this year about the Service's general approach to equality and diversity. The Equality and Diversity group was disbanded and the Organisational Development group</p>

	was established with cross-Service representation. The idea to move this group so it reports to the Audit and Standards Committee would be valuable if it results in more robust scrutiny of the equalities agenda (which is currently quite 'gentle'). The positive action group was also placed on hold this year whilst opportunities are explored to clarify its terms of reference and give it more powerful strategic direction.
Effective Communication	<p>There is a lot of evidence of effective communication mechanisms. The Service clearly empowers staff to get involved and implement an idea which is intended to support and reach out to the community.</p> <p>The Communications team have a strong channel of communication internally and a range of external channels to share messages. Strategic direction on equality priorities both in the Service and in the community would allow all staff to make a powerful additional impact through clear and consistent messaging about the Service's equalities agenda.</p>

12. The associated recommendations suggest ways of embedding equality and inclusion into the organisational culture and into ways of working, so that there is a clear, shared vision and measurable objectives driving the strategy forward. They are as follows.

1	Consider developing, in consultation with staff and community groups, an Equality and Inclusion Strategy which demonstrates the importance placed on equality and diversity by the organisation and its leadership.
2	Identify who should lead the equality and diversity agenda from both a behavioural and practical/expertise perspective.
3	When promoting initiatives and activities, carefully communicate who they seek to target or support in order to avoid suggestions of 'wooly' policies.
4	Review equality impact assessment processes against their purpose.
5	Identify the Service's equality messages (and language that reinforces this) and take steps to ensure this is integrated in all future corporate documents.
6	Vehicles for staff to influence policy should be promoted and broad cross-sections of staff should be encouraged to get involved to seek fresh perspectives on an evolving issue.
7	Staff groups charged with influencing and monitoring equality policy and outcomes need robust training.
8	The revised equality objectives (required under public sector equality duty) need to be taken through a process which is grounded in evidence and results measurable objectives.
9	Take steps to ensure all policies consciously consider the equality objectives so that the Service can begin to openly embed them in strategy and in staff's minds.

10	All protected characteristics should be considered in equality matters but this is particularly required under the public sector equality duty.
11	Improving data collection processes on protected characteristics will enable the Service to identify differing impacts on different groups, help evidence fulfilment of the public sector equality duty and potentially identify gaps in delivering to certain groups.
12	Use vehicles such as the Organisational Development group and positive action group to explore opportunities for fostering good relations and utilise internal and, crucially, external communication channels to promote activities.
13	Continue to explore the reporting and scrutiny process for activities which advance the equality agenda eg is the Organisation Development group the right vehicle and, if so, are its recommendations and outputs being scrutinised thoroughly and by the right people?
14	Review the extent to which the public is approached in setting (and challenging progress on) the equality objectives.
15	Ensure any equality and diversity strategy involves clear direction on communication, both internally and externally.
16	Seek out opportunities to evaluate access to internal and external communication channels by minority groups in order to take steps to mitigate potential barriers.

Organisational Culture and Experience

13. In analysing equality and diversity matters within the Service, the team noted a number of themes highlighting concerns that people may have in relation to equality issues. Examples include a concern about saying or doing 'the wrong thing' and making sure that equality presentations and training are not just a 'tick box' exercises. There was also a view that the organisational culture could be more open and trusting, which would be a more supportive environment for people to feel comfortable in disclosing their characteristics.

Conclusion/Summary

14. The Equality and Diversity Review is an important piece of independent research and evidence. It has highlighted many actions that can be taken to help embed the equalities agenda within the Service and throughout the workforce. A key action proposed is the development of an Equality and Inclusion Strategy, which would both complement existing strategies and address responsibilities under the Equality Act 2010. The strategy would require a clear vision with measurable and achievable objectives, and would need a process for monitoring success and ensuring accountability and scrutiny.
15. It is proposed that each recommendation and each theme or concern identified should be fully considered and incorporated in a comprehensive action plan, which is currently being drawn together alongside the development of a new People Strategy. Actions are expected to be delivered over a three year timetable to 2020.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	N/A
Strategic Policy Links (identify how proposals link in with current priorities and policy frameworks and if they do not, identify any potential implications).	The Equality and Diversity Review is an important contribution to the developing equalities agenda. Its findings and recommendations will be considered and incorporated into an action plan being drawn together alongside the preparation of a new People Strategy.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	N/A
Consultation (identify any public or other consultation that has been carried out on this matter)	The Service's Organisational Development (OD) Group commissioned the independent review, which included interviews with a broad spectrum of staff and two focus groups. The OD Group will continue to have oversight of the proposed actions.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	As an independent review, an EIA is not required at this stage, but one would be prepared once any new strategy is proposed. The Review makes recommendations across the whole equality and diversity spectrum. In particular, it recommends the development of an Equality and Inclusion Strategy, which would help to address responsibilities under the Equality Act 2010.

Supporting Information

Appendix 1 – Equality and Diversity Review, The Wisdom Factory CIC, March 2017

Background Information

Fire and Rescue Service Equality Framework, published by the LGA and CFA

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Hereford and Worcester Fire and Rescue Service

Equality and Diversity Review

March 2017

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Summary

You asked us to look at one element of the Equality Framework (Leadership, Partnership and Service Commitment) but ultimately to be mindful that this review was to prioritise issues within the workforce over the community.

There is a strong sense of determination by staff to help vulnerable people and protect everyone from harm irrespective of background or needs. This positive commitment has been a pleasure to experience. The next step is to shine a light on minority statuses and educate everyone that seeing the colour of someone's skin or talking openly about one's sexuality is not a bad thing. In fact, it's better than a leaning towards 'not seeing difference'. This is how inequalities are identified and challenged.

Shifting this passion for serving the community into a new direction which consciously *asks* all staff to take note of equality issues and minority statuses - not just thinking about 'vulnerability' and 'fairness' - would be a major step forward on the equalities agenda.

Overall, the Service should consider developing an Equality and Inclusion Strategy which complements existing strategies but specifically addresses its responsibilities under the Equality Act 2010. This will pull a lot of work already in place together in a cohesive way but will also provide a mechanism to identify possible gaps in service delivery and in barriers to making the workforce more diverse and open.

A lot of people are doing a lot of good of their own initiative. However, there is always a risk that these individuals could leave the Service and all that hard work might be lost. A clear equality strategy to embed the initiatives in the Service and make it part of everyone's role mitigates against that risk.

Some may say an equality strategy would be just another 'tick box' exercise. This shouldn't be the case if it is produced thoroughly with a clear vision and measurable and achievable objectives. The strategy should identify a process for monitoring success of the objectives and make reference to accountability and scrutiny. A subtle but powerful impact of a strategy is the opportunity it presents to change the language being used and this, in itself, is educational and consciousness-raising.

In this review, we believe that where staff may appear to have been critical of the Service's equality agenda it demonstrates that they care very deeply about facilitating change. Everyone who has volunteered or agreed to help with this review has given up a lot of time and shown great commitment to this review being a catalyst for powerful changes. They are a credit to the Service.

Methodology

The review has been carried out by two members of The Wisdom Factory CIC, a non-practising solicitor and a psychotherapist. Both are highly experienced equality and diversity practitioners and between them have personal or professional experience of the fire service.

Throughout February 2017, in reviewing the Service against the equality framework, the team reviewed all documentation provided to them, conducted telephone interviews with a broad spectrum of staff and facilitated two focus groups at your Headquarters.

The equality data monitoring exercise has been performed on the basis of data collected by the Service and with the support of HR.

The following should be noted:

- Factual statements and statistics sourced from publicly-available documents have been accepted as accurate;
- Interviewees' responses on issues/themes within their professional area of experience or expertise have been accepted as accurate;
- Telephone and/or face to face contact has been made with most members of the Organisational Development group;
- Access to specific interviewees was proposed by the Service or by us following on from emerging themes.
- The team has spoken to several members of staff via informal channels of communication with an assurance of total anonymity.

Although our role was not to 'critique' them, we have accessed the following documentation:

- Fire Authority Annual Report 2015/16
- Ethical Framework and Code of Conduct
- Community Risk Management Plan 2014-2020
- Community Risk Strategy 2017-2020
- Policy & Resources Committee minutes
- Ethical Framework (powerpoint presentation)
- Organisational Development group: Terms of Reference
- Organisation Development group minutes (8 December 2016)
- Communication Review final report 2016
- Samples of Service bulletins (3 February 2017 and 10 February 2017)
- Exit Questionnaire template
- Template Impact Assessment Form
- Equality & Diversity Advisory Group minutes 2014-16
- Equality Scheme Assurance Statement by EDAG (2014)

We would like to thank all members of staff involved in this review, who have been extremely helpful, approachable and honest in facilitating this exercise.

Employment Monitoring

Data Analysis Assumptions

- 'USAR – On call' data relates to people with secondary roles so, as they appear twice in the data, they have been disregarded in compiling this report.
- Unless otherwise stated references to the present position relate to the data from 2015/16.
- All data was collected by Hereford & Worcester Fire and Rescue Service

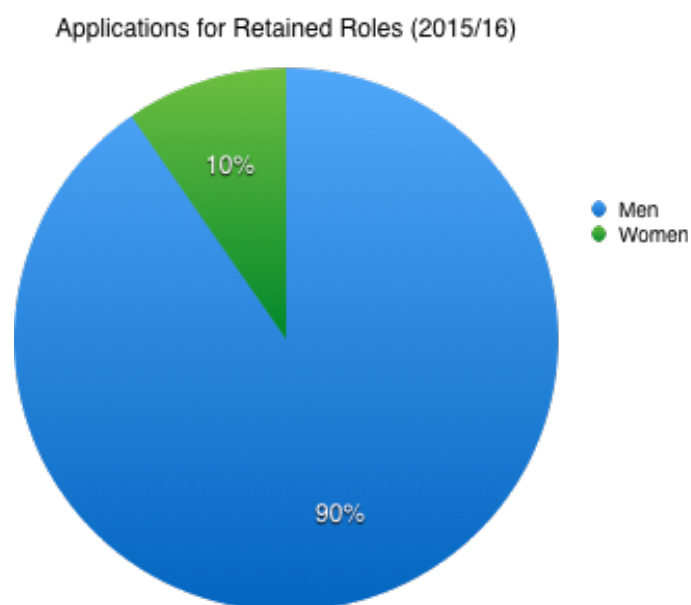
Key Themes to Note

1. In terms of recruitment, the majority of applications are from men. Notably 90% of applications for retained positions are male.
2. Of the 47 applications for promotion this year, two identified as female, all as White British, six as disabled and none as LGB.
3. The Service attracts a strong number of job applications from the BAME community but they are underrepresented in the number of staff in post.
4. Disabled members of staff raised three out of the six formal grievances this year.
5. Sixty-five per cent of the current workforce sit within the age brackets 36-45 and 46-55.
6. Under 1% of the workforce identify as LGB.
7. A large proportion of job applicants prefer not to state their ethnicity. However, disclosure rates of the actual workforce are very high.
8. No employees this year declined to state their disability status or age, but over half declined to disclose their sexual orientation or religion.

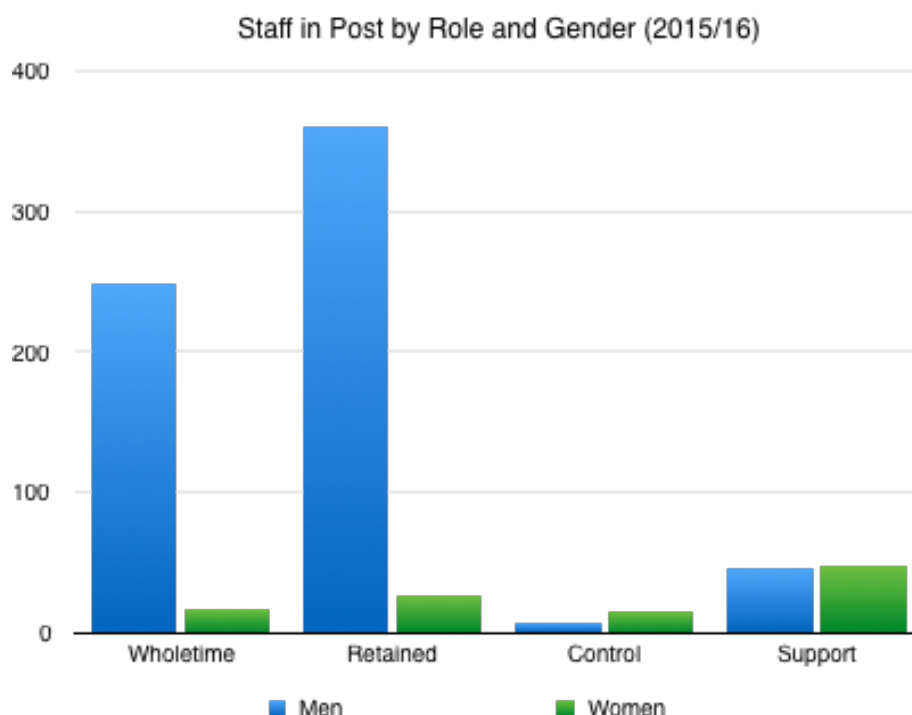
Gender

Sixty-five percent of all employment applications are from men. Breaking this down into the types of positions being applied for:

1. The number of applications for fire control positions is relatively fairly split between men and women.
2. There is a disproportionately high number of men applying for retained positions (90%) and support roles (58%).
3. There has been no increase in applications from women for retained roles over the last two years, but the number of applications from men increased by 49%.
4. The number of applications for support roles nearly doubled this year. Applications for these roles increased by 72% for men and by 123% for women.



In terms of staff in post, 40% of women work in operational roles compared to 92% of men. From a resourcing perspective, given the increasing emphasis on retained firefighters it should be noted that 93% identify as male.



Of the 47 applications for promotion this year all but 2 were from men. However, this is unsurprising given the vast majority of those applications related to wholetime positions which are predominantly performed by men.

Almost all the staff who left wholetime and retained positions this year were male but, again, it should be remembered that men are disproportionately represented in operational roles in any event. The ‘gender split’ of those leaving the support roles was more proportionate.

Eighty-three percent of staff who left the Service this year were men. The most common reason recorded for men and women leaving the service this year was resignation (57% and 65% respectively). The second most common reason for men leaving was retirement.

Five of the seven formal disciplinary cases and four of the six grievances this year involved a male member of staff.

Given the disproportionately low number of women in the datasets it is difficult to identify possible themes or trends for women in more detail.

Ethnicity

In the 2011 census, Herefordshire¹ and Worcestershire² estimated that it has a relatively small (6-8%), but growing, Black, Asian and Minority Ethnic (BAME) population; compared to around a 20% the national average. The White British community makes up 92-93% of the counties’ population which is higher than the national level (80%). Conversely, the White Irish and White Other communities make around 0.5% and 2.5-4% of the counties’ population which is slightly lower than the national average.

Of the 540 job applicants this year, 80% described themselves as White British, 11% as BME, 3% as White Irish or White Other and 7% chose not to disclose. Given the BAME community is believed to have grown

¹ <https://factsandfigures.herefordshire.gov.uk/about-a-topic/population-and-demographics/ethnicity>

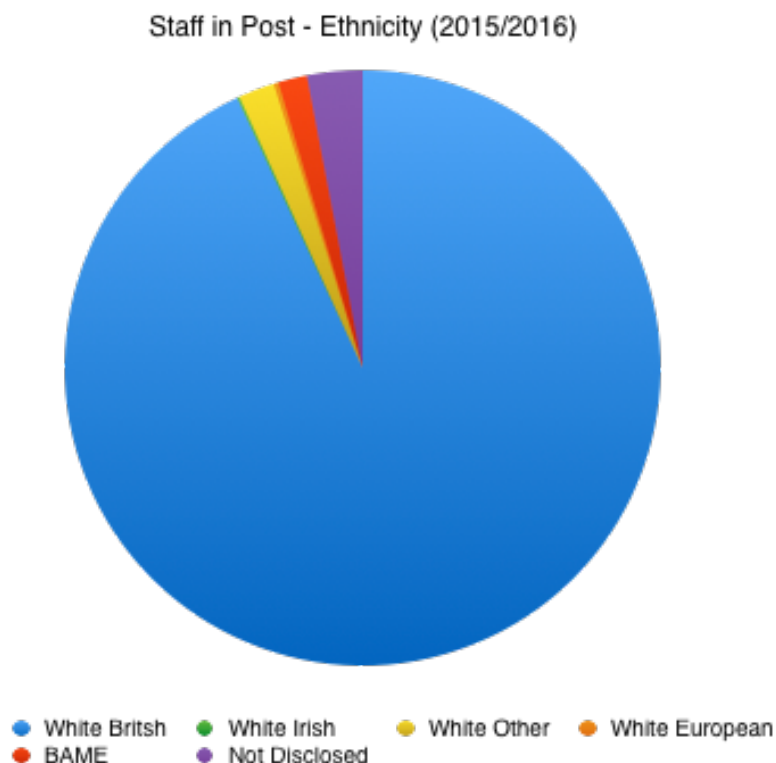
² file:///Users/sarahrennie/Downloads/worcs_demographic_report_Census__2011.pdf

since the 2011 Census, these figures seem to reflect the Hereford and Worcester community. The data doesn't, at present, allow us to analyze ethnicity by reference to stations/communities.

The Service doesn't record the success rate of applications by reference to ethnicity. However, it is perhaps fair to say that the rate may not be proportionate if this year's 'in post' data is maintained. For example, 11% of job applicants identified as BAME but only 1.5% of staff in post did so. Of course, only next year's 'in post' figures can be used to really judge this year's applications.

Turning to staff in post, 93% describe themselves as White British, 0.1% as White Irish, 2% as White Other, 1.6% are from the BAME community and 3% chose not to disclose. This suggests that the BAME and non White British communities are under represented in the current workforce.

All 47 applications for promotion this year were from staff who identify as White British.



Of those who left the service this year, 93% were from the White British community. The number of members of staff leaving, the reasons cited for doing so and the numbers of disciplinary, grievance and harassment cases seem to be proportionate to the ethnic diversity of the workforce.

Disability

In the 2011 Census, 19% of Herefordshire³ reported a limiting long-term health problem or disability and 18% of Worcestershire⁴ reported experiencing longterm health problems which limit daily activities a little or a lot. This generally reflects the national level of 18%⁵.

Disabled people make up nearly 6% of all job applicants this year. It is possible that there may in fact be higher numbers of disabled applicants and employees than reflected in the data. Firstly, it is very common for disabled people not to identify as such either because they do not fully understand the definition of disability under the Equality Act 2010 and/or because they don't consider their impairment to be a disability. Secondly, there may be some stigma around disclosing a disability given traditional stereotypes about mental 'strength' and fitness expectations.

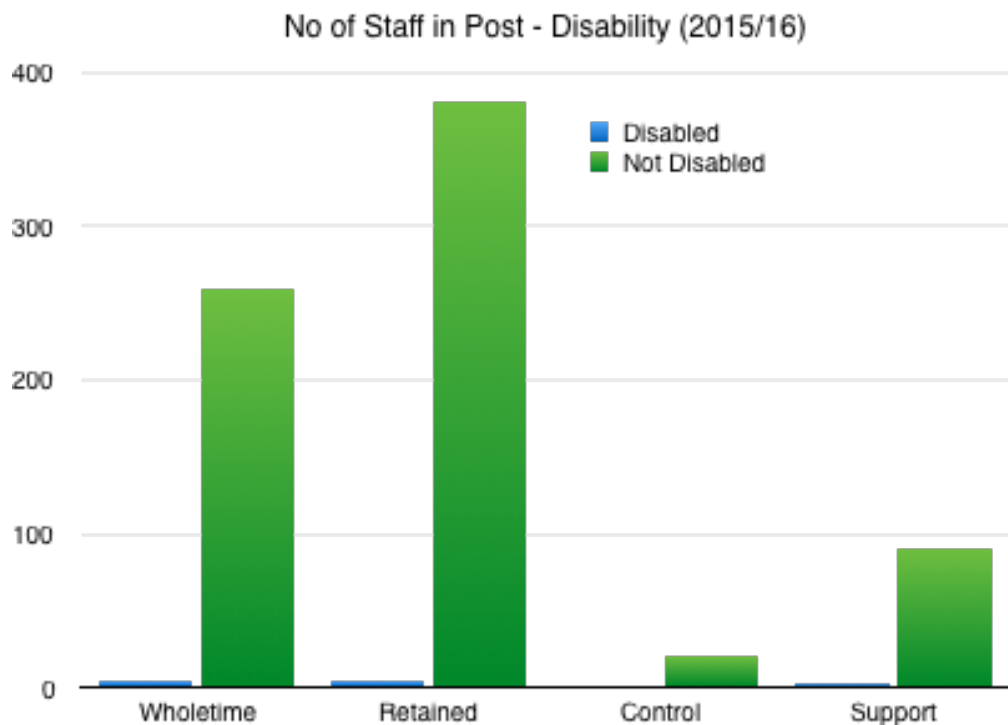
Of the 30 applications from self-identifying disabled people, 8 were for retained roles, 3 for control and 19 for support positions.

³ https://factsandfigures.herefordshire.gov.uk/media/16074/2011census-hfds_key_statistics_summary.pdf

⁴ "Worcestershire Demographic Overview 2013" Worcestershire Public Health Intelligence Team (2013)

⁵ ONS - Census 2011

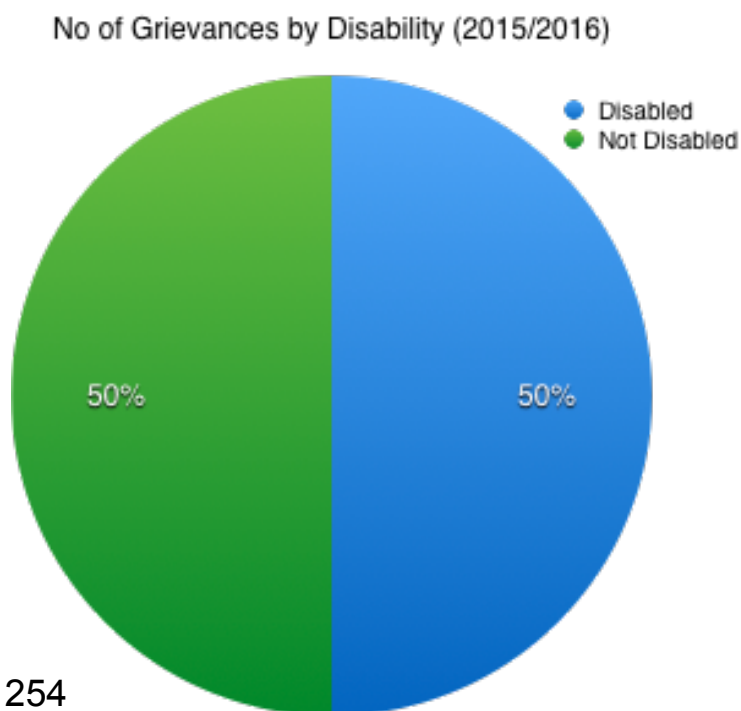
Of all 780 employees in the current workforce, 14 members of staff (1.8%) consider themselves to be disabled which is considerably lower than the regional and national level. Of these, 10 are in operational roles and four are in non-operational roles.



Of the 47 applications for promotion, six were from disabled members of staff and related to wholetime positions.

Seven of the 100 members of staff who left the Service this year were disabled. This appears to be a disproportionately high in light of the number of disabled staff in post. The most common reason for leaving among disabled members of staff was “resignation” in a virtually identical proportion to the all ‘leavers’ irrespective of disability.

There were no formal disciplinary or bullying/harassment investigations cases against disabled members of staff this year. However, three of the six formal grievances raised were made by disabled employees. Irrespective of whether these grievances were upheld, this over representation by disabled members of staff should be noted.



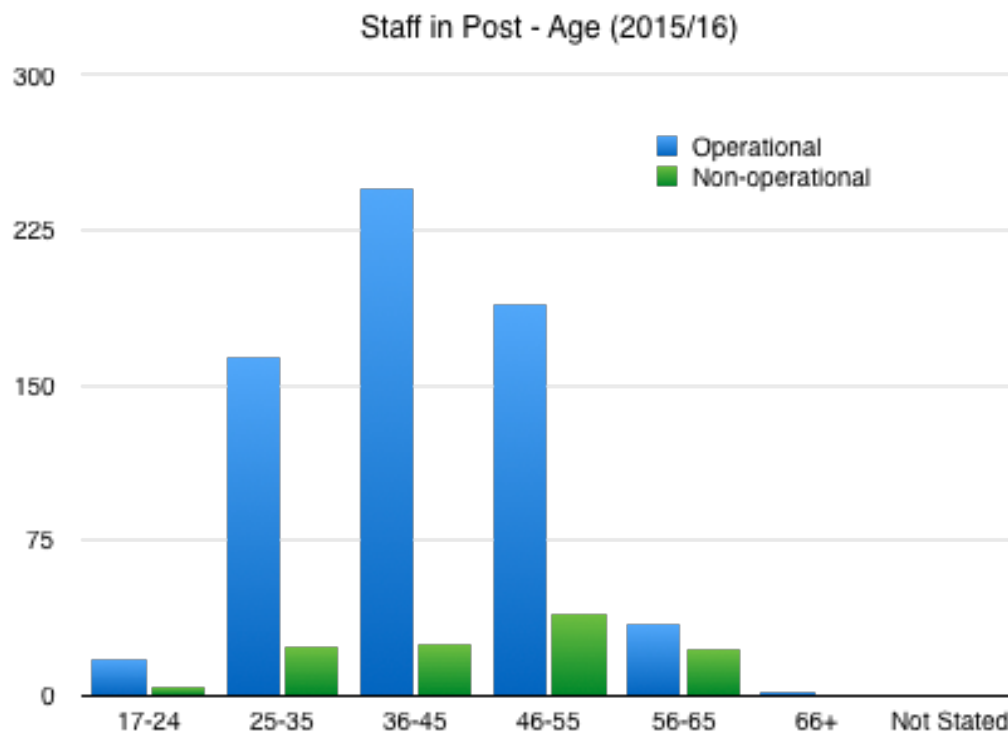
Age

Herefordshire has an older age structure than England and Wales as a whole, with 23% of the population aged 65 years or above (43,900 people), compared to 18% nationally.⁶ It also has a lower proportion of younger working age adults (16 to mid-forties) compared with England and Wales and a higher proportion of older working age adults (mid-forties to 64). Similar themes were identified in the 2011 Census for Worcestershire⁷.

This year, 71% of applications for retained positions, 75% for control positions and 55% for support positions were from applicants aged 17-35. Eighty percent of applications from people aged 36 and over were for support roles. Given that the counties have an older population compared to national average, the job applications are still heavily represented by people under 35 but this is perhaps, for similar reasons to disability, to be expected given the nature of the service and associated attitudes around expectations.

Looking at the current workforce:

- 65% of staff are in the age brackets 36-45 and 46-55.
- The third most common age bracket is 25-35.
- Eleven per cent of the workforce is over 56 years old.
- Ninety percent of wholtime firefighters are aged 36-55.
- The age demographics of retained firefighters is slightly more evenly spread with 36% aged 25-35 and 30% aged 45.
- The age of staff in control and support positions are fairly even spread from age 25 to 65.



Given the age demographics of the current workforce, it is perhaps unsurprising that all but one of the applications for promotion were from staff aged 25-55 and 82% of those that left the Service were aged 25-55. The reasons for leaving have been generally proportionate across the age groups except (unsurprisingly) retirement which was more commonly cited in the older age bands. The disciplinary and grievance casework is generally proportionate to the age demographics of the workforce.

⁶ <https://factsandfigures.herefordshire.gov.uk/about-a-topic/population-and-demographics/population-overview.aspx>

⁷ http://www.worcestershire.gov.uk/download/downloads/id/1626/demographic_report_-_census_2011.pdf

Sexual Orientation

It is estimated that between 1.5%⁸ and 9% of the population are lesbian, gay or bisexual (LGB).⁹

This year 3.5% of job applicants to the Service identified as LGB.

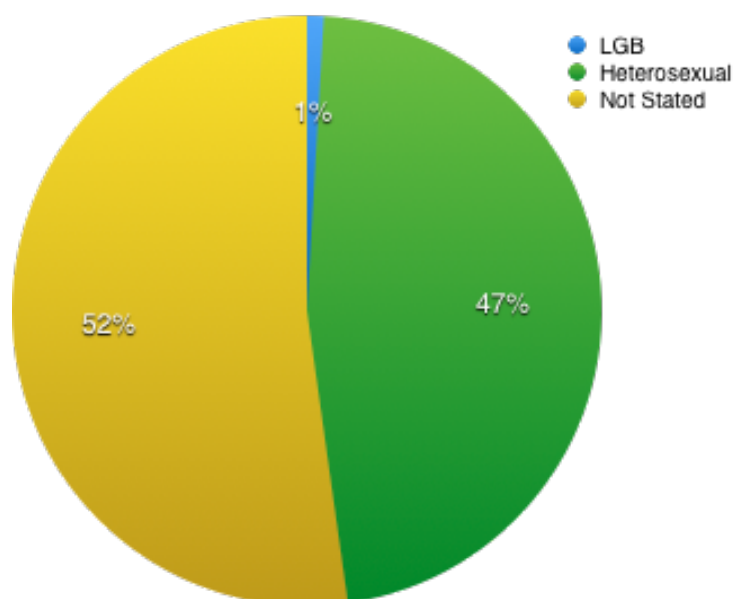
Under 1% of the workforce identifies as LGB and none of these members of staff applied for promotion this year.

Only one person out of the 100 people who left the service this year identified as LGB.

One of the six people who raised grievances this year identified as LGB which is disproportionately high in relation to staff in post.

One of the most important themes relating to sexual orientation is disclosure (see "Disclosure" page 11).

Staff in Post - Sexual Orientation



Religion and Belief

In both Herefordshire¹⁰ and Worcestershire¹¹ the largest proportion of people (68%) report Christianity as their religion, which was slightly higher than the 59% national level. Twenty-three per cent stated they had no religion, 0.3% identified as Buddhist, 1-2% as Muslim and 7-8% did not state a religion.

The largest proportion of job applicants this year identified as Christian (40%), followed by those that did not describe themselves as religious (39%). After those who preferred not to disclose (14%), the fourth largest group were Muslim applicants (4%).

Twenty-nine per cent of the workforce describes themselves as Christian which is disproportionately lower than the region. Eighteen per cent described themselves as having no religion. Fifty per cent preferred not to state their religion which is considerably higher than the regional proportion. There are no members of staff who describe themselves as Hindu and five who are Muslim, Sikh or Jewish.

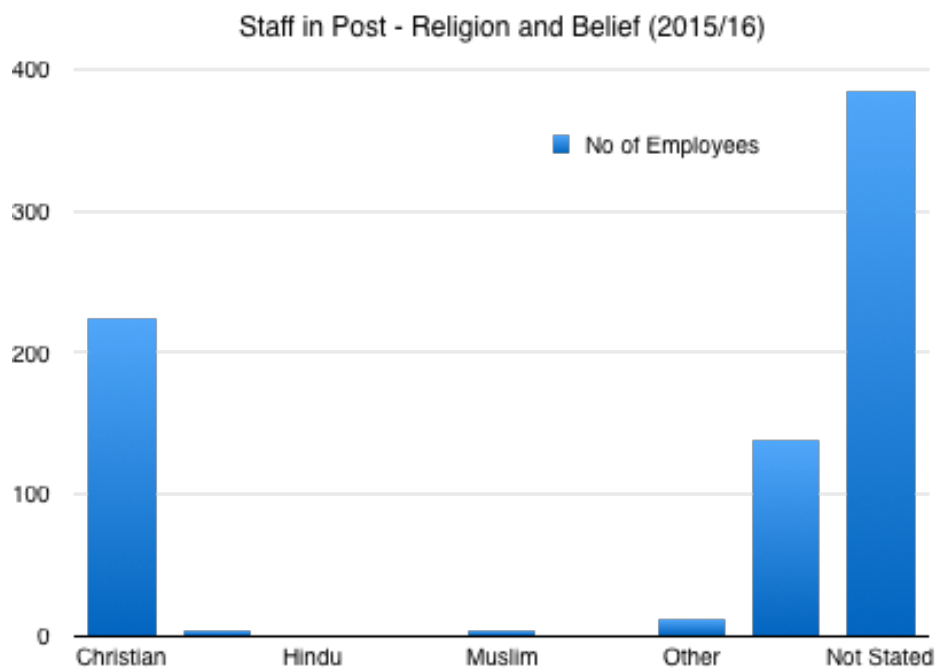
The religious identities of those that left the Service this year are not entirely proportionate to the current workforce; 62% were Christian, 34% were not religious and 4% preferred not to say. The largest proportion who resigned (45%) and six out of nine of those who were made redundant preferred not to provide their religious status.

⁸ Sexual identity, UK, ONS (2015)

⁹ YouGov (2015)

¹⁰ https://factsandfigures.herefordshire.gov.uk/media/16071/2011census_ks_profile_hfds.pdf

¹¹ 2011 Census: Religion, local authorities in England and Wales (ONS)



Four out of seven disciplinary cases and four out of six grievances this year involved a person who preferred not to state their religion.

Like sexual orientation, a key theme for religion and belief is disclosure (see below).

Grievances

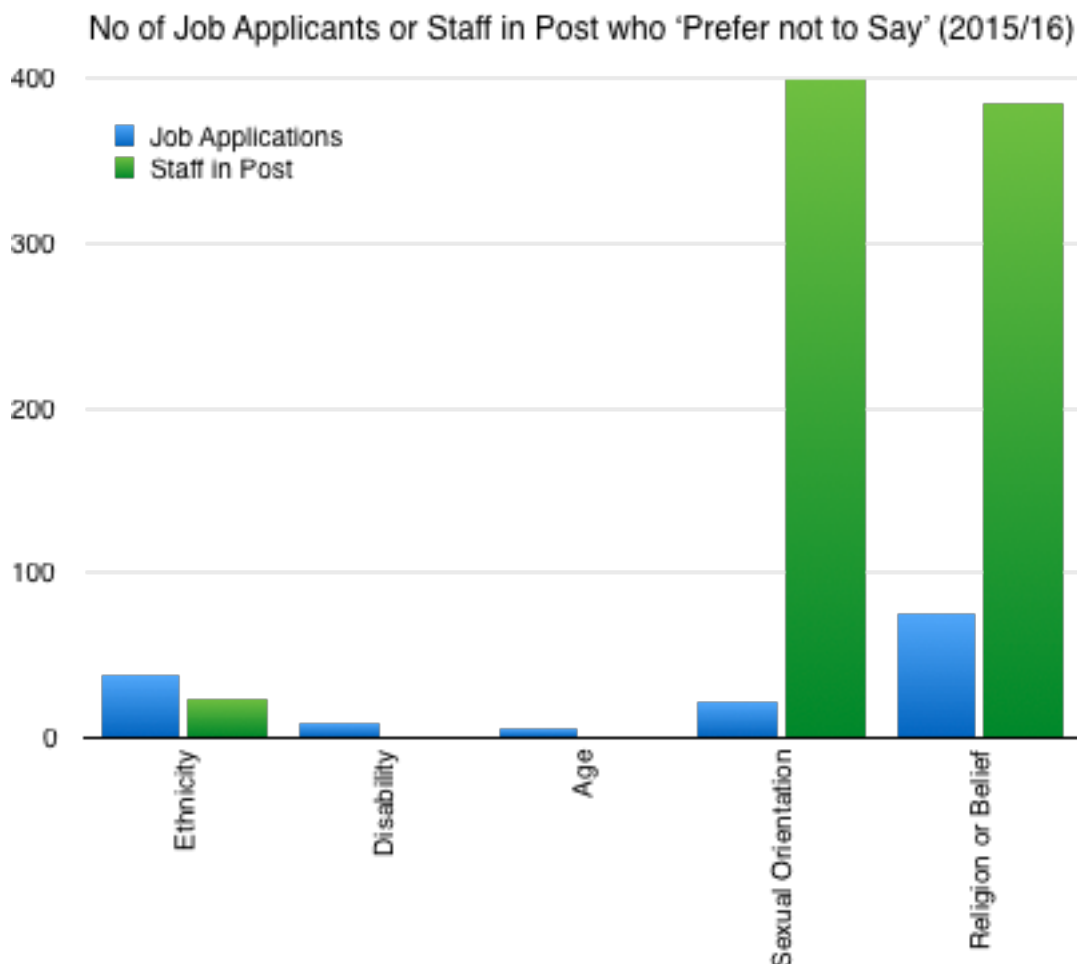
There was a notable level of political minority status involved in the six people who raised grievances this year. Two identified as female, three as disabled and one as LGB. It is important to monitor this issue.

Disclosure

Of all job applicants this year, 44% preferred not to state their ethnicity and 14% their religion or belief. In all other aspects of identity, non-disclosure rates were under 5%.

Positively, the non-disclosure rate on ethnicity is significantly lower among the *actual* workforce with only 3% preferring not to state their ethnicity. Also, no employees this year declined to state their disability status or age.

However, 53% and 51% declined to provide their sexual orientation and religion respectively as part of the E%D characteristics data collection processes. This seems very high.



Collection and Reporting

Job applicants provide their own equal opportunities monitoring data via the online form on West Midlands Jobs recruitment portal when they submit their applications. Given the third party nature of this step, it is difficult to gauge its accessibility and applicants' experiences if they do have difficulties.

When an applicant is confirmed as successful, a candidate pack is created from WM Jobs and handed over to the HR team to place onto HR Connect. The data is placed onto the profile of that person and the form is destroyed. For staff in post, in January 2017 an e-bulletin asked all staff to check and update their data on their personal profile via the intranet. Whilst this sort of 'prompt' has been irregular in the past, we understand that January marked the first occasion of a regular reminder which will occur every 6 months.

Collecting and analysing this data is an important way of demonstrating compliance with the public sector equality duty. It is therefore imperative that data is collected across all nine protected characteristics. At present, data on the following protected characteristics is limited as follows:

- Gender reassignment: data is not collected;
- Marriage or civil partnership: data is collected but not monitored;
- Maternity and pregnancy: data is not collected in a way which could be easily reported on as part of E&D characteristics data monitoring exercise. We understand that this issue would be dealt with on a case by case basis and in line with the Pregnancy & Maternity Guidance document.

The terminology for equality data monitoring via the forms on the intranet is in places a little limited and could be more progressive. For example, you would expect to see an 'other' category for gender and sexual orientation and it would be appropriate to refer to 'dual heritage' ethnicity options. A progressive stance on this and a shift away from traditional attitudes (eg a binary approach to gender) sends a positive message to political minorities in the workforce and is, in itself, an education exercise about diversity.

Turning to promotions, the recruitment team manually extract equality data from applications and record this on an excel spreadsheet. The tracker informs where the employee is in the process. On a separate tab, the team keep a 'tally' of the E&D data received. This is summarised data which doesn't follow the employee through the process. Like job applications, it is not possible to report on the E&D characteristics of successful/unsuccessful applications. This means the Service cannot analyse the conversion rates based on protected characteristics and makes it harder for the Service to demonstrate it is meeting its Equality Duty without the data as evidence. For instance, we know that this year the applications for control positions was fairly evenly split between men and women, but the Service cannot report whether the successful candidates was equally proportionate on gender. Starting to capture this may result in reassurance or impetus to exploring recruitment barriers including unconscious bias.

When staff leave the Service, the recruitment team monitor statistics by running a report via HR Connect. The reason (by category) for the staff member's departure is inputted manually. When analysis needed on casework (eg grievances raised or disciplinary cases) the HR team use HR Connect to identify the staff members' E&D characteristics confidentially.

National Joint Council - Cultural and Behavioural Survey

Last year the National Joint Council led a piece of work to assess the current position of the Fire and Rescue Service on equality, diversity and cultural matters and this involved survey responses from 45 FRSs. This concluded that:

- The majority of the workforce is over 40 years old;
- 95% of firefighters are male and 70% of control specific roles are performed by women;
- 96% of retained firefighters are male;
- 5% of personnel in firefighting roles and 3% in fire control role are from Black Asian and Minority Ethnic communities;
- Women and BAME personnel are underrepresented in managerial roles
- 91% of respondent FRAs were able to evidence their public sector equality duty documentation and policies

Looking at the national picture is helpful but it is important to remember that each FRS serves and employs staff from different communities. Hereford and Worcester Fire Service seems to experience the same imbalances as the collective FRS (particularly on gender and age) but the proportion of staff from the BAME community is a little lower than the national average.

Recommendations

1. Consider a review of the terminology and range of options in the data forms.
2. Consistently provide a 'prefer not to say' option for all characteristics in data collection processes and monitor those responses. This may indicate characteristics which still attract stigma and act as barriers to an open and respectful culture.
3. Add gender reassignment, marriage/civil partnership and pregnancy/maternity to the full data collection and reporting processes or otherwise ensure there is a mechanism to monitor these protected characteristics.
4. Consider why non-disclosure rates are disproportionately high for ethnicity at the job application stage and for sexual orientation and religion among the workforce. This may require reflection on a 'it's no-one's business but mine' belief and consideration of the benefits of an open-minded and trusting workforce (see 'Disclosure: Being our 'Whole Self' at Work', page 34).
5. Amend the data collection process to ensure collection and analysis of successful and unsuccessful applications for employment and promotion by reference to protected characteristics in order to further evidence commitment to the public sector equality duty. We know, for example, that this year 11% of job applicants were from the BAME community but what was the conversion rate? What proportion was offered a job compared to other ethnicities? If certain protected groups were

disproportionately failing in recruitment stages, it is important to know this and consider the impact of issues like unconscious bias.

6. The new regular reminder to staff to keep their data up to date is positive. Consider monitoring the response rate by retained staff who may not have the same levels of access to the office and may need a facilitated time to do this to demonstrate the importance of this exercise. Consider clearly articulating the benefits of disclosure, reflecting our communities and having accurate data (see 'Disclosure: Being our 'Whole Self' at Work', page 34).
7. Check that the current I.T systems are being fully utilised to their full reporting capabilities.
8. Evaluate staff's understanding of disability in its true broad terms using training and surveys. Also, seek to combat myths and unnecessary fears by exploring opportunities internally and in recruitment to demonstrate real life examples of adjustments which the Service has implemented to support disabled staff.

Framework Review

Leadership

In addition to committing itself to the National Fire & Rescue Service's values, the Service has developed a unique set of values:

- To value innovation, change and learning
- To value its people
- To value diverse communities
- To value the Service

The second value includes working in an "inclusive way" and respecting and seeing "difference as a strength". The third value refers specifically to serve all parts of the community, recognising diverse needs require diverse solutions and removing barriers to entry and seeking true diversity to reflect the community. The Service's commitment to equality and diversity is documented in the Ethical Framework and Code of Conduct. This is publicly available and is introduced/signed by the Chairman and Chief Fire Officer. The values are also clearly communicated in the Annual Report, which, again, is introduced, by the Chairman and Chief Fire Officer.

When asked in the focus groups 'who leads on equality and diversity?' positively several participants took the view that all staff must take responsibility for this issue. This view reflects the Ethical Framework which makes clear that "each individual has a unique contribution to make whilst upholding these values" (para 2.2.6) and encourages all staff to "demonstrate leadership by exhibiting the Service's values and embodying its culture" (para 5.2).

At a Fire Authority and service leader level, the Assistant Chief Fire Officer is the most senior lead. He is the Senior Management Board (SMB) sponsor of this review and report. In addition, the Head of Community Risk and Training and Head of Corporate Services are on the Senior Management Board (SMB) and play a crucial role in identifying vulnerable communities and developing policy.

The Policy and Resources Committee (PRC) deal with all matters relating to the development of strategic policy, financial management, assets, staffing and performance. The PRC receive reports on equality and diversity matters from the Organisational Development group.

Strategically speaking, there have been one or two senior people named as well respected champions of diversity. As they have not been openly or formally identified and promoted as ambassadors for equality matters, it would be inappropriate to name them here. The main mechanism for driving the equality and diversity agenda and challenging inequalities is the relatively new Organisational Development working group, chaired by the Head of Corporate Services. 'On the ground', managers are expected to deal with any inappropriate behaviour via formal and informal disciplinary mechanisms as inappropriate.

Leaders, and indeed staff at all levels, are very alert to and knowledgeable of vulnerable and at risk groups. The Chief Fire Officer is a member of strategic partnership groups for Herefordshire and Worcestershire. Whilst representing the Fire Service, the partnerships with other local leaders facilitate a collective contribution to equality matters. An example of this is the use of data to improve the safety of vulnerable groups. The Service is part of a pilot scheme in Worcestershire which focuses on five themes for improving outcomes for vulnerable people and involves the sharing of data and providing an element of funding. The Head of Corporate Services and Head of Community Safety are also members of other strategic groups locally for at risk groups eg WODA.

Analysis of the history of a random sample of existing equality initiatives suggests that quite often targeted work is initiated by Heads of Department or individual stations.

The Head of Community Risk is doing some important work with the four local Clinical Commissioning Groups in an attempt to secure agreement for the Service to provide additional value and support during

Home Fire Safety Checks. This sits with the development of 'Safe and Well' visits, an idea being explored and noted in the Community Risk Strategy.

Summary

The Service's values offer a public commitment to diversity and inclusion. There are many valuable initiatives and campaigns which undoubtedly benefit minority groups, including older and disabled people. There seems to be a firm and widespread commitment to seeking data-sharing arrangements to optimise all opportunities to identify people 'at risk' and to find new and innovate ways to support them.

Vulnerability overlaps with equality but they are not the same.

A clear and transparent equality strategy would allow the Service to expand upon its values, by agreeing a shared vision for the Service internally and for the way in which it provides services to the community and setting achievable objectives. This would help the Service demonstrate that the leadership understands the importance of equality and inclusion to employees, the different equality needs of local communities and give clear direction to everyone at all levels in the organisation.

Local Vision and Priorities

The main documents which capture the Service's commitment to equality, along with partners, are:

- The Ethical Framework and Code of Conduct
- The Community Risk Management Plan 2014-2020
- The Community Risk Strategy 2017-2020
- The Annual Report(s)

The Annual Report briefly analyses the key characteristics of the various districts. From an equality and diversity perspective, the commentary is generally limited to affluence and age. The breakdown of demographic information in the Annual Report¹² could include a breakdown of minority groups/protected characteristics in the area to show a consistent interaction with equality and diversity. However, it does outline some key partnership initiatives which relate to an equalities agenda:

- The **Signposting** initiative which, in conjunction with partners, connects people to services that can provide them additional support and assistance. Last year the Signposting service received over 1,000 referrals for Home Fire Safety Checks for "at-risk" members of the community. Out of these referrals the Service connected people to additional services leading to over 200 further requests for extra help.
- The Service is a member of **Community Safety Partnerships** across the two counties, pooling information to link the emergency services with other support agencies such as social services, primary care trusts, housing association and voluntary organisations such as Age UK and Mind. In the last year, work has included water, road and fire safety as well as supporting the health inequalities agenda.
- Working with the Chief Fire Officers Association (CFOA) and other fire and rescue services in the region, the Service assesses **NHS data** in order to access important information on elderly people likely to have health issues and be more at risk of fire.
- The Service's **volunteering model** has been shared with Warwickshire Fire and Rescue Service and its signposting and partnership working models were shared with a number of charities including Age UK and the British Red Cross.
- Crew members from Bromsgrove fire station were involved in making and screening a new film to raise people's awareness about recognising the signs of **early onset dementia** in young people. The film called The Shout, featured a firefighter with dementia and highlighted some of the early warning signs to look out for that can be easily missed in a younger or middle-aged person.
- In January 2016, the Service signed up to the national **Mind Blue Light Pledge** to promote mental health awareness in the workplace and tackle the stigma about speaking openly about it. This initiative aims to ensure the Service is aware of the need to support the mental health of crews. It is supported by additional guidance for managers and action plans, which review key policies such as sickness, capability and stress management. Within the Annual Report¹³ the indication is that the pledge is related to both workplace and community mental health, however, the internal discussions undertaken have suggested this is specifically an internal promotion.

The Community Risk Strategy 2017-2020 is a new policy document which seeks to demonstrate the organisation's commitment to improving the safety, health and wellbeing of the community. It identifies five priorities for prevention and seeks to support the Community Risk Management Plan (CRMP). The document does not make any specific reference to equality but "vulnerable people" are highlighted in two priorities: "to reduce the number of accidental fires in the home" and "to improve the health and wellbeing of the people in our area".

In interviews and the focus groups, staff were able to discuss partnerships and initiatives in place which serve either staff, the community or both. Knowledge of these initiatives and partnerships was strong. The police, NHS, Mind and Age UK and Local Authorities were identified as key partners.

¹² Annual Report, page 8

¹³ Annual Report, page 54-55

It was understood that some initiatives stem from mandatory relationships such as the Community Safety Partnerships. Exploratory work with the local Clinical Commissioning Groups is hoped to lead to innovative new ways of working which address the needs of 'at risk' communities. Other initiatives, like "The Shout" film, evolve from internal motivation or seizing opportunities that arise. Focus group participants did not appear to be confident on how they would highlight a potential opportunity for internal initiatives, however, operational staff were more confident about making outward-facing community partnerships as and when they became aware of a local need.

It is difficult to see from an external perspective which specific communities are considered to be high risk. They are not identified in the Community Risk Management Plan or the Community Risk Strategy, although references to 'vulnerable groups' as a catch-all term is, of course, made in most documents.

Information is gathered to identify 'at risk' groups using:

- Incident and activity data (both national and local)
- Learning reflections from professional judgement and research works
- Use of risk modelling techniques

Neither focus group were able to name any specific "equality priorities", although reference was made to vulnerable groups within the community and so was a sense of striving to work in a way that is 'fair to everybody'. There was some confusion over whether there were any localised equality priorities and the participants in both groups became notably more confident discussing vulnerable/'at risk' groups and how they were supported by operational staff. When asked, the focus groups identified 'at risk' groups as:

- People who live alone
- Elderly people
- People living in areas of deprivation
- Those with physical or mental disabilities
- Those with substance abuse problems
- Young people who aren't in mainstream education
- Young children
- Older teenagers
- Migrant communities (particularly during periods of seasonal farm-based work).

Two people in the focus groups said "we lack knowledge on who our community is". Conversely, some staff were confident that the Service knows its community well and are responsive to its needs. An example was given of working with local caravan site communities to support them understand risk factors in the setting. There was also a concern that when internal systems such as Mosaic and MARAC meetings do not highlight potential vulnerable communities that they may 'fall through the net.'

Focus group members consistently had robust knowledge of vulnerable groups which were considered 'at risk', however there was difficulty expressed around the idea of engaging with communities when they were asked to think specifically about those with protected characteristics (under the Equality Act 2010).

Vulnerability and protected characteristics overlap but are not the same.

The Head of Corporate Services perceives that the Service has tried very hard with limited success at securing partnership organisations to sit on strategic groups within the Service in a more long term arrangement in order to shape local vision and set priorities. The partnership arrangements for specific initiatives are however very strong. The Communications team are keen to explore 'hard to reach' groups (see Effective Communication, page 29).

Interviewees in senior roles openly perceive that the Service probably isn't utilising the existing equality objectives in planning and policy at this present time.

Focus group participants discussed confidence about operational staff interacting with members of at risk groups and using the signposting system. This supports the Annual report's¹⁴ reflection on community partnerships for community gain. However within the Annual Report there were no reflections on working in the community with a focus on issues of equality.

¹⁴ Annual Report, page 34

There does not appear to be a cohesive structured process for vulnerable communities or those from protected characteristics groups to be involved with shaping local vision and setting local priorities. Although several interviewees and focus group participants suggested that staff interacting with the public are committed to with being helpful and to signposting wherever possible to support a person considered to 'vulnerable'. Formal consultation exercises, using an expert external provider, carefully secure contact with people from the full range of protected characteristics but anecdotally interviewees have raised concerns about the accessibility and inclusion of a few public meetings. Sadly, numerous individuals stated that they did not believe public-facing staff were conscious of potential issues when dealing with a minority group member through lack of knowledge and training.

When considering whether equality objectives are reflected in local strategic planning, there was little knowledge from staff members on whether this is happening. Two interviewees referenced a localised priority to hire more women in the fire service and one individual mentioned a localised effort to consider how to encourage minority ethnic communities to apply for operational positions. A common thread across both focus groups and interviews was a sense of equality objectives being 'wooly'. This is a shame because there is clearly positive hard work going on but it is not being presented to staff as part of an 'equality agenda'. This has the effect potentially of unintentionally devaluing the Service's commitment to equality and diversity. Several interviews suggested that it was difficult to have conversations about the equality and minority groups (internally and externally) as staff are worried about 'saying the wrong thing' or getting into trouble (see page 33). Numerous focus group participants and interviewees referenced a belief that equality priorities were a 'box ticking' exercise that were in place to safeguard the organisation not change behaviour.

Interviewees have not been able to identify whether or to what extent communities have been involved in shaping vision and setting priorities, other than through representation of interests via partner organisations eg charities.

There is definitely evidence of shared objectives with key stakeholders and partners to improve the health and wellbeing and reduce risk of harm to certain groups eg older people. It has been difficult to identify a single coherent shared vision with partners for equality generally and across all protected characteristics.

Turning to resourcing, clearly the Service is experiencing the challenge of meeting needs in light of financial pressures. Despite this, many interviewees did not perceive funding to be the key barrier to pushing forward with an equality agenda and two were very confident a budget could always be secured for valuable targeted work. More strategically, there is evidence of allocating resources to deliver a shared equality vision via the time and financial contribution being made to a pilot scheme in Worcestershire which focuses on five themes for improving outcomes for vulnerable people including data.

As the equality priorities are not publicly set out, it is difficult to see how the Service can be seen to monitor and evaluate performance against this. This is similar to the lack of robust monitoring of the Service's unique equality objectives (see 'Meeting the Public Sector Equality Duty', page 24. However, there is no doubt that evaluation is being performed on broader partnership programmes.

The Service is exploring many new partnership arrangements, such as bidding for providing a patient discharge service in collaboration with Age UK and seeking to collaborate with Worcester University's undergraduate occupational therapists to provide much needed support to older people and people with dementia. The arrangements are not yet in place so outcomes cannot be assessed.

Summary

A lot of good work is being done by individuals who are passionate about serving the community and particularly vulnerable people. There are programmes emerging or in existence which target specific groups identified as a local priority. Confidence levels in established processes like signposting and Home Fire Safety Checks are high. Many people are leading on new strategic partnerships to deliver Services differently to meet local needs in light of shrinking budgets. Knowledge of local 'at risk' groups is also strong.

Interviewees and focus group participants struggled to articulate a clear 'shared vision' across the two counties with partners. There was a perception that most initiatives are responsive rather than part of a clear plan. This may not be the case and, if it is not, this is a communication issue not a strategy problem.

Corporate Policies and Processes

The Service's equality impact assessment process was reviewed internally in 2013. The full Business Impact Assessment Form and equality and diversity guidance notes were implemented in 2014. Operational Support were notified and asked to implement these. An article was placed on the Service Bulletin to communicate this with all staff.

The Equality and Human Rights Commission advises that assessing the impact on equality of policies and practices is an important part of complying with the general equality duty under the Equality Act 2010 (see 'Meeting the Public Sector Equality Duty', page 24). Although the general equality duty does not specify how to undertake these assessments, case law from the previous duties indicates that these assessments should be done before decisions are made and that a written record is useful for demonstrating compliance.

Anecdotally from interviews there is an impression that impact assessments are not routinely and/or meaningfully conducted as an equality and diversity tool. All Fire Authority papers include a section on 'Equalities' under 'Corporate Considerations' and these are publicly available on the website. Several interviewees questioned how much attention this is being given and whether impact assessments are being viewed as a 'tick box exercise' rather than a way of meaningfully influencing processes from the outset.

For many years, recruitment and employment data trends has been monitored annually by HR. The Employment Monitoring Report is provided to the PRC to advise on trends. The Employment Monitoring Reports are published on the Service's website. The style, angle and content of the reports are at the discretion of each report's author and so effective scrutiny is limited. For example, the PRC paper dated 21 September 2016 notes that "progress has been made in increasing the diversity profile of Retained Duty System staff with an increase in representation from female and Black and Minority Ethnic RDS groups". The number of female RDS increased that year from 25 to 26. The definition of "progress" here seems quite subjective.

The employment monitoring reports would benefit from a review of the data collection approach (see recommendations, page 13. Strong knowledge of equality and diversity matters and skills in data analysis must be found in the teams responsible for producing the employment monitoring reports as this is a crucial part of the public sector equality duty.

In addition to quantitative data, a question on staff's experiences of equality and diversity in the exit questionnaires would provide useful qualitative data.

The narrative and integration of the 'equality story' is definitely implied in corporate documents but could be stronger. For example, no reference is made to equality, diversity, inclusion etc in the "Our Strategy" diagram which is promoted in the Ethical Framework and Annual Reports. With reference to the Community Risk Management Plan 2014-2020, the Annual Report identifies activities which contribute to its aims. All areas of section 5 (Organisational Support and Development) have a potential impact on equality and diversity but there is no specific reference to this, the public sector equality duty or the Service's equality objectives. The Annual Report¹⁵ refers to the amalgamation of key strands of 'Health and Wellbeing' and 'Equality and Diversity' in 2016-17. Revising fitness standard and occupational health provision are referenced specifically, however, there is no specific detail on what changes may occur regarding equality and diversity. There is also no mention of the public sector equality duty in the Community Risk Strategy.

A key process for supporting and delivering accessible services is the signposting process and performing free Home Fire Safety Checks. All feedback we received and discussion in the focus groups suggested that these processes are very embedded in the Service. Colleagues immediately influential in this process work closely with and identify partners and seek feedback to check people 'don't fall through gaps'. The Annual Report notes that last year the signposting service received 1,226 referrals for Home Fire Safety Checks for the more vulnerable members in our communities and out of these referrals the Service then connected people to additional services which led to a further 1,663 requests for extra help to keep people safer in their own homes.

¹⁵ Annual Report, page 72

Whilst levels of confidence in and knowledge of these processes are very high, in terms of direct engagement in the community interviewees expressed a lack of confidence around appropriate etiquette with different minority groups eg disabled people or people of different faiths. One person explained how they valued an introduction made by a colleague to a local Mosque and the positive outcomes of this relationship. Another person enthusiastically told us about how a training session on domestic violence led to a deeper understanding of how women from different ethnic backgrounds experience different barriers to accessing support. Both interviews felt that these valuable opportunities for providing more inclusive services are limited.

In terms of how policies and processes are developed, all Service Policy/Instructions are developed by area commanders with their teams. These then go out to consultation internally via the SMB and representative bodies for 21 days. After feedback has been considered, the SPIs are taken to the SMB with a recommendation and a decision is made on whether to adopt it. There does not appear to be a particular stage for scrutiny by reference to equality and diversity (involving the community or experienced representatives) although it is assumed that an impact assessment will be considered.

A Positive Action Steering Group was established in March 2014 by a group of staff who were enthusiastic about improving inclusion and diversity within the Service. Several valuable initiatives were implemented as a result including open days to attract female firefighters. The terms of reference of this group are under review at the moment (along with recruitment) and this consciously coincides with the performance of this review and the development of the People Strategy. It is advised that any revised terms of reference include emphasis on the public sector equality duty and all protected characteristics. Gender is clearly an issue in recruitment, but also note that all 47 promotion applications this year were from people who identify as White British. It might be valuable for the group to take an active role in scrutinising the employment monitoring data and gain a deeper understanding of the 'make up' of the Service rather than focus on personal interests. It may also be extremely valuable for the group to champion an awareness-raising initiative about raising disclosure rates on staff's religion and sexual orientation data (see 'Disclosure: Being our 'Whole Self' at Work', page 34).

Numerous focus group participants were motivated to find ways to create a different impression of the Fire Service and encourage new recruits from groups not traditionally engaged (in their opinion) such as women and people of minority ethnic background. It was noted that those responsible for recruitment are experiencing tough challenges recruiting retained firefighters at all, let alone considering attracting applications from underrepresented groups. It is important that this challenge is acknowledged appropriately otherwise there is a risk that resentment for positive action initiatives could develop.

The consideration for exploring the option of part time contracts for retained firefighters in order to encourage more female applicants is an important example of positive action to improve staff diversity and reflect the community. One interviewee was keen to point out that initiatives to attract under represented groups, eg single parents, is important but that the Service must reflect on whether the systems and culture is ready to develop in order to support and retain any new recruits.

Turning to input into policy, when draft or emerging policies are shared internally for consultation, including SPIs, generally staff's interests would be represented by representative bodies and the public via the elected members.

Another vehicle for influencing policy on equality and diversity is the Organisational Development group, tasked by an Organisational Development Board, which is led by the Assistant Chief Fire Office. All 15 members (with the exception of three) volunteered to become part of the group. The Assistant Chief Fire Officer and Head of Corporate Services task the Organisational Development Working Group and provide the PRC with updates as appropriate. This is a very real way for staff to influence the equality agenda.

Other groups staff can be involved in to make an impact include "Health, Fitness and Wellbeing" (an outcome of which included identifying a new occupational health provider), Joint Consultative Committee and the soon to be established ICT review group.

Summary

There is some suggestion that the equality impact assessment processes lack teeth. They are often criticised in organisations for being a 'box ticking' exercise. Their true value is only seen when they do their job and identify a positive or negative impact on a vulnerable group. For them to do their job, the person performing or overseeing them needs to have a sufficient knowledge about differing needs of groups and barriers.

The annual employment data monitoring exercise is an important corporate process for reflecting on equality and diversity and evidencing commitment to the public sector equality duty. See page 13 for recommendations on making this process more robust.

The consistent messaging around 'vulnerable groups' in corporate documents is strong. A concerted effort to identify and communicate the Service's 'equality story' with reference to specific minority groups into future documents would be very powerful in advancing the equalities agenda.

Levels of confidence in the Signposting and Home Fire Safety Checks processes appear high.

Staff seem empowered to create partnerships and suggest initiatives to better support community groups. Confidence levels to make advances on the equality agenda *inside the Service* were not so high with some anxiety expressed about how this might affect career progression. The Organisational Development group members all nominated themselves to get involved and support policy-making which is very positive. The interest in a positive action group also demonstrates commitment from current staff to improve diversity within the Service. It is important that these groups are provided with training so they continue to feel empowered, to ensure their input is based on sound and knowledgeable foundations and to create a legacy impact by sharing this expertise in their day to day work.

Meeting the Public Sector Equality Duty (PSED)

In April 2011, the public sector equality duty (“PSED”) came into force under the Equality Act 2010 (“the Act”). The duty harmonised existing equality duties and extended it across the protected characteristics. It consists of a ‘general duty’ and is supported by ‘specific duties’. In summary, in the exercising its functions, the Service must have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- Advance equality of opportunity between people who share a protected characteristic and those who do not; and
- Foster good relations between people who share a protected characteristic and those who do not.

The Act states that compliance with the duty may involve treating some people more favourably than others. This is where ‘positive action’ comes in.

The equality duty covers the nine protected characteristics.¹⁶

The broad purpose of the equality duty is to integrate consideration of equality and good relations into the day-to-day business of public authorities. If one does not consider how a function can affect different groups in different ways, it is unlikely to have the intended effect. This can contribute to greater inequality and poor outcomes. The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected into the design of policies and the delivery of services, including internal policies, and for these issues to be kept under review.

There are clearly business benefits to the equality duty and the Service recognises these reasons in the Ethical Framework (section 4.3).

Equality data is useful for assessing relevance, setting objectives, planning engagement and for assessing the impact of policies and services on equality and good relations. Collecting and using this information across the Service’s functions will help identify any information gaps and allow the Service to take steps to fill them.

Under the specific duties, public authorities are required to publish information annually to demonstrate compliance with the general equality duty. This information must include information relating to people with protected characteristics who are employees and those who are affected by its policies and practices. All information should be published in an accessible manner. The duty to publish equality objectives was to be fulfilled for the first time by 6 April 2012 and then after that at least every four years. The Commission advises that all objectives should be specific and measurable and stresses that “clear leadership is crucial”.

The Service’s current equality objectives are:

- To continue to embed equality and diversity within all aspects of service delivery and support functions
- To develop partnerships to promote equality

These are published on the Equality and Diversity page of the Service’s website. They are not, however, referenced in the Ethical Framework or training materials which might explain why neither focus group could identify one.

It has not been possible to speak to anyone involved in how these objectives were developed and why. It is assumed that they were drafted by HR, approved by the Equality and Diversity Advisory Group and formally accepted by the PRC.

¹⁶ Public authorities need to have due regard to the need to eliminate unlawful discrimination against someone because of their marriage or civil partnership status but the second two aims of the duty (advancing equality and fostering good relations) do not apply to this characteristic

In 2014 the Equality & Diversity Advisory Group produced a paper¹⁷ for the SMB which included updates on seven actions that sought to advance the two equality objectives. The exercise has not been performed since.

Several interviewees have openly acknowledged that a process for monitoring progress on the Service's equality objectives has not yet been implemented.

The Service is currently developing new equality objectives. These have been developed by the Organisational Development working group. They are being put forward for 'sign off' by the PRC and then will require approval by the Fire Authority.

It is important to note that equality objectives must always be specific and measurable. How will the Service assess whether it has been successful? Each objective is a vision for the future and requires an action plan to identify how the Service intends to achieve them.

In terms equality analysis being part of the planning process, a succession planning exercise was recently performed. This looked at the retirement profile for wholetime staff; age is a protected characteristic under the Equality Act. The Head of Corporate Services has concluded that this now must be broken down to other protected characteristics, such as gender, and look at promotion and learning and development.

Turning to involvement of the public, for the Wyre Forest consultation exercise in 2016, the Service commissioned an external provider to ensure all processes involved engagement and representation from all groups including from the protected characteristics under the Act. Only accessible buildings were used for public meetings.

At the moment, strategy on the equality objectives is limited so resourcing implications will only be assessed on a case by case basis. However, the position of Organisational Development group within Corporate Services provides access to budget and to the SMB for time and leadership. A strategy for the revised equality objectives, alongside the People Strategy, will need to consider how resourcing implications will be assessed.

This review has already identified many initiatives and activities that have a positive impact on various communities which are at high risk. Sadly, evaluation from a PSED perspective is limited as data is only collected on certain protected characteristics, commonly gender, disability and age. Analysis of the impact on different communities by reference to all protected characteristics is therefore difficult to perform.

The Signposting Co-ordinator has not been tasked with reporting or analysing the data by reference to the Act's protected characteristics. Any interventions around this would require the provision of training to understand the needs and barriers of distinct communities.

One aspect of the Service's PSED is to foster good relations between groups. One interviewee recollected two particular activities, one of which was an awareness day with a Mosque to create new and positive relationships with the local Muslim community. This connection was made with the support of an 'outreach worker'. Given there was a common theme in the focus groups and many interviews about 'fear of saying the wrong thing' there is a strong risk that progress on this part of the PSED will always be restricted if staff lack confidence to approach community groups with whom they are unfamiliar (see 'Doing the Right Thing or the Wrong Thing?' page 33).

Finally, the Framework suggests reflection on the diversity of decision makers and what the Service plans to do to improve levels of diversity. 'Equality monitoring' surveys are not performed to assess the diversity of decision makers specifically. However, one interviewee described the Fire Authority as 'older, white and mixed gender' and another pointed out the predominantly 'white male' nature of the SMB. The Service may see the Positive Action steering group as an opportunity to explore the future vision for diversity of the decision makers but this has not been suggested by any interviewees.

Summary

¹⁷ <https://www.hwfire.org.uk/assets/files/equalityobjectivesprogressreport2june2014.pdf>

The Service has devised and published equality objectives in line with its PSED. It is accepted that, to date, there has been a low level of monitoring and scrutiny. The absence of references to the duty in corporate documents and strategies suggests that, to date at least, they have not been consciously valued. This is echoed by the fact that no-one in the two focus groups - staff who are engaged in equality matters - could identify one of the Service's equality objectives.

Some processes are really becoming more robust eg by using an expert provider for the Wyre Forest consultation to secure contact with members of the community from all protected characteristics.

There is no strategy as yet around equality and diversity so this presents an opportunity to reflect on what the workforce and leadership will/could look like in ten years time and what interventions are needed both practically and culturally to achieve this.

Monitoring and Scrutiny

Ultimately the Fire Authority is the decision maker for delivering the equality agenda, under the advice of and via reports from the PRC. In turn, the PRC receive updates from the Organisational Development group. The strategic leads are the Assistant Chief Fire Officer and Head of Corporate Services.

The Organisational Development group's terms of reference state that its purpose is to support and develop staff in line with the Service's values and to deliver the Community Risk Management Plan to provide communities with high quality services. The group's five objectives are:

1. Embedding the Service's values into the organisational culture
2. Development and monitoring of the Service's equality objectives which are embedded into the Community Risk Management Plan
3. Development and monitoring of a Health and Wellbeing Framework
4. Development and monitoring of a Workforce Development Strategy
5. Horizon scanning

There are 15 members of the Organisational Development group, 12 of which nominated themselves to be part of the group. The group has delegated powers from and reports to the Organisations Development Board.

The group have had three meetings since its inception in June 2016. The December 2016 meeting had eight attendees and considered the review of the Service's equality objectives, commissioning this review, feedback from the representative who attended the AFSA conference and the gender pay gap reporting conference and an update on relevant Senior Management Board activities to note eg ICT, health and wellbeing and the communications review.

Elected members are also involved in setting and scrutinising the equality agenda as part of their role on the Fire Authority. Three elected members have taken a particular interest in the equality agenda and representing their constituents from minority ethnic backgrounds. All elected members receive equality and diversity training from their Councils.

In the next financial year, reports from the Organisational Development group are expected to cease going to the PRC and instead will be presented to the Audit and Standards Committee. The Service considers that this intervention will increase the depth and breadth of scrutiny and advance the equalities agenda.

In terms of resources, the Head of Corporate Services is confident that by having the Organisational Development group in that department this provides the equality agenda with better access to resources and support for meaningful work. Turning to funding for targeted (but non-budgeted) equality work in the community, the Head of Community Risk would seek to secure funding via underspends or would be happy to formally approach to the SMB for funding for projects offering powerful returns.

Turning to public scrutiny, the public are involved via formal and informal consultation exercises. The public is also entitled to attend and observe Fire Authority meetings and minutes are available on the Service's website. One interviewee considered that the public are technically represented at Fire Authority level via their elected members.

The Head of Corporate Services noted in our interview that the process of developing the revised equality objectives for the next four years has not yet involved the public but that this might be an important issue to consider.

Progress on equality matters is reported to the public via the Service's Annual Reports. These reports and social media channels are the 'public facing' method of showcasing any good practice. From an internal perspective, reporting is the responsibility of a policy officer in HR and this is actioned via quarterly reports to the PRC and, at a delivery level, via the Organisational Development group. Any teams/individuals who have led on a valuable initiative would be promoted via the staff weekly bulletin.

It appears that there has been a great deal of reflection this year about the Service's general approach to equality and diversity. The Equality and Diversity group was disbanded and the Organisational Development group was established with cross-Service representation. The idea to move this group so it reports to the Audit and Standards Committee would be valuable if it results in more robust scrutiny of the equalities agenda (which is currently quite 'gentle'). The positive action group was also placed on hold this year whilst opportunities are explored to clarify its terms of reference and give it more powerful strategic direction.

Effective Communication

The main formal and informal channels of communication within the Service are watch-based, by department, by role or management level and virtually via the organisation's intranet. The intranet hosts a weekly bulletin which staff are alerted to by email. The Communications team produces the bulletin. This team consists of a Corporate Communications Manager (CCM), a Corporate Communications Officer (CCO) and a graphic designer. The CCM has been in post for 2 years and the CCO post was created in August last year. The CCO edits articles submitted by the different divisions in the Service and leads on creating specific content where necessary.

The bulletin is contained on the intranet in a Word document. We understand that most staff motivate themselves to read the bulletin. The bulletin can be printed off, read out in team briefings and placed on noticeboards but this is down the preferences of each team/station. The Communications team are aware that retained staff may experience barriers to accessing the intranet given the nature of their role (i.e. time and logistics) and expect that managers are mindful of this. The Communications team rely entirely on team managers to notify them if any members of staff struggle to access the bulletin in its current format, eg due to dyslexia, but would strive to make adjustments on request. No requests have ever been made.

There is an ability to monitor the 'click rate' for articles in the bulletin although this is not enabled at present. The levels of actual access of the bulletin by employees is not monitored. At this stage it's therefore difficult for the Service to know who is and is not accessing the bulletin and whether this disproportionately affects certain minority groups in the workforce.

A communications review was conducted in-house in 2015 which explored access to and content of communication. The survey did not collect equality monitoring data so it was not possible to analyse the results by reference to protected characteristics and/or explore whether minority groups are impacted differently.

There are no routine open fora in place for staff and this would be logistically challenging with staff spread out across so many locations. However, open meetings are arranged for staff as deemed necessary eg a briefing on the HQ move. There are also working groups in which staff may participate via self-nomination eg fitness or the Organisation Development Group.

It is generally the responsibility of the Communications team to ensure equality and diversity issues and opportunities are communicated to staff. The opportunity to attend as (and the subsequent attendance of) a Service representative at the Asian Fire Service Association and Women in the Fire Service UK Annual Conference was featured in the staff bulletin. Involvement in these events were not promoted in external communications with the public eg social media. Opportunities to publicly demonstrate the Service's commitment to diversity and inclusion and fostering good relations should always be seized.

Each year, the CCM plots out key events throughout the year in the team's calendar and sets up meetings with relevant project leads to identify external and internal communication needs. The team is small and it can therefore be challenging if they are involved in initiatives at a late stage, although their experiences are improving.

The Service reports that media coverage has increased significantly over the last year. A key reason for this is said to be the proactive efforts of the team and wider Service seeking opportunities. The Service's website, which was relaunched in 2015, attracts around 25,000 'hits' per month (an increase over previous years). This includes an accessibility page which also encourages the public, in nine different languages, to request information in another language if required. It is not known why these nine languages were selected as this pre-dates the current team. No requests for information in another language have been made in the last two years. Visits to the Service's Twitter and Facebook accounts have also increased. Website and social media channels are vital tools to access certain groups protected by the Equality Act 2010 and to advance the Service's equality objectives.

The Service has also developed its YouTube channel. Currently videos include a recruitment video for retained firefighters (in which women are well-represented) and one which raises awareness of early-onset dementia.

The Communications team have not been involved in an exercise to identify and target 'hard to reach' groups but would like the opportunity to do so. It is anticipated that this sort of exercise might align well with any work flowing from the Positive Action group but should ultimately tie in with a wider strategy to identify minority groups.

Images for communications are sourced from an internal bank of photographs. The graphic designer in the team is currently studying for a photography course to increase the bank of images available to the team. It is important to reflect what messages the Service sends out to the community and potential job applicants about diversity through an individual image or the overall impact of multiple images in a single document.

The comments and complaints page on the website is clear and outlines the process including three methods of communicating a response.

The website, Annual Report and CRMP 2014-20 encourages the public to provide feedback or comments directly through a range of communication channels including social media, post and email. The two key documents above offer provision in another language, large print or audio format.

Consultation exercises also encourage dialogue through a range of channels. The Wyre Forest Consultation 2015 document promotes the provision of feedback via questionnaire (in hard copy or online), attending a public meeting or otherwise by telephone, letter, email or social media. Promotion of the exercise was made across a range of media including radio and newspaper which is important for accessing a diverse range of communities. The questionnaire sought to capture respondents' gender, age, disability status and ethnicity. The graphic designer would be happy to amend documents wherever possible (eg font size) on request. There have been no such requests in recent memory. The Service is not currently aware of any 'easy read' suppliers which could be called upon to reproduce its publications if needed.

One focus group participant recalled the lack of level access at a public event at a station in Malvern. A parent with a pushchair carried her child's buggy up the stairs to attend the event. The lack of baby change facilities was also noted by this member of staff. This raises an important issue about environments being inclusive and accessible for both staff and the community. In terms of events like open days, these are organised by the stations and not centrally which is why issues like accessibility may fall through the net. It is understood that Place Partnership should have information on all buildings and levels of accessibility. It might be useful to remind staff, via the bulletin, about organising events, of resources that are available to make them more inclusive and why the Service has to go 'the extra mile' under the public sector equality duty.

Turning to formal procedural matters, the Service's equality objectives are published on the equality and diversity page of its website. The page might benefit from some more information for a member of the public to understand their value and purpose. A link is provided to a paper by which the PRC sought to provide assurance on the Service's progress. The paper is internal, in 'corporate speak' and around two and half years old. This risks sending a message that the equality and diversity agenda is not a live and prioritised issue.

Secondly, we have considered the Ethical Framework. This is available to the public on the website via the equality and diversity page. The document does not state that it is available in alternative formats but it does provide a helpful and clear glossary of a wide range of terms. Future editions of the document might wish to consider the following:

- including case studies and practical examples of reasonable adjustments, positive action, perception discrimination etc;
- Elaborating on what accountability means
- Signpost staff to handbooks and training to effectively embody the expectations of staff (para 5.4)
- Expanding the list of suggested external sources of support and advice (para 5.5) and categorise them by theme or specialism.

Summary

There is a lot of evidence of effective communication mechanisms. The Service clearly empowers staff to get involved and implement an idea which is intended to support and reach out to the community.

The Communications team have a strong channel of communication internally and a range of external channels to share messages. Strategic direction on equality priorities both in the Service and in the community would allow all staff to make a powerful additional impact through clear and consistent messaging about the Service's equalities agenda.

Framework Recommendations

Exploration of the 'Leadership, Partnership and Service Commitment' theme in the Framework has led to the following recommendations for advancing the equality and diversity agenda:

1. Consider developing, in consultation with staff and community groups, an Equality and Inclusion Strategy which demonstrate the importance placed on equality and diversity by the organisation and its leadership.
2. Identify who should lead the equality and diversity agenda from both a behavioural and practical/expertise perspective.
3. When promoting initiatives and activities, carefully communicate who they seek to target or support in order to avoid suggestions of 'wooly' policies.
4. Review equality impact assessment processes against their purpose.
5. Identify the Service's equality messages (and language that reinforces this) and take steps to ensure this is integrated in all future corporate documents.
6. Vehicles for staff to influence policy should be promoted and broad cross-sections of staff should be encouraged to get involved to seek fresh perspectives on an evolving issue.
7. Staff groups charged with influencing and monitoring equality policy and outcomes need robust training.
8. The revised equality objectives (required under public sector equality duty) need to be taken through a process which is grounded in evidence and results measurable objectives.
9. Take steps to ensure all policies consciously consider the equality objectives so that the Service can begin to openly embed them in strategy and in staff's minds.
10. All protected characteristics should be considered in equality matters but this is particularly required under the public sector equality duty.
11. Improving data collection processes on protected characteristics will enable the Service to identify differing impacts on different groups, help evidence fulfilment of the public sector equality duty and potentially identify gaps in delivering to certain groups.
12. Use vehicles such as the Organisational Development group and positive action group to explore opportunities for fostering good relations and utilise internal and, crucially, external communication channels to promote activities.
13. Continue to explore the reporting and scrutiny process for activities which advance the equality agenda eg is the Organisation Development group the right vehicle and, if so, are its recommendations and outputs being scrutinised thoroughly and by the right people?
14. Review the extent to which the public is approached in setting (and challenging progress on) the equality objectives.
15. Ensure any equality and diversity strategy involves clear direction on communication, both internally and externally.
16. Seek out opportunities to evaluate access to internal and external communication channels by minority groups in order to take steps to mitigate potential barriers.

Organisational Culture and Experience

In addition to considering the Framework, you asked us to support you with analysis of equality and diversity matters within the Service. The following section seeks to share themes which have arisen in the focus groups and semi-structured interviews. Independently, as part of this review, connections have been made informally to enable conversations with many employees from minority groups for example LGBTQ. Anonymity has been promised and preserved as most of these participants do not share their identities, experiences or feelings with colleagues.

Protecting the Community

In both focus groups there was a shared and very strong commitment to protecting the community. One person said “We’re not interested in your religion, colour, sexuality; we don’t want you to get hurt”. This ultimate commitment and a strong sense of ‘being fair to colleagues’ was very apparent from both groups.

When asked about equality and minority groups, participants and interviewees were less confident. However, when discussing “vulnerability” and “at risk groups” conversation flowed more easily. Interviewees seemed confident discussing how ‘vulnerability’ is assessed and the evidence-based approach to identification. It is perhaps worth reflecting on the public sector equality duty and protected characteristics to sit alongside this assessment tool because ‘vulnerability’ is not a protected characteristic although there is undoubtedly overlap.

Doing the wrong thing or the right thing?

In our interviews and in focus groups several people mentioned being fearful of ‘doing the wrong thing’. This seemed to refer to the nature of internal relationships and when interacting with the community. Two people used the phrase “walking on eggshells,” one person asked “how can I be myself if I have to always mind what I say?” and another asked “no-one wants to cause offence but isn’t avoiding someone causing unfairness in itself?”

We agree that it’s better to have conversations using ‘clumsy language’ rather than avoiding the opportunity to query a situation. Creating or increasing confidence around language and terminology can have a significant positive impact on confidence to communicate generally.

It is also, however, worth the Service exploring whether there is a cultural issue around fear of change. As an organisation becomes more diverse, the previously dominant groups are required to adapt their behaviour and styles of interaction. Without support it is inevitable that some people may struggle with this and, at worst, this can lead to resentment about diversity initiatives. Several interviewees suggested that ‘more long-standing staff members seem to struggle with engaging with equality issues.’ Research tells us that feeling exposed or threatened by diversity leads to negative behaviour.

“We Don’t Want ‘Tick Box’”

At least three focus group participants referred to the Ethical Framework presentation as “a tick-box exercise”. One participant strongly praised one presentation they attended because it had been enhanced to include a discussion over themes like ‘when is banter appropriate?’ This version of the presentation was delivered by a member of the HR team and is not accessible to all staff. When asked, no participants and few interviewees could recall any discussion in their annual refresher training.

One focus group discussed the routine question ‘what is equality and diversity?’ when they conduct interviews for new recruits. One person said “people usually mention some protected characteristics and say it’s about ‘treating people fairly’. If they don’t have an answer, I just talk them through it and they normally get it then.” This group struggled to identify, when asked, what purpose this question served as interviewees could be successful even with a disappointing response to the question.

Disclosure: Being our ‘whole self’ at work

Both focus groups reflected on why there are mixed levels of disclosure by the workforce about their religion and sexual orientation. Several people told us that they didn't think these characteristics were anyone's business but theirs. On a cultural level, this demonstrates a lack of appreciation of the power of being proud of who we are, for the impact this has been proved to have on productivity and for the barriers non-disclosure presents the Service when seeking to demonstrate fulfilment of the public sector equality duty. The Service will struggle to perform positive action exercises without data so staff's support for disclosure is crucial.

The Equality and Human Rights Commission recognises that some employees and service users may not be ready to be asked about certain characteristics (e.g. sexual orientation) and so it advises public bodies to take steps to develop a culture of trust so this can be done in the future. This involves explaining why information is collected (i.e. the benefits for staff and for exercising the Service's functions), how it will be used and how privacy will be protected.

A strong message from the Leadership on this issue would be extremely positive in developing this culture of openness and trust.

Behind Closed Doors

Multiple interviewees describe a 'lads culture' where public-facing behaviour is always appropriate but 'behind closed doors' internal behaviour and language could not be said to reflect the Ethical Framework. There was reflection offered that staff members feel able, to a degree, to report inappropriate action to their direct line managers. There were also multiple comments suggesting it would be helpful to have a specific contact within the service with whom to discuss issues of equality and diversity. There was also conversation in interview about the need to only disclose the more 'acceptable' deviations from the cultural norms but that if there was a minority status that could be invisible, to keep it so. The reflection on internal behaviours may not be related to overt prejudice and discrimination but may be a signifier of unconscious bias surfacing.

Assimilation

Two interviewees representative of different minority statutes explored the feeling of needing to 'fit in' with those around them. In these instances, it has meant a need to hide parts of their identity to assimilate more fully with those around them or make overt commentary to prove their minority status is not an issue eg laughing about diversity or pretending jokes don't hurt their feelings. This type of covert or overt activity can have a negative impact on a person with minority status; the process of trying to 'fit' in can devalue a person's sense that their minority status characteristics are important and respected within their environment.

Confidentiality

Two interviewees independently raised the issue of confidentiality. One was concerned that confidentiality is not always respected as they had observed someone inappropriately disclosure facts about an ongoing grievance case. Conversely, the other interviewee who raised this theme felt that respect for confidentiality was so strong that it might be impeding access to rich qualitative data which could be used to inspire valuable case studies in equality training materials.

It is perhaps worth considering whether perceptions of confidentiality are different depending on seniority and what impact this has on relationships and trust.

Data Management

Knowledge of data-sharing arrangements was strong (although one focus group believed there was an arrangement in place with the NHS and one did not). In all virtually all interviews, data was raised in some way as holding value and being more or less available in different areas. There was also discussion in some interviews that data is either not collected (or they are unaware of how to access it) to reflect any equality issues that may have arisen within the work environment. Exploring this further requires consideration of confidentiality and trust (above).

Appendix 1: Employment Monitoring Data

Applications for Employment

Total staff				
Year/Duty system	Wholetime	Retained	Control	Support
2012/13	0	123	0	45
2013/14	0	63	0	87
2014/15	0	95	10	200
2015/16	0	135	24	381

Gender								
Year/Duty system	Male				Female			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2012/13	0	108	0	32	0	15	0	13
2013/14	0	55	0	54	0	8	0	32
2014/15	0	82	7	127	0	13	3	71
2015/16	0	122	11	219	0	13	13	158

Ethnicity																				
Year/Duty System	White British				White Irish				White Other				BME				Not Stated			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2012/13	0	107	0	37	0	0	0	0	0	9	0	3	0	6	0	5	0	1	0	0
2013/14	0	59	0	72	0	0	0	0	0	4	0	1	0	0	0	8	0	0	0	6
2014/15	0	77	10	170	0	0	0	0	0	5	0	5	0	0	0	15	0	13	0	8
2015/16	0	114	22	295	0	2	0	0	0	8	0	4	0	7	0	51	0	4	2	31

Disability												
Year/Duty system	Disabled				Not Disabled				Not Stated			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2012/13	0	3	0	3	0	120	0	41	0	0	0	1
2013/14	0	1	0	6	0	62	0	80	0	0	0	1
2014/15	0	2	1	12	0	79	9	181	0	14	0	7
2015/16	0	8	3	19	0	123	21	357	0	4	0	5

Age																												
Year/Duty system	17-24				25-35				36-45				46-55				56-65				66+				Not Stated			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2012/13	0	59	0	4	0	41	0	11	0	20	0	11	0	3	0	11	0	0	0	8	0	0	0	0	0	0	0	0
2013/14	0	23	0	16	0	23	0	32	0	12	0	15	0	5	0	15	0	0	0	7	0	0	0	1	0	0	0	1
2014/15	0	35	7	28	0	31	1	80	0	12	1	32	0	10	1	41	0	1	0	15	0	0	0	1	0	6	0	3
2015/16	0	41	8	70	0	55	10	140	0	27	4	81	0	8	2	62	0	2	0	18	0	0	0	6	0	2	0	4

Sexual Orientation				
Year/Duty system	Bisexual	Gay/Lesbian	Heterosexual	Not Stated
2012/13	1	0	156	11
2013/14	1	1	141	7
2014/15	3	8	257	22
2015/16	5	14	499	22

Religion or Belief									
Year/Duty system	Christian	Buddhist	Hindu	Jewish	Muslim	Sikh	Other	None	Not stated
2012/13	87	1	0	0	6	1	1	65	6
2013/14	87	0	0	1	0	0	8	47	7
2014/15	140	4	5	0	5	1	5	96	49
2015/16	217	6	2	0	20	3	6	211	75

Staff in Post

Total staff				
Year/Duty system	Wholetime	Retained	Control	Support
2014/15	287	380	23	103
2015/16	265	386	22	93

Gender								
Year/Duty system	Male				Female			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	271	355	7	52	16	25	16	51
2015/16	249	360	7	45	16	26	15	48

Ethnicity																								
Year/Duty System	White British				White Irish				White Other				White European				Indian				Pakistani			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	276	364	23	95	0	0	0	1	6	8	0	0	0	1	0	0	0	1	0	0	0	0	0	0
2015/16	255	358	22	78	0	0	0	1	6	9	0	0	0	1	0	1	0	1	0	0	0	1	0	0

Ethnicity																								
Year/Duty System	Black Caribbean				White and Black Caribbean				Black African				Other Mixed				White Asian				Not disclosed			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	1	0	0	2	0	4	0	0	0	1	0	0	1	0	0	0	0	0	0	2	3	1	0	3
2015/16	0	0	0	1	0	4	0	0	0	1	0	0	1	1	0	0	0	1	0	1	3	9	0	11

Disability												
Year/Duty system	Disabled				Not Disabled				Not Stated			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	6	4	1	6	281	376	22	97	0	0	0	0
2015/16	5	5	1	3	260	381	21	90	0	0	0	0

Age																												
Year/Duty system	17-24				25-35				36-45				46-55				56-65				66+				Not Stated			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	0	22	1	2	50	136	4	20	123	104	6	26	112	87	9	35	2	29	3	19	0	2	0	1	0	0	0	0
2015/16	0	18	1	3	24	139	4	20	127	118	3	22	111	78	8	31	3	31	6	16	0	2	0	1	0	0	0	0

Sexual Orientation																				
Year/Duty System	Bisexual				Gay				Lesbian				Heterosexual				Not Stated			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	2	1	0	0	0	3	0	0	0	0	1	0	100	198	14	47	185	178	8	56
2015/16	1	1	0	0	0	3	1	0	0	0	1	0	94	214	12	39	170	168	8	54

Region and Belief																													
Year/Duty system	Christian				Buddhist				Hindu				Jewish				Muslim				Sikh				Other				
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	
2014/15	63	127	10	26	0	1	0	1	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1	0	0	5	6	0	1
2015/16	60	133	9	22	0	2	0	1	0	0	0	0	0	1	0	0	0	0	2	0	1	0	1	0	0	5	6	0	1

Region and Belief (continued)								
Year/Duty system	No Religion				Not Stated			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	43	73	5	17	176	171	8	57
2015/16	39	80	5	14	161	161	8	55

Applications for Promotion

Total staff				
Year/Duty system	Wholetime	Retained	Control	Support
2014/15	26	6	7	6
2015/16	38	9	0	0

Gender								
Year/Duty system	Male				Female			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	25	5	1	4	1	1	6	2
2015/16	38	7	0	0	0	2	0	0

Ethnicity																								
Year/Duty System	White British				White Irish				White Other				White European				Indian				Pakistani			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	26	6	7	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2015/16	38	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Ethnicity (Continued)																								
Year/Duty System	Black Caribbean				White and Black Caribbean				Black African				Other Mixed				White Asian				Not disclosed			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2015/16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Disability												
Year/Duty system	Disabled				Not Disabled				Not Stated			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	2	0	0	0	9	3	0	0	15	3	7	1
2015/16	6	0	0	0	32	9	0	0

Age																												
Year/Duty system	17-24				25-35				36-45				46-55				56-65				66+				Not Stated			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	1	0	0	1	7	1	3	1	15	4	2	1	3	0	2	2	0	1	0	0	0	0	0	0	0	0	0	1
2015/16	0	0	0	0	10	2	0	0	19	3	0	0	8	4	0	0	1	0	0	0	0	0	0	0	-	-	-	-

Sexual Orientation				
Year/Duty system	Bisexual	Gay/Lesbian	Heterosexual	Not stated
2014/15	0	1	29	15
2015/16	0	0	43	4

Religion or Belief									
Year/Duty system	Christian	Buddhist	Hindu	Jewish	Muslim	Sikh	Other	None	Not stated
2014/15	22	0	0	0	0	0	0	2	21
2015/16	29	0	0	0	0	0	0	16	2

Ethnicity																								
Year/Duty System	White British				White Irish				White Other				White European				Indian				Pakistani			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	11	47	3	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
2015/16	21	43	3	26	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Leaving the Service

Total staff				
Year/Duty system	Wholetime	Retained	Control	Support
2014/15	11	48	3	23
2015/16	22	47	3	28

Gender								
Year/Duty system	Male				Female			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	11	47	2	9	0	1	1	13
2015/16	21	44	1	17	1	3	2	11

Ethnicity																								
Year/Duty System	White British				White Irish				White Other				White European				Indian				Pakistani			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	11	47	3	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
2015/16	21	43	3	26	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Ethnicity (Continued)																								
Year/Duty System	Black Caribbean				White and Black Caribbean				Black African				Other Mixed				White Asian				Not disclosed			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	2
2015/16	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	3	0	0

Disability												
Year/Duty system	Disabled				Not Disabled				Not Stated			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	0	0	0	0	11	48	3	23	0	0	0	0
2015/16	2	0	1	4	20	47	2	24	0	0	0	0

Age																												
Year/Duty system	17-24				25-35				36-45				46-55				56-65				66+				Not Stated			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	0	2	1	0	0	22	0	7	1	11	1	5	7	6	0	3	3	6	0	6	0	1	1	1	0	0	0	1
2015/16	0	5	0	1	3	12	0	7	9	11	1	7	10	13	2	7	0	6	0	6	0	0	0	0	0	0	0	0

Sexual Orientation																				
Year/Duty System	Bisexual				Gay				Lesbian				Heterosexual				Not Stated			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	0	0	0	0	0	0	0	0	0	0	0	0	5	25	2	11	6	23	1	12
2015/16	1	0	0	0	0	0	0	0	0	0	0	0	7	21	3	16	14	26	0	12

Region and Belief																												
Year/Duty system	Christian				Buddhist				Hindu				Jewish				Muslim				Sikh				Other			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	2	9	0	7	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2015/16	2	15	2	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	1

Region and Belief (continued)								
Year/Duty system	No Religion				Not Stated			
	Wholetime	Retained	Control	Support	Wholetime	Retained	Control	Support
2014/15	2	14	2	3	7	25	1	12
2015/16	4	7	1	6	15	24	0	14

Reasons for Leaving

Total Staff						
Year/Duty system						
	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other
2014/15	3	1	6	62	1	12
2015/16	1	3	9	58	15	14

Gender												
Year/Duty system	Male						Female					
	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other
2014/15	3	1	3	51	1	10	0	0	3	11	0	1
2015/16	1	2	8	47	14	11	0	1	1	11	1	3

Ethnicity																								
Year/Duty system	White British						White Irish						White European						Indian					
	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other
2014/15	3	1	6	59	1	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
2015/16	1	3	9	54	14	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Ethnicity (continued)																								
Year/Duty system	Pakistani						Black Caribbean						White & Black Caribbean						Black African					
	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other
2014/15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2015/16	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0

Ethnicity (continued)																								
Year/Duty system	White Other						Other Mixed						White Asian						Not disclosed					
	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other
2014/15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	1
2015/16	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	2	0	1

Disability																		
Year/Duty system	Disabled						Non Disabled						Not disclosed					
	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other
2014/15	0	0	0	0	0	0	3	1	6	62	1	12	0	0	0	0	0	0
2015/16	0	1	1	4	1	0	1	2	8	54	14	14	0	0	0	0	0	0

Age																								
Year/Duty system	17-24						25-35						36-45						46-55					
	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other
2014/15	0	1	0	2	0	0	0	0	0	29	0	0	2	0	2	14	0	0	0	0	0	9	1	0
2015/16	0	0	0	5	0	1	0	0	2	17	0	3	0	1	5	19	0	3	0	2	2	13	9	6

Age (continued)																		
Year/Duty system	56-65						66+						Not Stated					
	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other
2014/15	0	0	4	7	0	4	0	0	0	1	0	2	0	0	0	0	0	1
2015/16	1	0	0	4	6	1	0	0	0	0	0	0	0	0	0	0	0	0

Sexual Orientation																								
Year/Duty system	Bisexual						Gay						Lesbian						Heterosexual					
	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other
2014/15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	1	0	36	1	3
2015/16	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	2	4	29	5	6

Sexual Orientation (Continued)						
Year/Duty system	Not Stated					
	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other
2014/15	1	0	6	26	0	9
2015/16	0	1	5	28	10	8

Religion and Belief																								
Year/Duty system	Christian						Buddhist						Hindu						Jewish					
	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other
2014/15	0	0	0	16	0	2	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0
2015/16	0	1	0	19	4	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Religion and Belief (Continued)																								
Year/Duty system	Muslim						Sikh						Other						No Religion					
	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other
2014/15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	1	1	16	1	0
2015/16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	2	0	0	0	1	2	11	1	3

Religion and Belief (Continued)						
Year/Duty system	Not Stated					
	Dismissal	End of Contract	Redundancy	Resignation	Retirement	Other
2014/15	1	0	5	29	0	10
2015/16	1	1	6	26	10	9

Formal Casework

Total Staff			
Year/Duty system			
	Disciplinary	Grievance	Bullying & Harassment
2014/15	10	1	2
2015/16	7	6	0

Gender						
Year/Duty system	Male			Female		
	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment
2014/15	9	1	1	1	0	1
2015/16	5	4	0	2	2	0

Ethnicity																					
Year/Duty system	White British			White Irish			White Other			White European			Indian			Pakistani			Black Caribbean		
	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment
2014/15	10	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2015/16	7	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Ethnicity (continued)															
Year/Duty system	White and Black Caribbean			Black African			Other Mixed			White Asian			Not Disclosed		
	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment
2014/15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2015/16	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0

Disability									
Year/Duty system	Not disabled			Disabled			Not Stated		
	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment
2014/15	10	1	0	0	0	1	0	0	1
2015/16	7	3	0	0	3	0	0	0	0

Age																					
Year/Duty system	17-24			25-35			36-45			46-55			56-65			66+			Not Stated		
	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment
2014/15	0	0	0	1	0	0	6	0	1	3	1	1	0	0	0	0	0	0	0	0	0
2015/16	0	0	0	2	0	0	1	2	0	2	3	0	2	1	0	0	0	0	0	0	0

Sexual Orientation															
Year/Duty system	Bisexual			Gay			Lesbian			Heterosexual			Not Stated		
	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment
2014/15	0	0	0	0	0	0	0	0	0	5	0	0	5	1	2
2015/16	0	1	0	0	0	0	0	0	0	4	1	0	3	4	0

Religion																					
Year/Duty system	Christian			Buddhist			Hindu			Jewish			Muslim			Sikh			Other		
	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment
2014/15	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2015/16	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0

Religion (continued)						
Year/Duty system	No Religion			Not Stated		
	Disciplinary	Grievance	Bullying & Harassment	Disciplinary	Grievance	Bullying & Harassment
2014/15	3	0	0	5	1	2
2015/16	1	1	0	4	4	0

Appendix 2: Equality Framework

Leadership, Partnership and Service Commitment

Developing Understanding the importance of equality	Achieving Delivering Better Outcomes	Excellent Making a Difference
Leadership		
1.3 The Chief Fire Officer and Members commit publicly to the service's core values to develop an organisation which values and supports equality and human rights.	2.3 Political and managerial leaders have personal knowledge and understanding of local communities and demonstrate personal commitment to and leadership on reducing inequality and challenging discrimination	3.3 The Service can demonstrate that strategic decisions and decision making processes are influenced by local equality priorities.
What documentation details the commitment of the Service to equality, diversity and human rights? Who is responsible for delivering the agenda at fire authority and service leader level?	How is leadership recognised at all levels and in all areas of the Service? How do leaders at all levels of the Service challenge inequalities and drive an agenda to improve equality? How do senior leaders demonstrate knowledge of local equality priorities and how and why they are being addressed?	How does the Service demonstrate the benefits of strategic decision making that is influenced by local equality priorities? What examples of improved outcomes are there as a result of this?
Local Vision and Priorities		
1.4 Key strategic partners (including from the voluntary and community sector) understand why equality matters locally.	2.4 There is a coherent, shared vision of equality for the local area, with clear priorities, objectives and outcomes which have been agreed and understood by all key stakeholders, including the voluntary and community sector.	3.4 The Service has a reputation within the community and with its partners for championing and achieving equality outcomes
Which documents capture the commitment of the organisation and partners to equality? What partnership arrangements are in place to ensure that local equality priorities are being addressed?	What is the shared vision of the area? How do managers and other staff demonstrate understanding of this vision and how it contributes to the service's objectives? How well do senior managers and elected	What evidence is there of good outcomes as a result of partnership working? How do partners hold each other to account on delivering equality outcomes? What review mechanisms are in place?

<p>Which communities have been identified as being high risk?</p> <p>How are people from these communities involved in shaping local vision and setting local priorities?</p> <p>How are equality objectives reflected in local strategic planning?</p>	<p>members allocate appropriate resources to deliver this vision?</p> <p>How does the Service and its partners monitor, review and evaluate performance against priorities?</p>	
Corporate Policies and Processes		
<p>1.5</p> <p>A corporate system is in place for embedding equality into financial plans, policy and service delivery.</p>	<p>2.5</p> <p>The Service demonstrates widespread understanding of how corporate policies and processes affect diverse communities differently and take steps to ensure that policies and processes promote equality and value diversity as well as addressing inequalities</p>	<p>3.5</p> <p>Corporate policies consistently promote equality and lead to positive outcomes for at risk communities, staff from marginalised groups and support a diverse workforce.</p>
<p>What is the corporate system for embedding equality?</p> <p>How is strategic leadership on equality analysis demonstrated?</p> <p>How is the "equality story" integrated into corporate documents?</p>	<p>How do corporate systems and policies support the delivery of services that are accessible to all?</p> <p>How are corporate policies and processes developed and promoted?</p>	<p>What examples are there of corporate policies leading to positive outcomes for at risk communities and diverse staff groups.</p> <p>What processes support inclusion of staff and community members in setting corporate policies?</p>
Meeting the Public Sector Equality Duty (PSED)		
<p>1.6</p> <p>Equality objectives for the organisation had been set and published in accordance with the requirements of the specific duties to support the public sector Equality Duty.</p>	<p>2.6</p> <p>Organisational strategies and plans include specific and measure able equality objectives. Outcomes are measured and monitored regularly.</p>	<p>3.6</p> <p>The organisation can demonstrate a clear link between meeting their quality objectives and positive outcomes for its communities.</p>
<p>How have equality objectives been developed?</p> <p>Where have equality objectives been published?</p> <p>Who monitors service plans regularly to ensure that equality objectives are being met?</p> <p>How is equality analysis part of the planning process?</p>	<p>How are equality objectives integrated into organisational strategies and plans?</p> <p>How is progress monitored and reviewed?</p> <p>How does the Service work with others to actively inform and involve local people, including underrepresented groups, about civic and public participation opportunities?</p> <p>How does the Service set specific realistic timescales to achieve objectives?</p> <p>How are resource implications assessed?</p>	<p>What evidence is there of improved or improving outcomes, disaggregated where appropriate to demonstrate the differential impacts on different communities?</p> <p>How does the service demonstrate its role in fostering good relations?</p> <p>How diverse are the decision makers, including elected members, and what is the Service doing to improve the diversity if necessary?</p>

Monitoring and Scrutiny		
1.7 Appropriate structures are in place to ensure delivery and review of equality objectives.	2.7 The setting and monitoring of equality objectives is subject to challenge internally and externally	3.7 The Service benchmarks its achievements against comparable others and shares its experience in developing notable practice.
Who are the decision makers for delivering the agenda? Who else is involved in setting the agenda? What resources are available for targeted equality work?	How are members used to scrutinise and challenge equality analysis, objective setting and monitoring? How are the public involved? How is progress reported and reviewed?	How does the Service assess its performance and outcomes against comparable organisations? How does the Service share or showcase notable practice?
Effective Communication		
1.8 Internal and external communications promote a clear commitment to advancing equality across all local communities by being inclusive and accessible	2.8 The Service understands about accessible and inclusive communications. It communicates effectively about how it responds to local communities' needs	3.8 The organisation can demonstrate that its communication channels are accessible to a wide range of people
How accessible are the Service's communication mechanisms? What different channels are used? How does the Services communicate its commitment to promoting equality? What examples are there that electronic and other communications and publications reflect the Service's commitment?	What does the Service understand about accessible and inclusive communication methods? How does it use different channels of communication internally and externally? How does the Service use communication methods to challenge and counter negative stereotypes and myths?	How does the Service demonstrate having inclusive, accessible and effective mainstream communications? What examples of targeted communications does it have? How accessible is the website and social media activities? How has inclusive and accessible communication enabled the Service to operate well in the local community?

Appendix 3: Recommendations

Equality Monitoring and Data Collection

1. Consider a review of the terminology and range of options in the data forms.
2. Consistently provide a 'prefer not to say' option for all characteristics in data collection processes and monitor those responses. This may indicate characteristics which still attract stigma and act as barriers to an open and respectful culture.
3. Add gender reassignment, marriage/civil partnership and pregnancy/maternity to the full data collection and reporting processes or otherwise ensure there is a mechanism to monitor these protected characteristics.
4. Consider why non-disclosure rates are disproportionately high for ethnicity at the job application stage and for sexual orientation and religion among the workforce. This may require reflection on a 'it's no-one's business but mine' belief and consideration of the benefits of an open-minded and trusting workforce (see 'Disclosure: Being our 'Whole Self' at Work', page 34).
5. Amend the data collection process to ensure collection and analysis of successful and unsuccessful applications for employment and promotion by reference to protected characteristics in order to further evidence commitment to the public sector equality duty. We know, for example, that this year 11% of job applicants were from the BAME community but what was the conversion rate? What proportion was offered a job compared to other ethnicities? If certain protected groups were disproportionately failing in recruitment stages, it is important to know this and consider the impact of issues like unconscious bias.
6. The new regular reminder to staff to keep their data up to date is positive. Consider monitoring the response rate by retained staff who may not have the same levels of access to the office and may need a facilitated time to do this to demonstrate the importance of this exercise. Consider clearly articulating the benefits of disclosure, reflecting our communities and having accurate data (see 'Disclosure: Being our 'Whole Self' at Work', page 34).
7. Check that the current I.T systems are being fully utilised to their full reporting capabilities.
8. Evaluate staff's understanding of disability in its true broad terms using training and surveys. Also, seek to combat myths and unnecessary fears by exploring opportunities internally and in recruitment to demonstrate real life examples of adjustments which the Service has implemented to support disabled staff.

Equality Framework: Advancing the Equalities Agenda

1. Consider developing, in consultation with staff and community groups, an Equality and Inclusion Strategy which demonstrates the importance placed on equality and diversity by the organisation and its leadership.
2. Identify who should lead the equality and diversity agenda from both a behavioural and practical/expertise perspective.
3. When promoting initiatives and activities, carefully communicate who they seek to target or support in order to avoid suggestions of 'wooly' policies.
4. Review equality impact assessment processes against their purpose.

5. Identify the Service's equality messages (and language that reinforces this) and take steps to ensure this is integrated in all future corporate documents.
6. Vehicles for staff to influence policy should be promoted and broad cross-sections of staff should be encouraged to get involved to seek fresh perspectives on an evolving issue.
7. Staff groups charged with influencing and monitoring equality policy and outcomes need robust training.
8. The revised equality objectives (required under public sector equality duty) need to be taken through a process which is grounded in evidence and results measurable objectives.
9. Take steps to ensure all policies consciously consider the equality objectives so that the Service can begin to openly embed them in strategy and in staff's minds.
10. All protected characteristics should be considered in equality matters but this is particularly required under the public sector equality duty.
11. Improving data collection processes on protected characteristics will enable the Service to identify differing impacts on different groups, help evidence fulfilment of the public sector equality duty and potentially identify gaps in delivering to certain groups.
12. Use vehicles such as the Organisational Development group and positive action group to explore opportunities for fostering good relations and utilise internal and, crucially, external communication channels to promote activities.
13. Continue to explore the reporting and scrutiny process for activities which advance the equality agenda eg is the Organisation Development group the right vehicle and, if so, are its recommendations and outputs being scrutinised thoroughly and by the right people?
14. Review the extent to which the public is approached in setting (and challenging progress on) the equality objectives.
15. Ensure any equality and diversity strategy involves clear direction on communication, both internally and externally.
16. Seek out opportunities to evaluate access to internal and external communication channels by minority groups in order to take steps to mitigate potential barriers.

Report of the Head of Corporate Services

Employment Monitoring Data 2016-17

Purpose of report

This report summarises progress against the Public Sector Equality Duty, prior to the publication of the Employment Monitoring Data 2016-17 on the Service website.

Recommendations

It is recommended that:

2016- 2017

- i) it be noted there have been minimal changes to the overall make up of the Services workforce since the previous employment monitoring report for 2015-2016.***
- ii) it be noted the inclusion of data in relation to unsuccessful completion of the fitness test has been included within the Case Work section of the Employment Monitoring Report 2016-2017.***
- iii) The Employment Monitoring Report 2016-2017 be approved for publication.***

Background

Public Sector Equality Duty

The Equality Act 2010 sets out the Public Sector Equality Duty. It requires public bodies with 150 or more employees to publish information at least annually about their employees, to further the aims of the Equality Duty and to consider how activities affect people possessing one or more of the nine protected characteristics, which are as follows:

- Age
- Disability
- Gender reassignment
- Marriage/civil partnership status
- Pregnancy and maternity
- Race
- Region or belief
- Gender
- Sexual orientation

Effective monitoring is an important tool for measuring performance and progress towards equality and diversity objectives and for ensuring a more inclusive working environment. It enables the Service to examine how employment policies and processes are working and

to identify areas where these appear to be impacting disproportionately on certain groups of staff. This should lead to more informed and inclusive decision making in activities affecting the workforce, for example, recruitment, selection and promotion.

Effective monitoring also helps in minimising possible legal, financial and reputational harm. Understanding the composition of the workforce also enables the Service to highlight differences between groups to help identify, tackle and prevent issues that could otherwise undermine employee engagement and working relationships.

Employment Monitoring Data Trends

The Employment Monitoring Data covers six main areas: staff in post, applications for employment, applications for promotion, leavers, casework and unsuccessful fitness test. The full set of data is set out in Appendix 1.

While there has been little change in employment information relating to the Protected Characteristics since the previous Employment Monitoring Data Report in 2015-16, there has been progress in a number of important areas, as noted below.

Staff in Post

The overall figures for staffing have historically been based on the accumulative totals of the number of staff employed under each work group ie 751. (This is in line with National guidelines). However, 47 staff have secondary contracts, therefore the actual number of staff employed by HWFRS is 704.

The data sets contained within the Employment Monitoring data report 2016/2017 are based on the overall staffing figure of 751.

Work Group	Actual Staff	Staff with Secondary role	Total posts occupied
Whole Time	238	30	
Fire Control	23	1	
Support Staff	108	16	
RDS	335		
TOTAL	704	47	751

Since 2012-13, the overall number of employees has reduced from 844 to 751, this is reduction of 15 compared to last year. This reduction is in line with the Service Workforce Plan leading up to 2020.

Ethnicity

The overall number of BME staff has remained consistent from 14 in 2012-13 to 14 in 2016-17, this is an increase of 2 from last year. The number of BME RDS staff increased from 9 (2015/16) to 11 (2016/17). The number of White, British, Irish or White Other is 717, this is a reduction of 14 from last year. Targeted advertising on social media to help alert local communities to vacancies continues.

Gender

The total number of female staff has decreased from 129 in 2012-13 to 112 in 2016-17, however, this is an increase of 7 compared with 2015/2016. The number of female RDS employees has seen a slight decrease from 26 to 25. A number of positive action initiatives targeting female candidates applying for RDS operational roles, including targeted advertising and offering female firefighter applicants a mentor to support them through the recruitment process is continuing to be used to help raise the numbers of female applicants during the selection process.

Sexual Orientation

The number of staff declaring them as gay/lesbian in 2016-17 has increased from 5 to 6, this is a slight improvement on last year. 12 applicants declared as gay/lesbian. This is a decrease of 1 from last year. 20 applicants preferred not to say. However only 1 person from this group was then successfully appointed.

Disability

The number of employees declaring themselves as disabled remains at 14 for a second year. There has been an increase from 5 to 7 in the number of RDS staff and from 2 to 3 for Support Staff who have declared themselves as being disabled and a reduction by 1 for Whole time firefighters down to 4.

Religion

Overall these figures have remained relatively static for all areas other than Christian, None and Preferred not to say. 2 of these areas have seen either a substantial change in data ie Christian up from 170 last year to 222 declared this year and a reduction of 40 down to 345 in the category of 'Prefer not to say'. The None category has increased by 29 this year to 169.

Age

The majority of staff across all work groups (Whole Time, RDS, Fire Control & Support Staff) fall within three main ages ranges: 25 to 35 = 188, 36 to 45 = 259, 46 to 55 = 219. This latter category is significant for Whole Time staff due to implications of the 1992 Pension scheme and the ability to retire at 50. The workforce age profile is routinely monitored via the Workforce Planning Group in order to ensure effective service delivery and to schedule future recruitment and promotion campaigns.

Leavers

2016/17 has seen a slight decrease in the numbers of leavers from 100 down to 96. The majority of these were due to resignations (50). Retirements are up to 25, an increase of 10 on last year. For Whole time employees, this was predicted and is in line with the Workforce Plan based on the age profile of the workforce.

Case Work

2016/2017 saw an increase in the number of discipline cases rising from 9 last year to 11 this year. 9 of these related to RDS staff and this is an increase on last year when only 2 RDS staff featured in this category. 2 of these were from the BME group. No females were disciplined during this time period.

Grievances have reduced from 6 to 4. This was evenly split between Whole Time and RDS. 1 was recorded as BME. No females submitted any grievances.

All casework has applied to males. There is nothing in the trend data over the last 5 years to indicate that this is an area of concern as the ratio of males to female is 1:5. This area will be closely monitored to ensure that females are not being prevented from raising grievances or are being treated differently in respect of disciplinary matters.

Unsuccessful Fitness Tests

This is new area for inclusion this year. A total of 7 employees failed the fitness test. 1 Whole Time and 6 RDS. Out of this number 1 was female, no BME's were in this category although one person preferred not to say. Analysis of unsuccessful tests amongst age range groupings was as follows:

Age range	36 – 45	46 -55	56 -65	Prefer not to say
WT	0	0	0	1
RDS	2	1	3	0

Further work with University of Worcester and our new OH provider HML will take place during 2017/18 in order to identify targeted health & well being initiatives. Current initiatives to support the maintenance of fitness standards including access to an Exercise Physiologist for diet and fitness advice, a number of staff are Register of Exercise Professionals (REPs) Level 2 qualified fitness instructors and can provide bespoke exercise programmes to support staff, signposting to free diet, fitness and exercise activities and discounts at local fitness centres.

2017/2018 Activities to address issues raised within this report

During 2017/18 all E & D work/actions that have arisen from this report, the Wisdom Factory report and recommendations from the NJC Inclusivity Strategy will be amalgamated into one People Strategy Action Plan. Governance will be via Workforce Planning Group, Organisational Development and the FRA Assurance and Standards Committee.

As a result of reviewing the 2016/17 Employment Monitoring Data the following initiatives will take place during 2017/2018:

- Cultural and people management training for all managers.
- Senior Managers will commence on some cultural training (bias v unbiased awareness etc) as part of the Wisdom Factory recommendations.
- Managers at all levels are due to receive training in discipline and grievance handling and managing difficult situations during 2017/18.
- The Service will continue to increase the awareness, understanding and value of staff accurately recording their equality data and how accurate employment monitoring data underpins the culture, values and beliefs of the Service.
- To explore and understand why a high proportion of staff declare 'prefer not to say' in many categories.
- Further analysis in respect of the increase in the number of RDS disciplines needs to take place in order to identify and reduce any perceived or real cultural issues.
- Improved exit interviews and analysis of the data and comments to help contribute to identify ways to improve on the retention of On-Call staff.
- Analysis of recruitment activities and fall out rates across the protected characteristics for RDS and Whole time recruitment in order to identify and remove barriers (perceived or real) within the recruitment and selection processes.
- During 2017/2018 further work will be done to build on community engagement to enable the Service to understand and remove barriers to joining the Service.
- The Service continues to explore ways of engaging with the LGBT communities and will be attending the Worcester Pride Event in September 2017 in order to better understand the community view of the Service.

Conclusion

The Service continues to make progress in embedding Equality and Diversity and will continue to provide updates to this Committee. All employment monitoring data will be published on the Service website in accordance with the Public Service Equality Duty.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	None
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	Supports and enables the People Strategy and underpins the Equality Objectives.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	None
Consultation (identify any public or other consultation that has been carried out on this matter)	None
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	Not applicable however this report demonstrates commitment to embed the Equality Duty

Background and Supporting Information

Appendix 1: Employment Monitoring Data 2016-17

Contact Officer(s)

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HEREFORD & WORCESTER
HWFR
FIRE AND RESCUE SERVICE

Employment Monitoring 2016/17

Introduction

Hereford & Worcester Fire and Rescue Service (HWFRS) are committed to challenging discriminatory behaviour or practices. We are committed to creating an environment where our staff feel safe, secure, valued, motivated and developed so that they have the skills, knowledge and abilities to confidently flourish; enabling them to provide the highest quality service to the communities we serve. We want to ensure that our staff complement is reflective of our diverse communities and that we are recognised as an employer of choice.

Earlier this year we commissioned an external audit of our approach to equality and diversity, which was conducted by Sarah Rennie from the Wisdom Factory. The recommendations of the audit are being incorporated into a work plan which will support delivery of our People Strategy and Equality Objectives.

We are corporate members of the [Asian Fire Service Association](#) and [Networking Women in the Fire Service UK](#). These networks provide support to staff within these groups and assist the Service with development of the Service culture, values, behaviours, recruitment and retention initiatives. In 2016 we signed the [MIND Blue light Pledge](#) as part of demonstrating our commitment to challenging mental health stigma and promoting positive wellbeing within our workplace.

Nathan Travis

Nathan Travis
Chief Fire Officer



People Strategy

In 2017 we have developed a People Strategy, its strategic aim is to ensure we develop and maintain a well-skilled, diverse workforce able to deliver sustainable, high quality fire fighting, rescue, prevention and support services both as a Service and with our partners in the community.

We recognise that our workforce is our most valuable asset and is crucial in achieving our core purpose of providing our communities with sustainable, high quality fire-fighting, rescue and preventative services and our overall vision: saving more lives and making a difference every day.

The People Strategy creates a framework to enable this to happen. It is a living document that will change and adapt as we move forward to delivering the Service 2020 vision.

Six key commitments have been identified.



The Equality Duty

Monitoring of Equality Information

The Equality Act 2010 sets out the public sector Equality Duty. The Equality Duty requires public bodies with 150 or more employees to publish information at least annually about their employees, furthering the aims of the Equality Duty, and to consider how activities affect people who possess the 9 protective characteristics which are as follows: age, disability, gender reassignment, marriage/civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

This report contains data in relation to staff in post, applications for employment, applications for promotion, staff leaving the Service, staff subject to formal disciplinary procedures, staff who are involved in grievance procedures, the number and nature of harassment and bullying and number of fitness test failures

Equality Objectives

The Service's equality objectives have been approved in 2017 and are published on our website, they are:

Leadership and Corporate Commitment

We will encourage a culture that supports equal treatment, opportunity, inclusion and transparency at all levels of the Authority.

Service Delivery and Community Risk

We will make sure that our prevention, protection and response activities target the most vulnerable people and the greatest risks.

People and Culture

To have a diverse workforce that represents our community.

Population

Hereford & Worcester Fire and Rescue Service are located in the Heart of England and extend from the metropolitan borders of the West Midlands to the rural southern borderland between England and Wales.

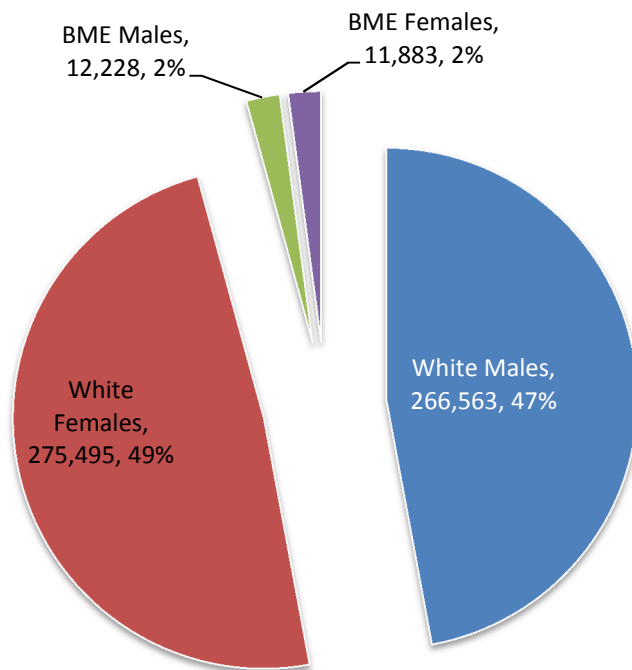
The geographical area amounts to some 390,000 hectares and has a total population of around 749,700. It covers two counties, Worcestershire in the east with a population of 566,169 and Herefordshire to the west with 183,477. Both counties are largely rural, however, Worcestershire's population mainly reside in the towns of Worcester, Bromsgrove, Droitwich, Evesham, Kidderminster, Malvern and Redditch.

The breakdown of the total working age population of the Herefordshire and Worcestershire area is shown in the table opposite (figures shown are in '000s').

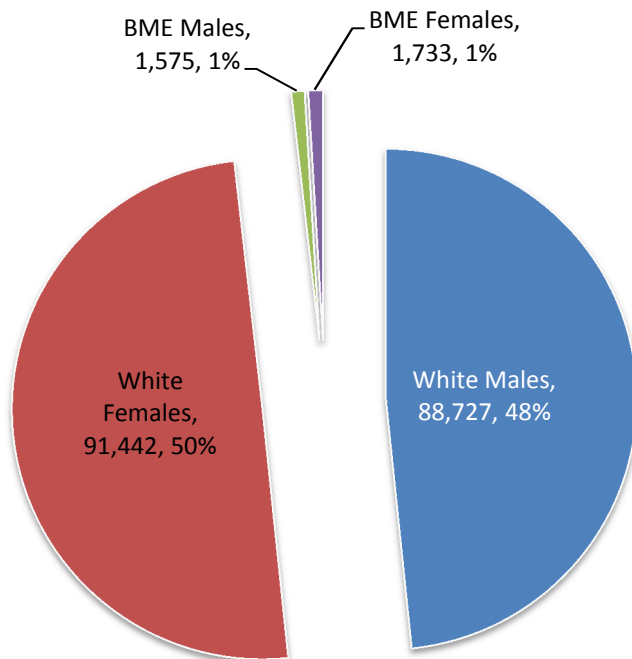
Worcestershire				
Ethnic Group	Males	Females	All persons	BME %
White	266,563	275,495	542,058	96%
BME	12,228	11,883	24,111	4%
Total	278,791	287,378	566,169	100%
	49%	51%		

Herefordshire				
Ethnic Group	Males	Females	All persons	BME %
White	88,727	91,442	180,169	98%
BME	1,575	1,733	3,308	2%
Total	90,302	93,175	183,477	100%
	49%	51%		

Worcestershire



Herefordshire



Overview



Staff in Post – Data Set 1

The Service currently employs 751 staff across four staffing groups - Whole time Fire fighters (WT) , Retained Duty System/On-call (RDS), Fire control (FC) and Support Staff (SS). The breakdown is as follows:

Year/Duty system	Total staff			
	WT	RDS	Control	Support
2016/17	238	382	23	108

Out of our 620 fire-fighting staff only 39 (6%) are female. Within Fire Control and our Support functions there are 73 females (55%) employed. The majority of our staff are, of white British or Irish ethnic origin, and this is reflected throughout the four staffing groups. We have 14 staff who declared a disability. The majority of our staff are within the 36-45 and 46-55 age brackets and 7 staff declared they are from the LGBT community.

It is noted that a significant number of our staff have indicated that they would prefer not to declare their sexual orientation, religion or belief and whether they are married or in a civil partnership. The underlying reasons for this will be explored and addressed as part of the delivery of the work plan to support the 'people and culture' equality objective and People Strategy.

Recruitment – (Data Set 2)

This year we have developed our recruitment monitoring data to include information on applications received, applications shortlisted and candidates appointed in order to provide intelligence not only on the sections of the community who apply for a job with us, but their progress throughout the recruitment process. This will inform a targeted approach to increasing our diversity levels to reflect the communities we serve.

The 2016/17 data indicates that we have had more applications from females (224) than males (209). This is the first time in 5 years that this has occurred. However, predominately male candidates apply for fire-fighting roles and predominately female candidates apply for Fire control and support roles. This reflects the traditional stereotypes which we are keen to breakdown, as part of our commitment to increasing the diversity of our workforce. We have also received a limited number of applications from minority ethnic (26), minority religious groups (6) and the LGBT community (14). The conversion rate from applications received to appointment from these groups is low (6).

In response to employment monitoring data from 2015/16 which indicated that female, LGBT and BME groups were under represented in fire fighter roles, we conducted an analysis of our on-call (RDS) fire-fighter selection process for 2016/17. (section 2.4 data) This showed that applications were predominately from the white, heterosexual, Christian/non-religious communities. 9 out of the 11 female, and the 2 LGBT candidates who applied failed to progress past the physical test stage of the recruitment process.

Promotion – (Data Set 3)

The data available on applications received for promotion for 2016/17 shows that the majority have been received from staff who are within the male, white British or Irish, and heterosexual groups. The dataset collected on our promotion processes will be expanded for 2017/18 to include information not only on applications received, but applications shortlisted and candidates appointed.

Leavers – (Data Set 4)

96 employees left the Service during 2015-2016. Of these 16 were female. The RDS work group continues to have the highest turnover of staff (54) followed by Whole Time (28.) during this period 1 minority ethnic, 1 person with a disability, 1 LGBT community left the organisation. Exit interviews indicate that 50 were due to resignation and 25 due to retirements. Resignation is the highest category (38) for RDS leavers.

Case Work – (Data Sets 5 to 7)

All 11 formal disciplinary cases involved male fire-fighters and there were 4 formal grievances involving male fire-fighters. This is not disproportionate given the Service has 639 (85%) male work force. No complaints of bullying or harassment were made.

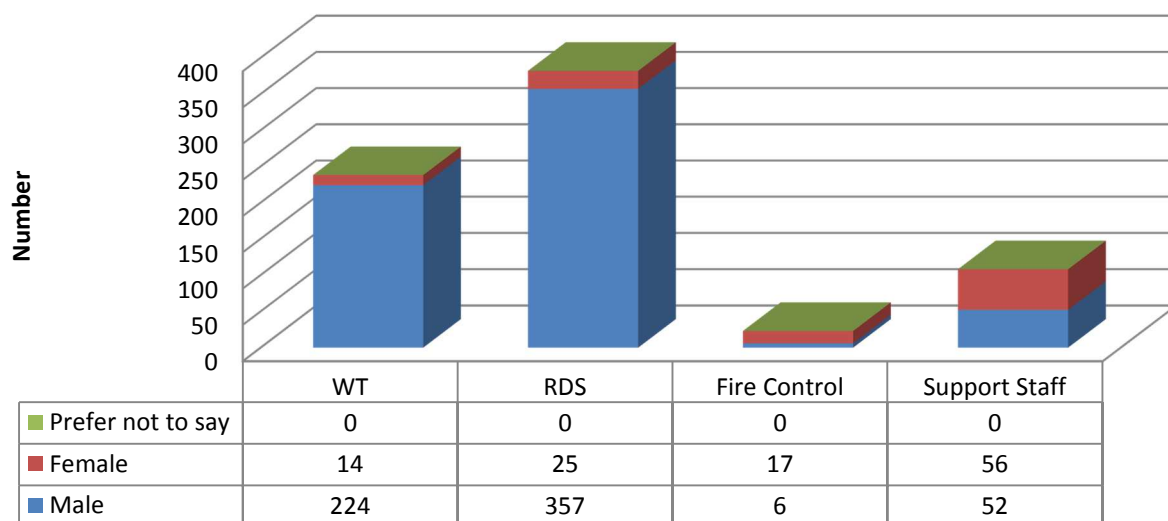
Unsuccessful Fitness Tests – (Data Set 8)

The case work data has been expanded this year to include information on unsuccessful fitness tests, as national research has indicated that an ageing workforce and women may find it more challenging to maintain the required fitness standard.

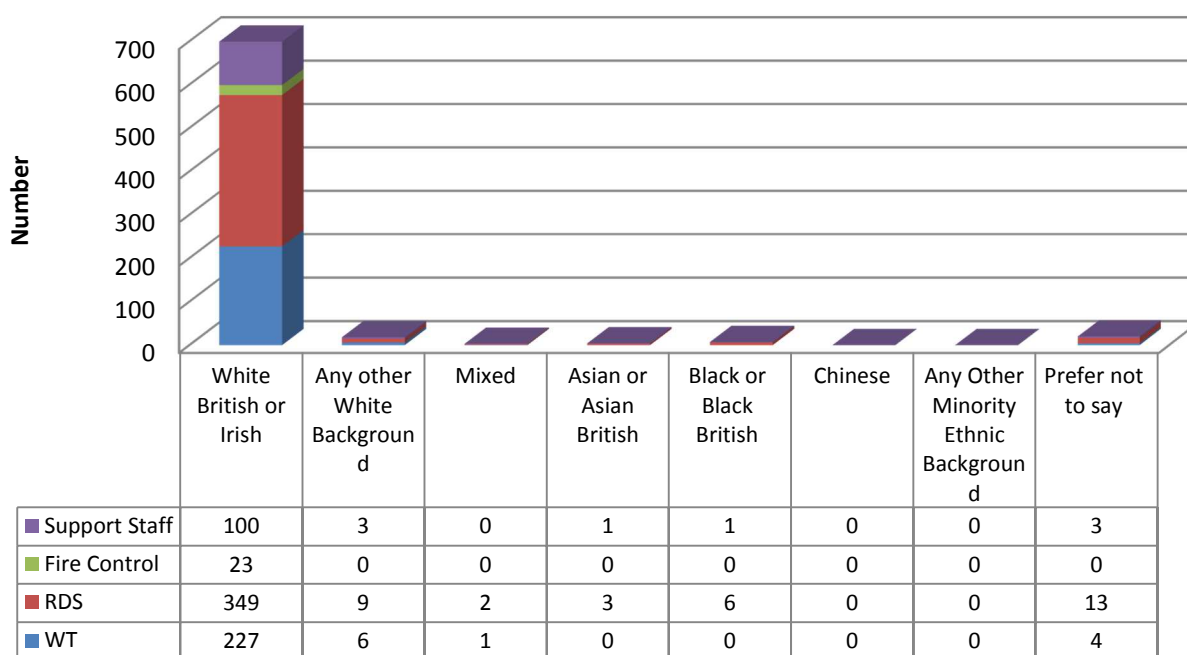
The number of unsuccessful fitness tests is low at 7. One of these was female. All cases were in the 36-45, 46-55 and 56-65 age brackets. There are a number of initiatives in place to support the maintenance of fitness standards including access to an Exercise Physiologist for diet and fitness advice, a number of staff have been trained as Register of Exercise Professionals (REPs) Level 2 qualified fitness instructors and can provide bespoke exercise programmes to support staff, signposting to free diet, fitness and exercise activities and discounts at local fitness centres. This is an area that will be expanded on during 2017/2018 as part of Health & Well-Being commitment within the People Strategy.

1. Staff in Post Data Set

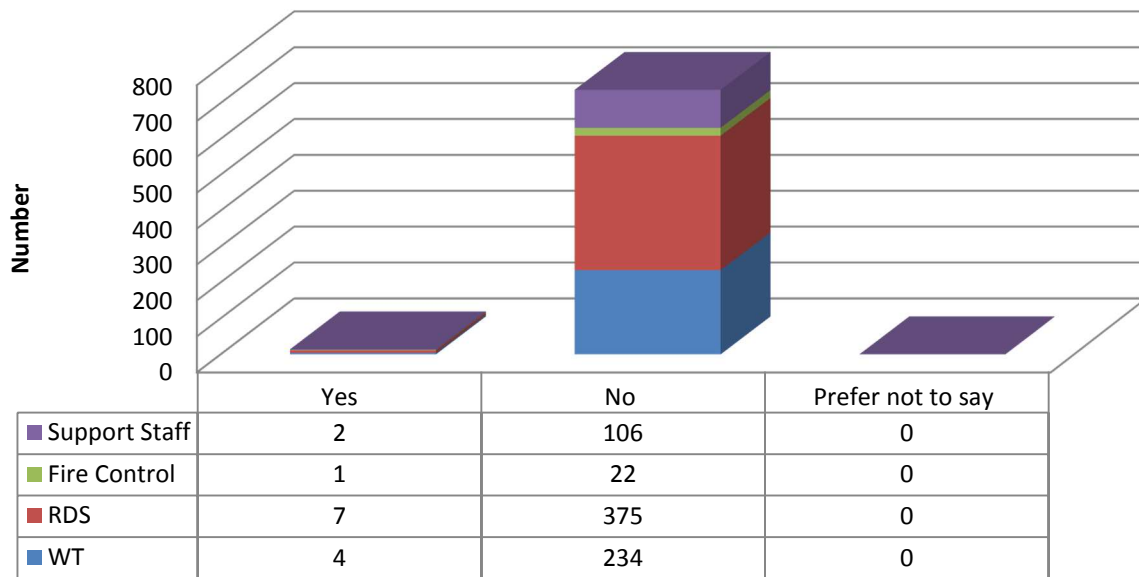
Staff in post by gender



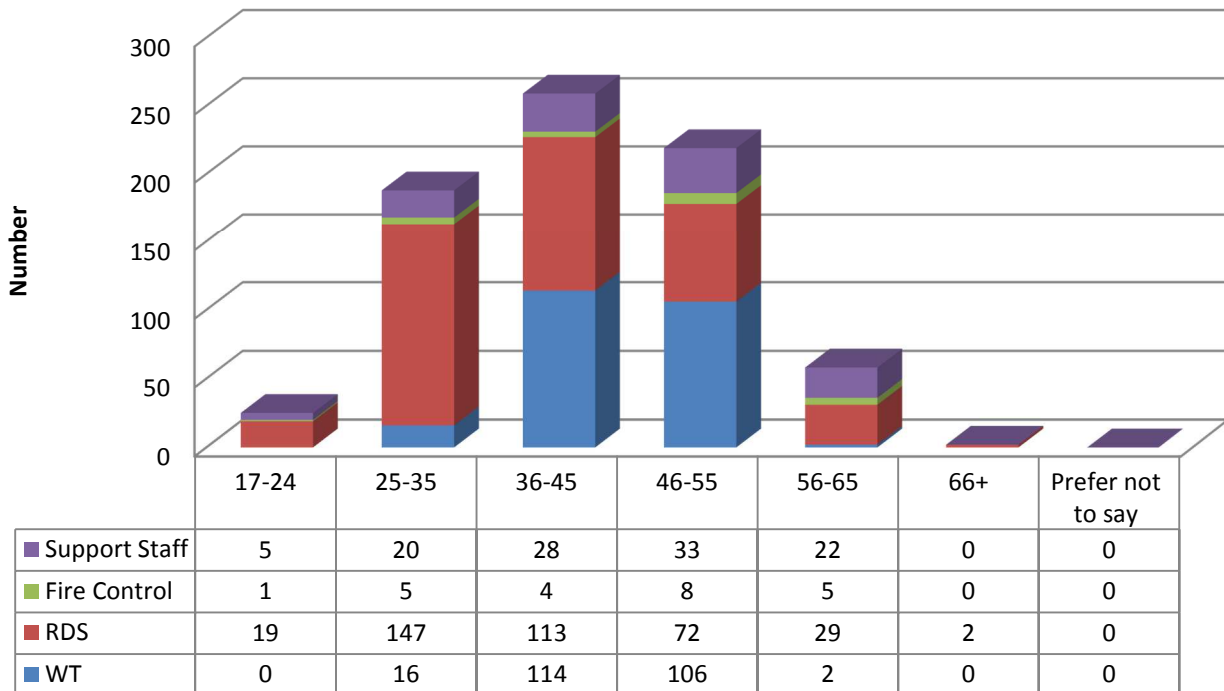
Staff in post by ethnic origin



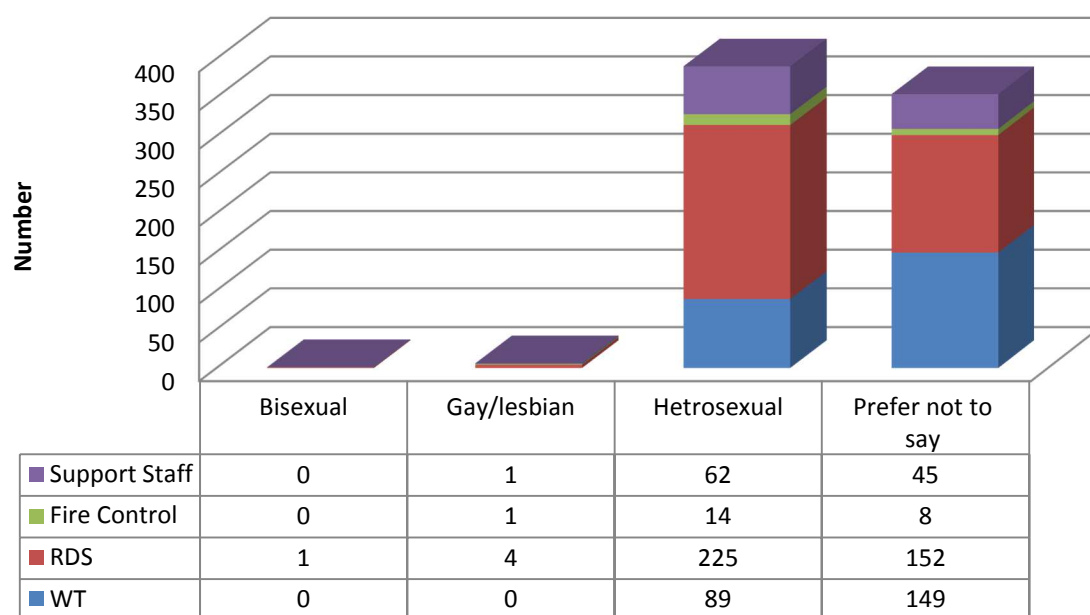
Staff in post that have declared a disability



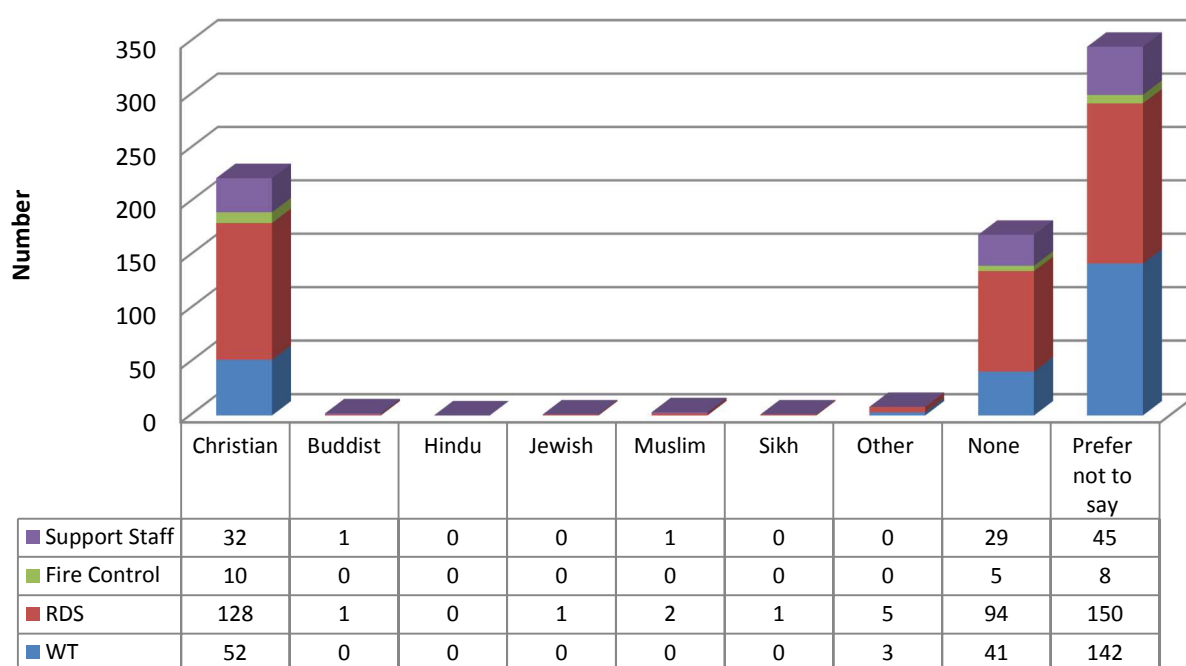
Staff in post by age range



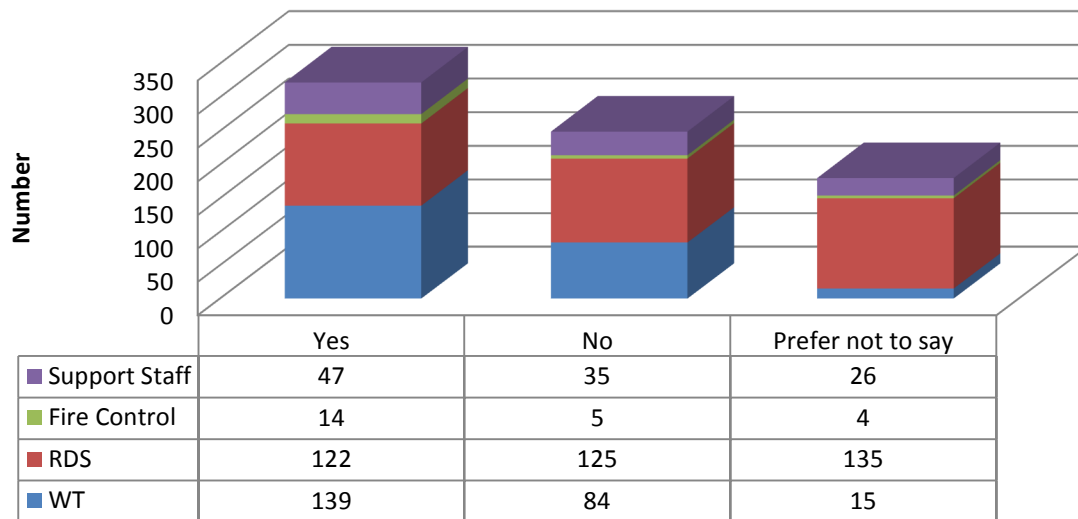
Staff in post by sexual orientation



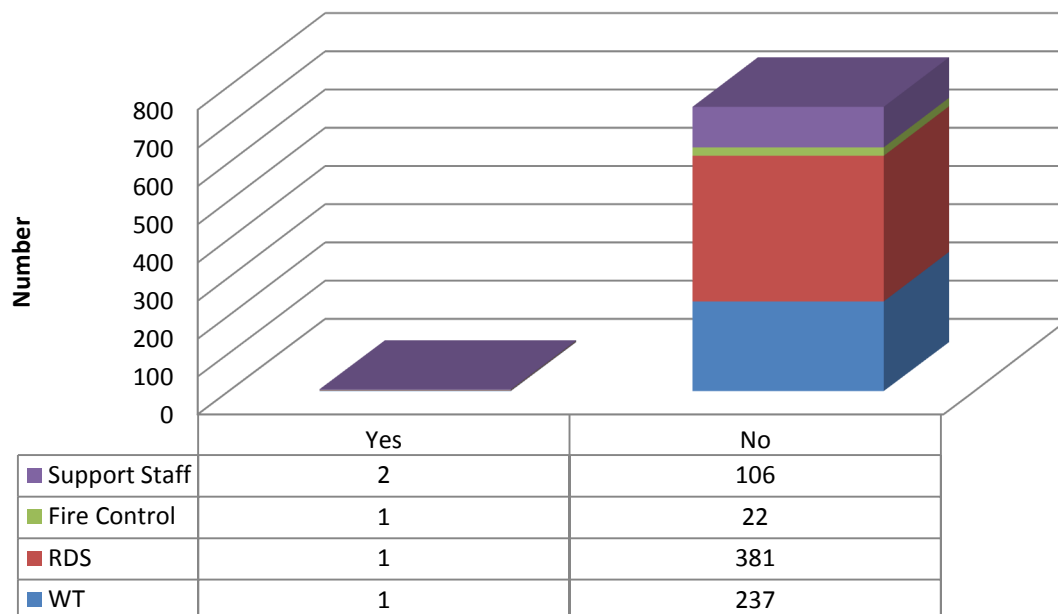
Staff by religion or belief



Staff who have declared they are married or in a civil partnership

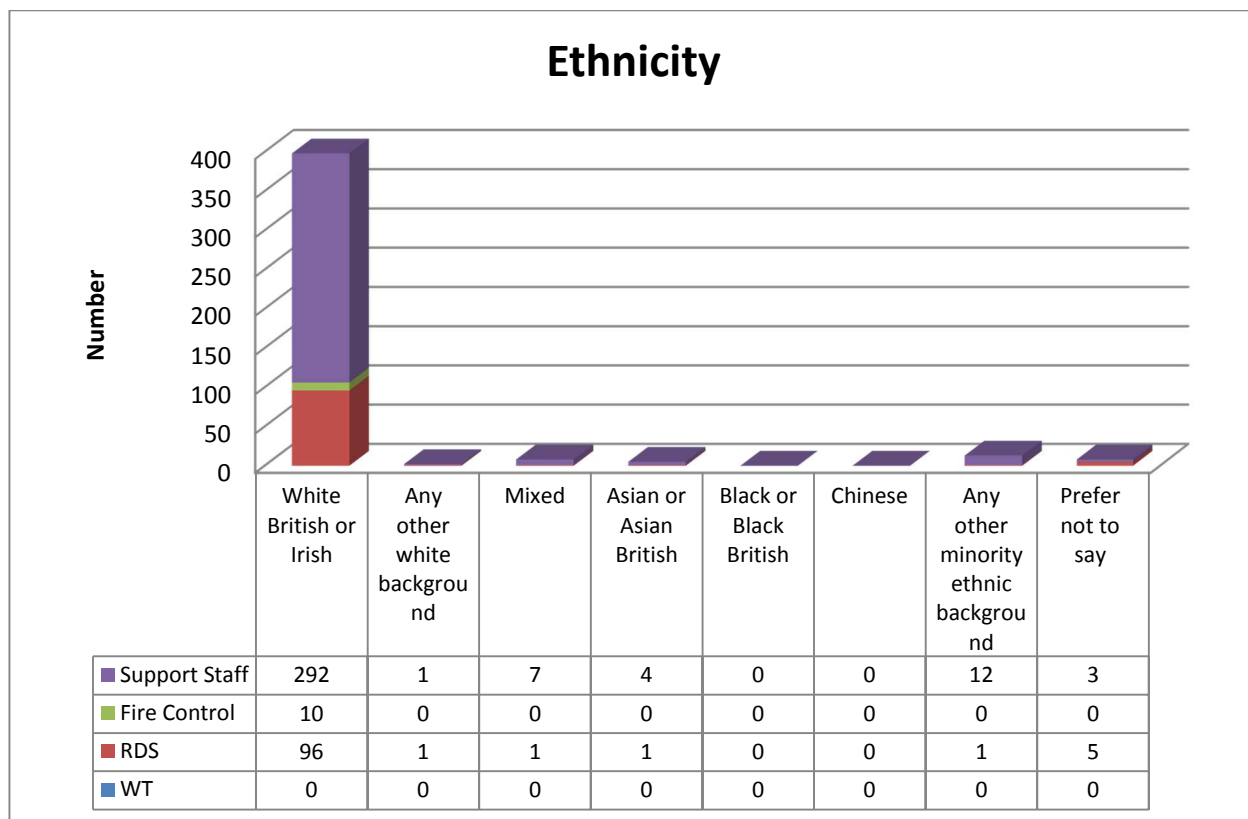
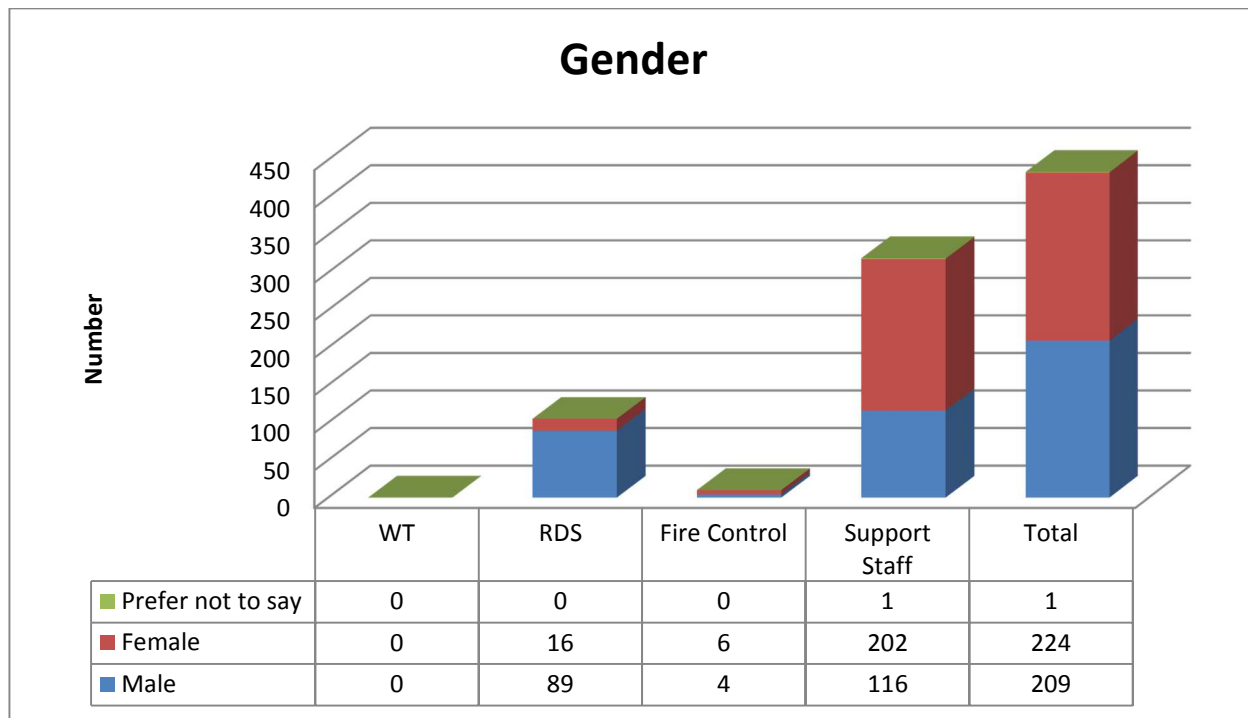


Staff who declared they were pregnant or on maternity leave

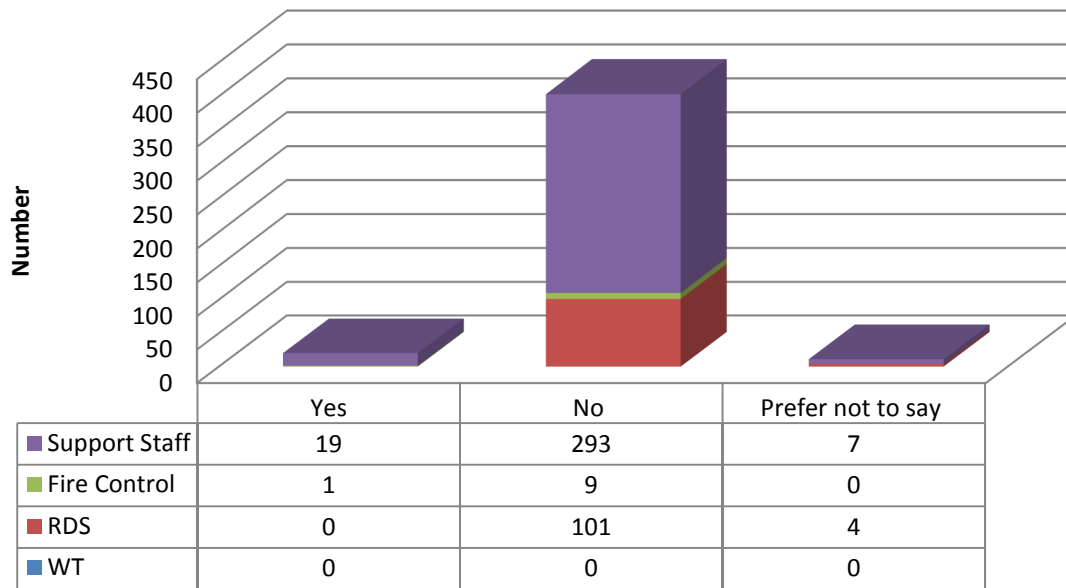


2. Recruitment Data Set

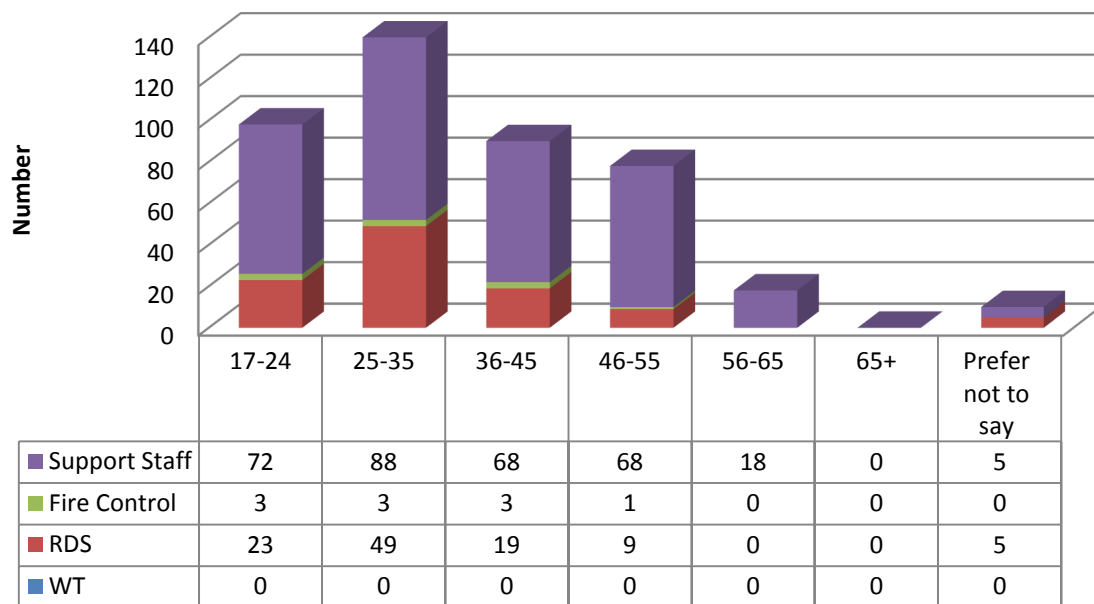
2.1 Applications received



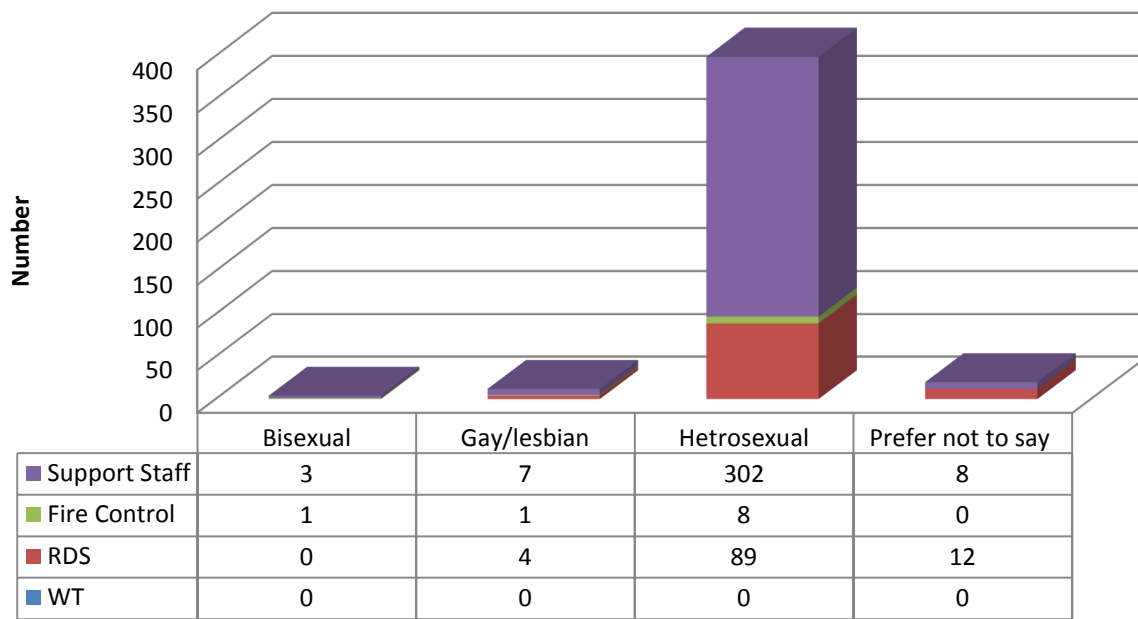
Disability



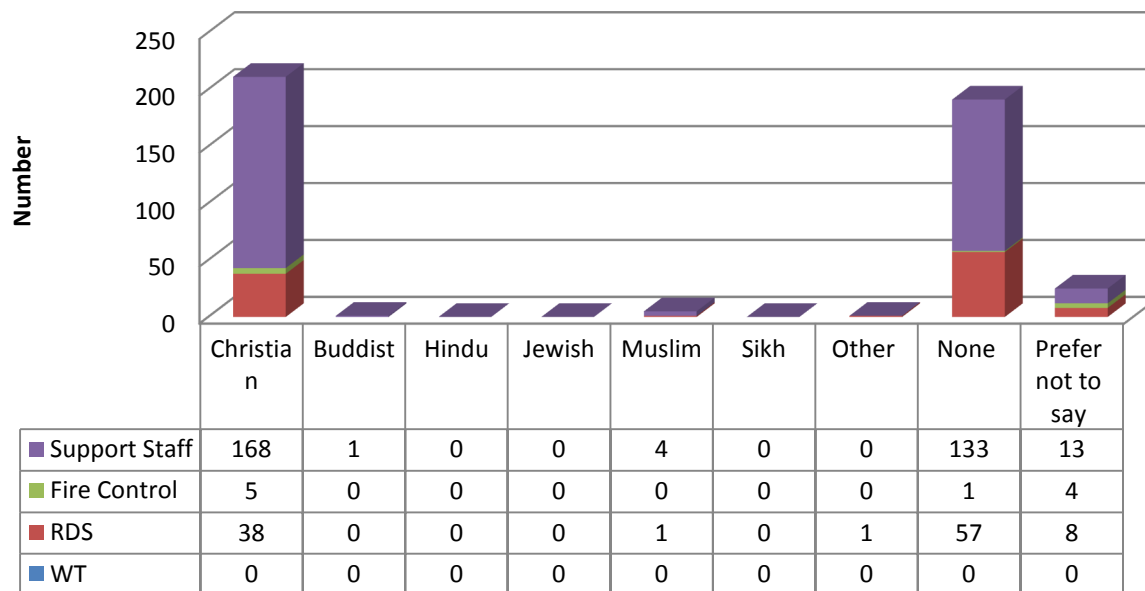
Age



Sexual orientation

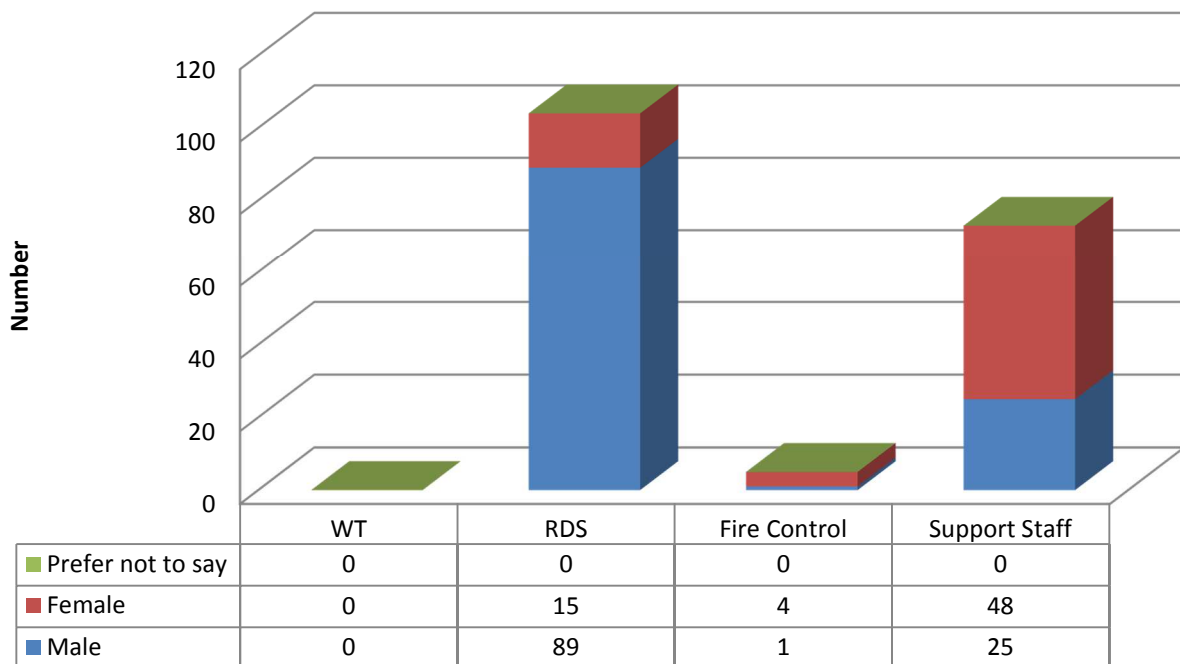


Religion or belief

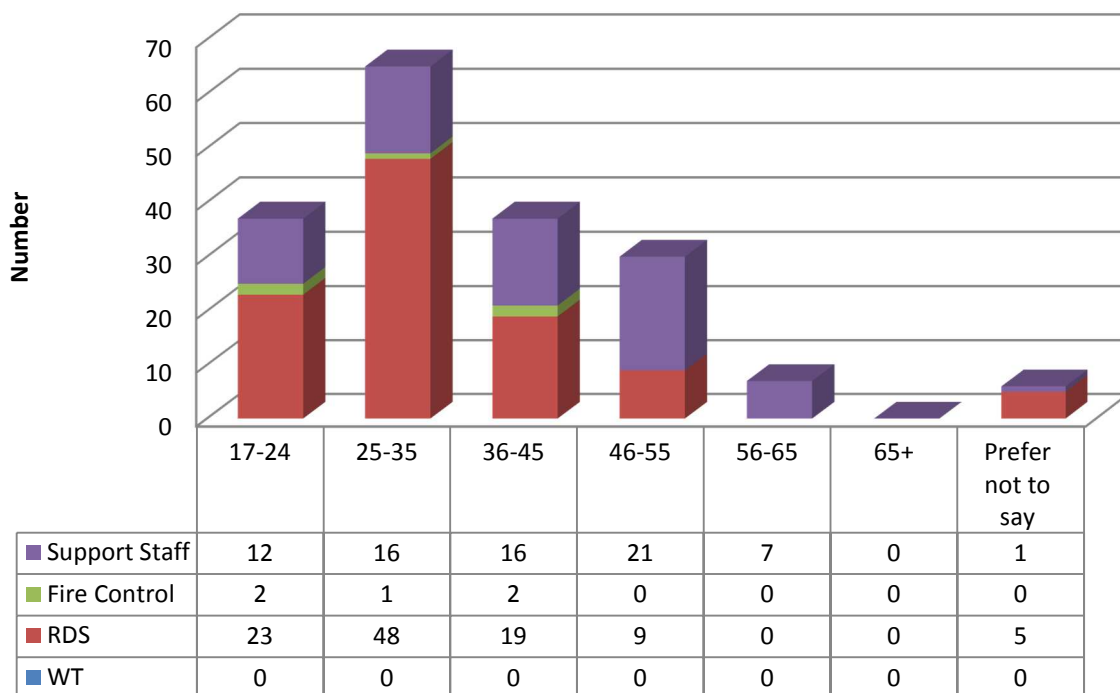


2.2 Applications shortlisted

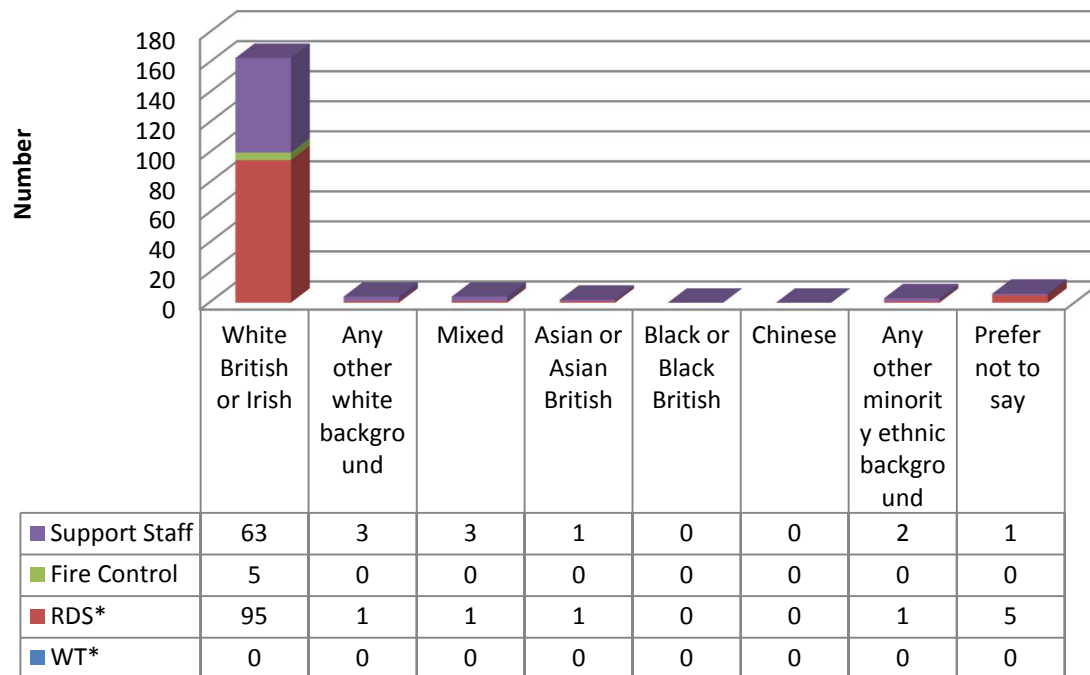
Gender



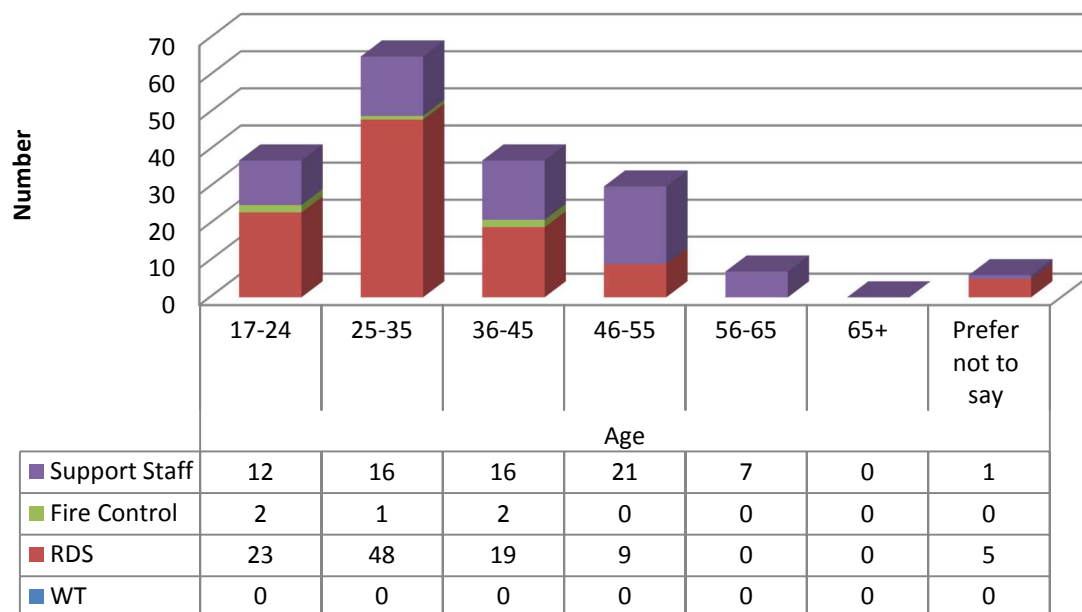
Disability



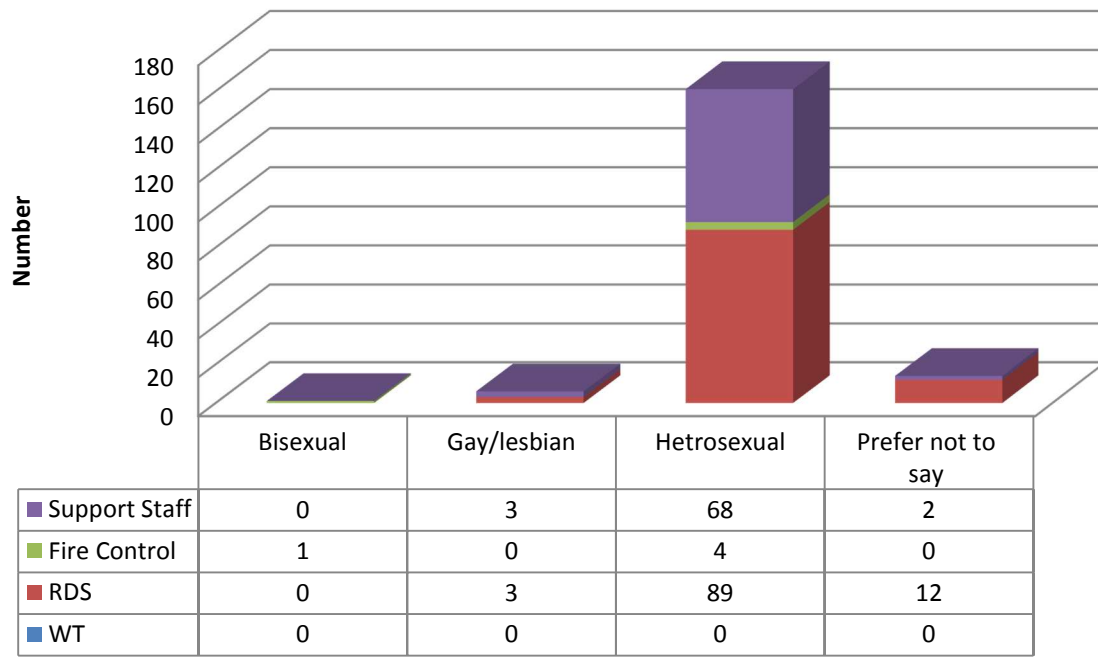
Ethnicity



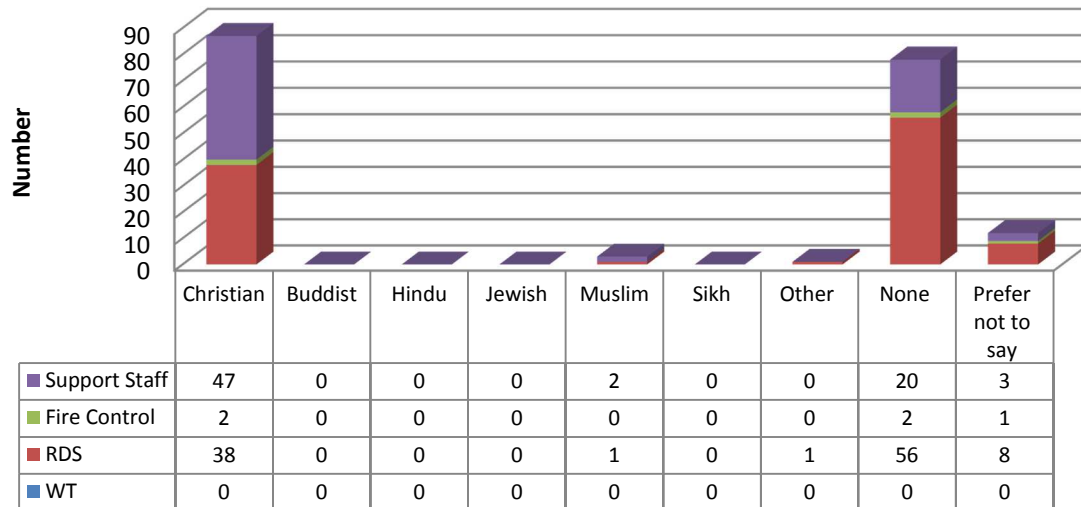
Age



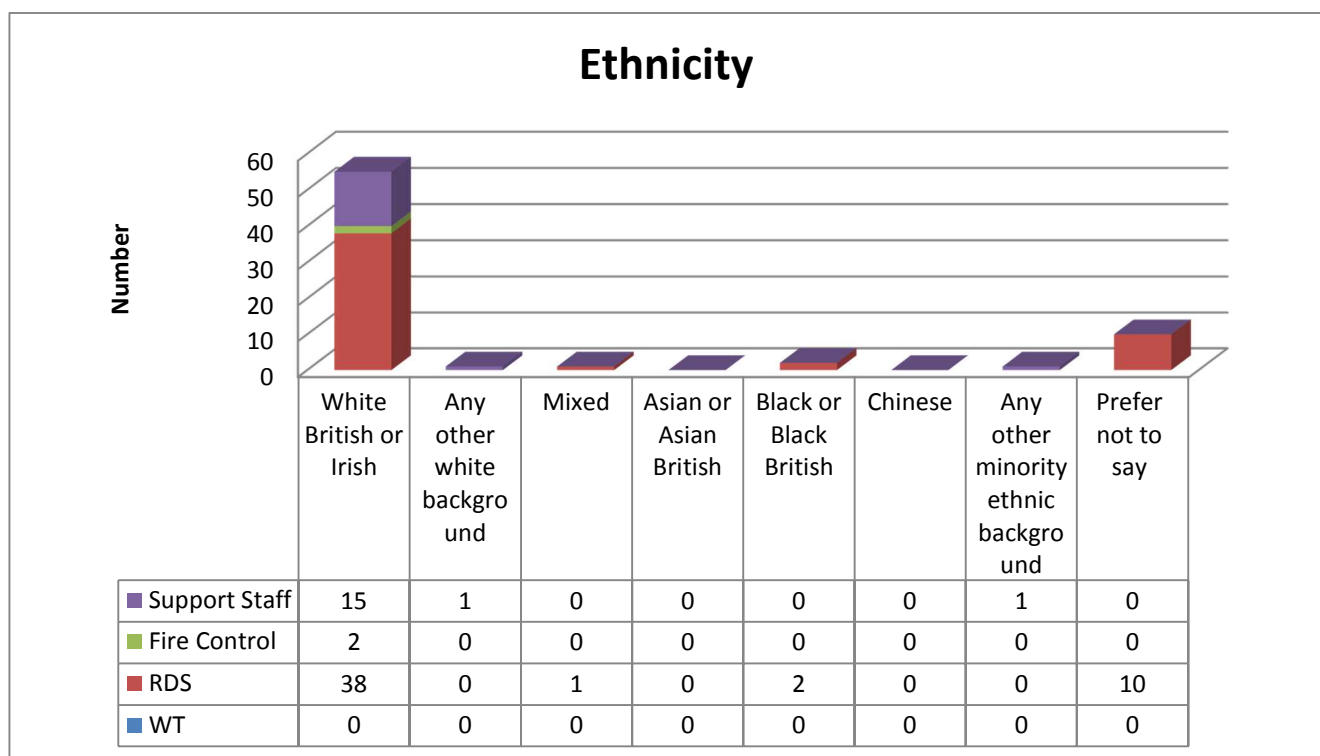
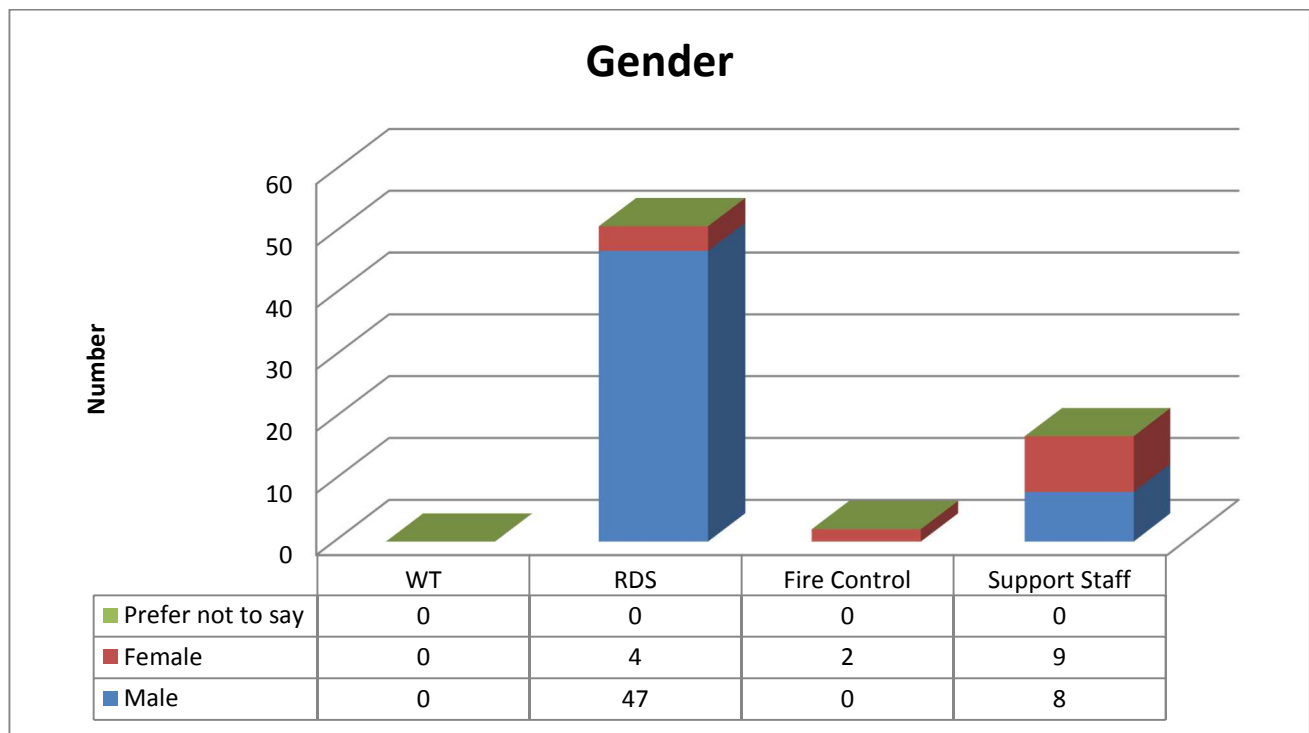
Sexual orientation



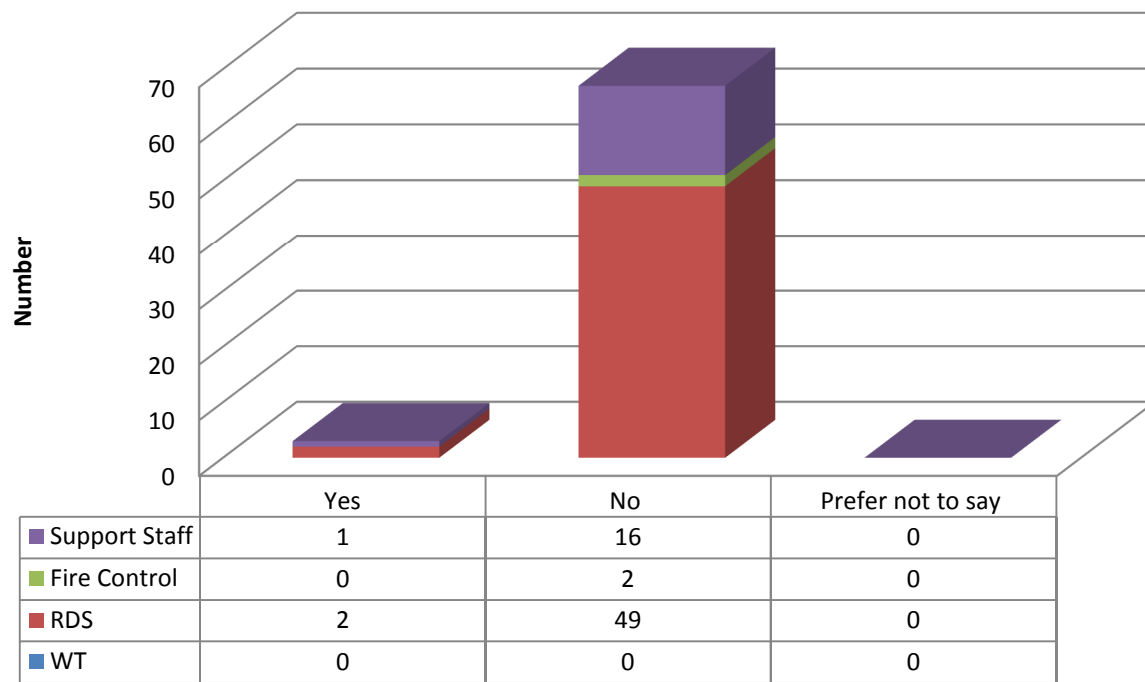
Religion or belief



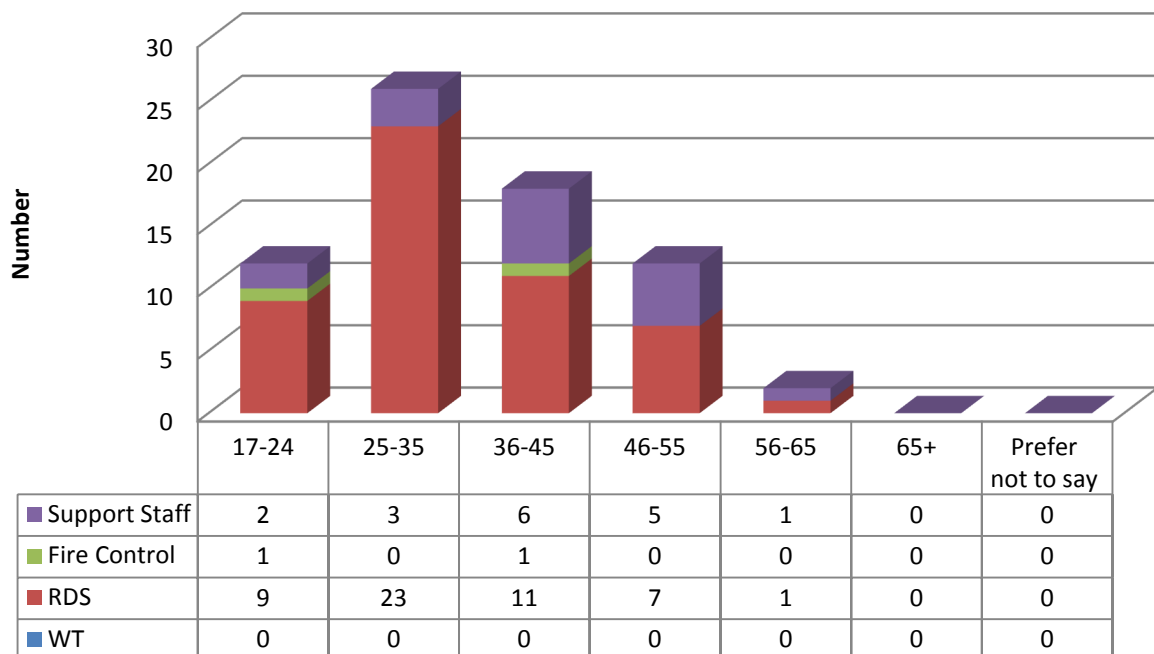
2.3 Applicants Appointed



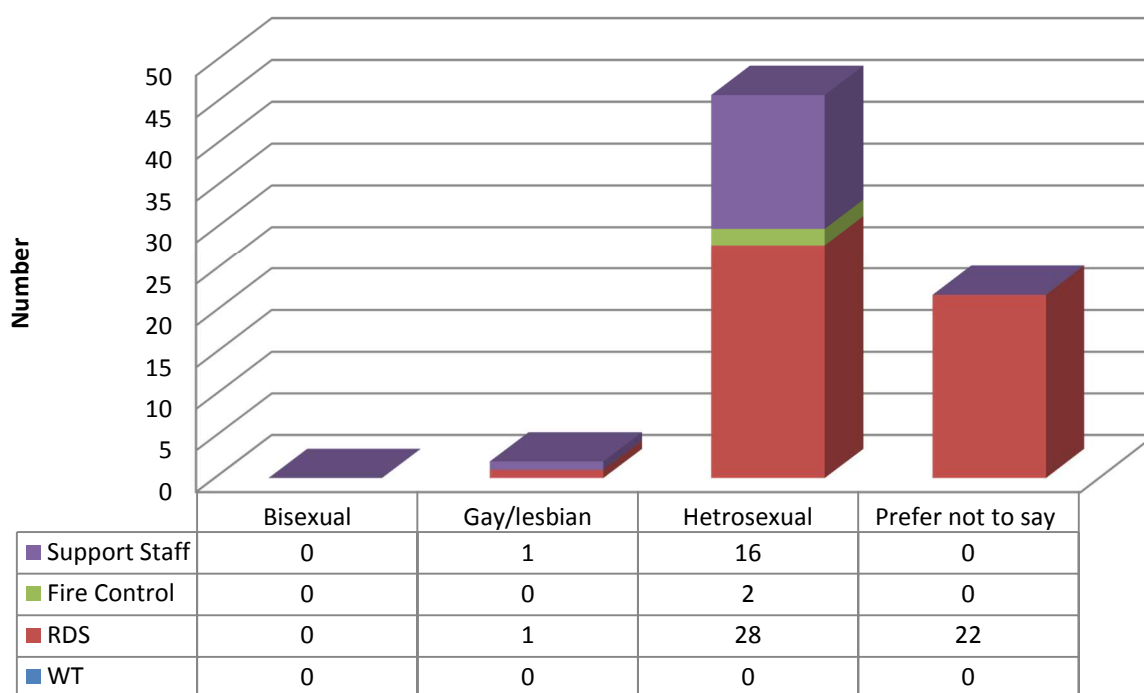
Disability



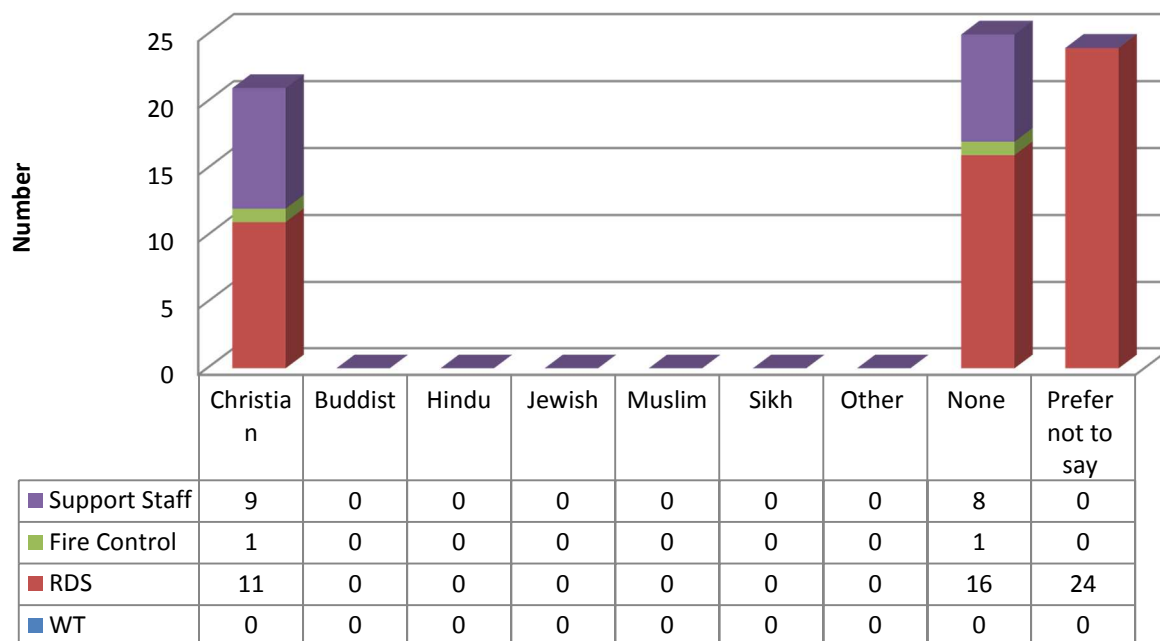
Age



Sexual orientation

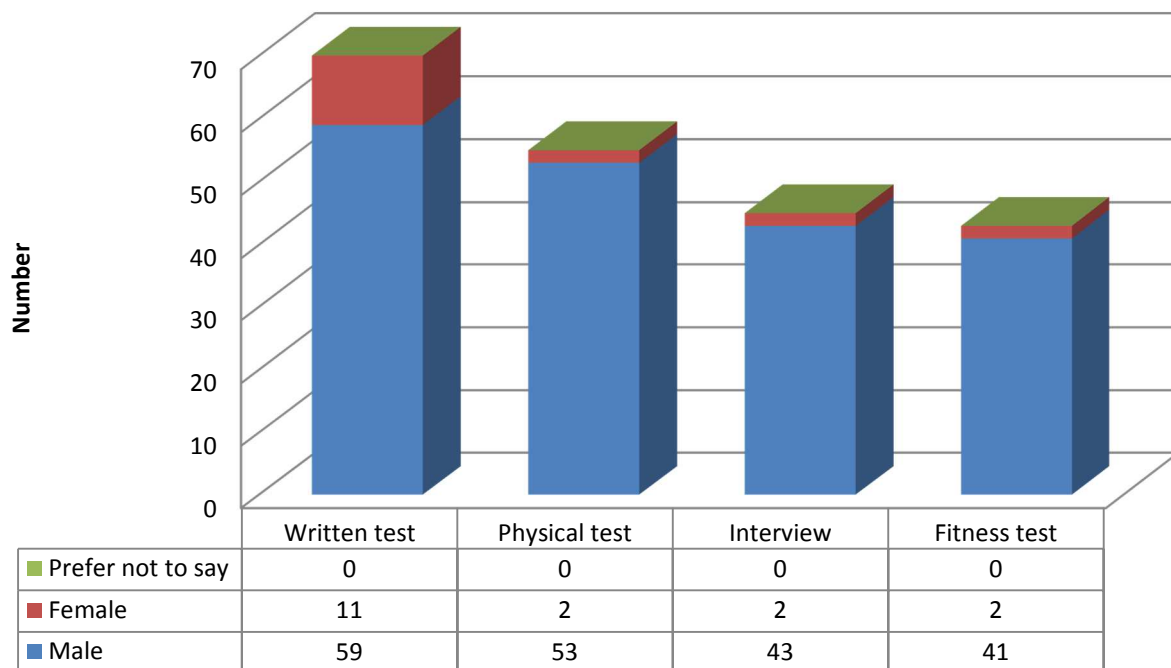


Religion or belief

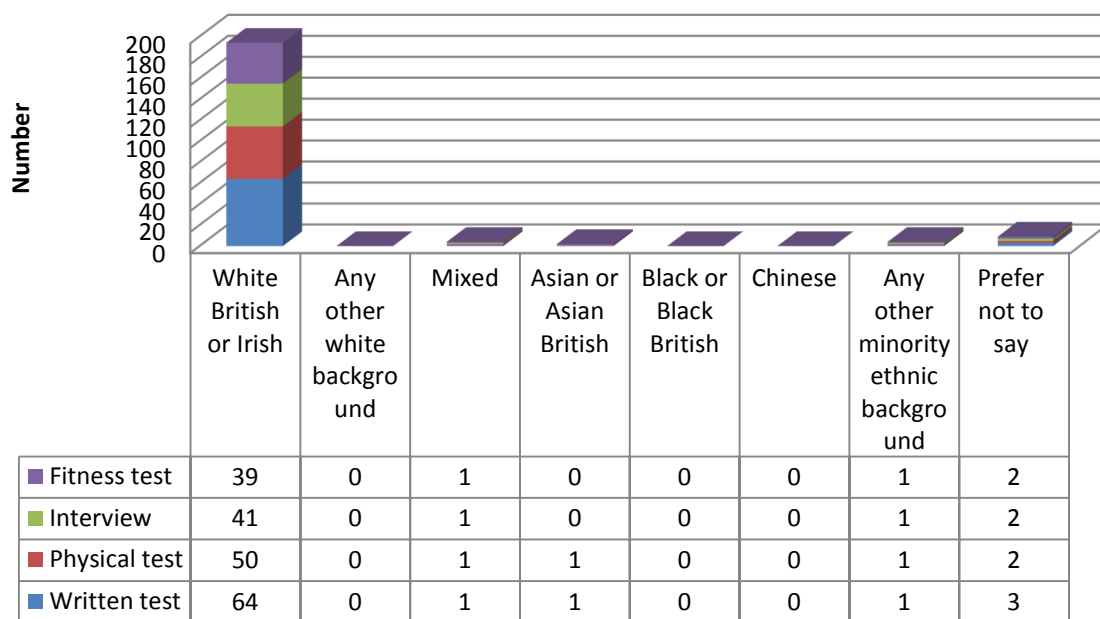


2.4 Detailed analysis of On-call Fire-fighter (RDS) Recruitment 2016/2017

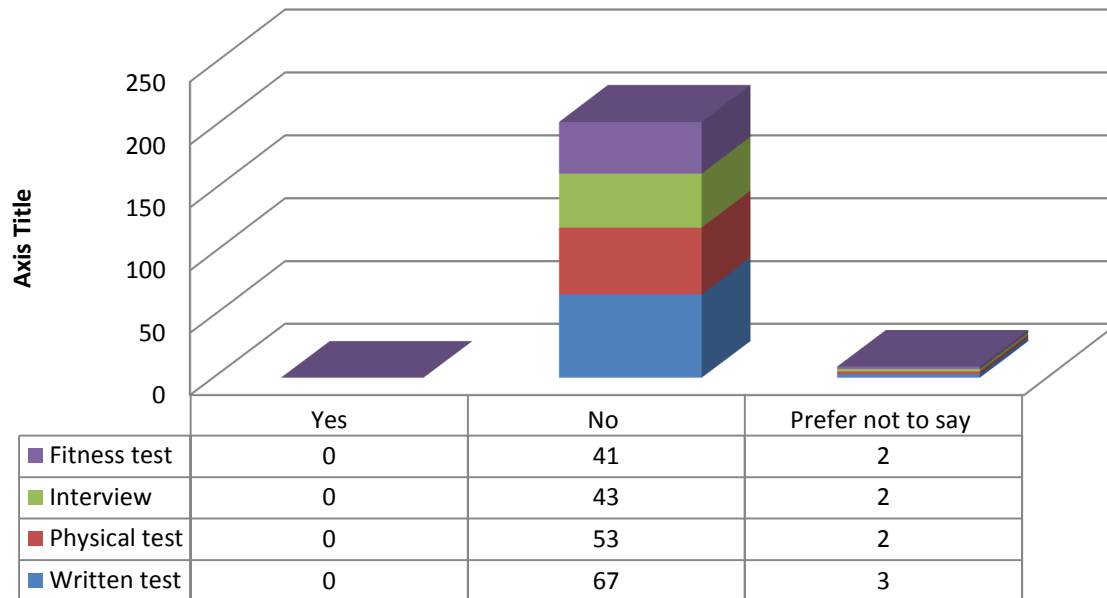
Firefighter selection process by gender



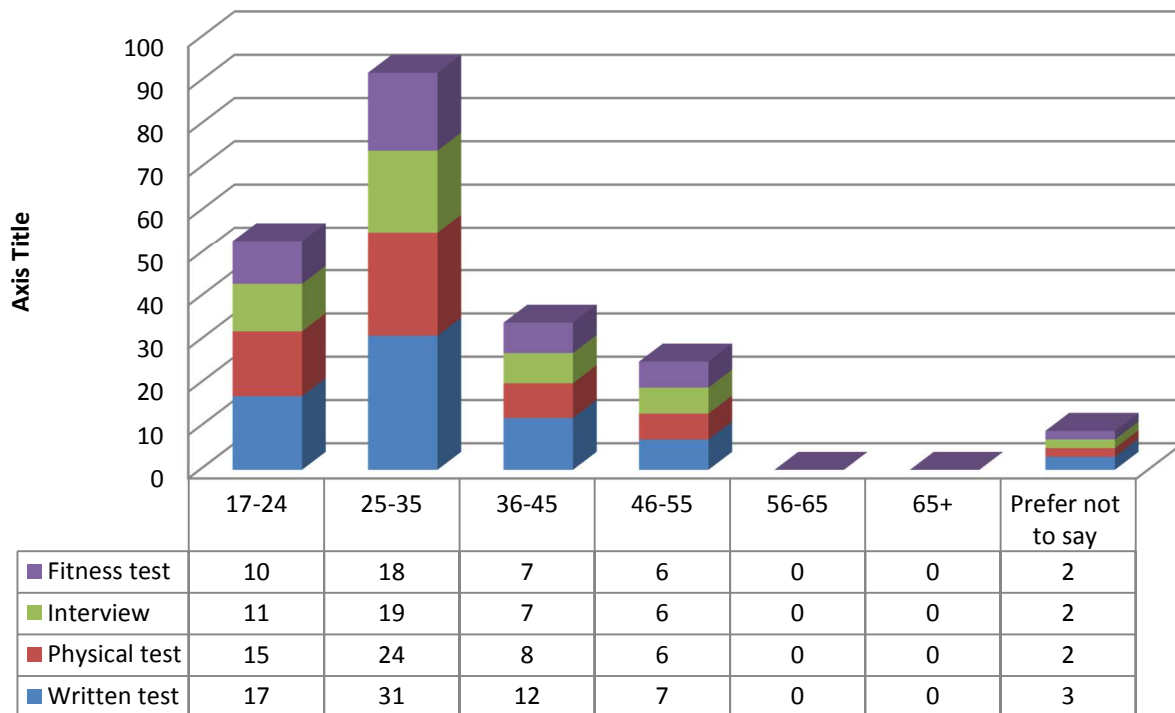
Ethnicity



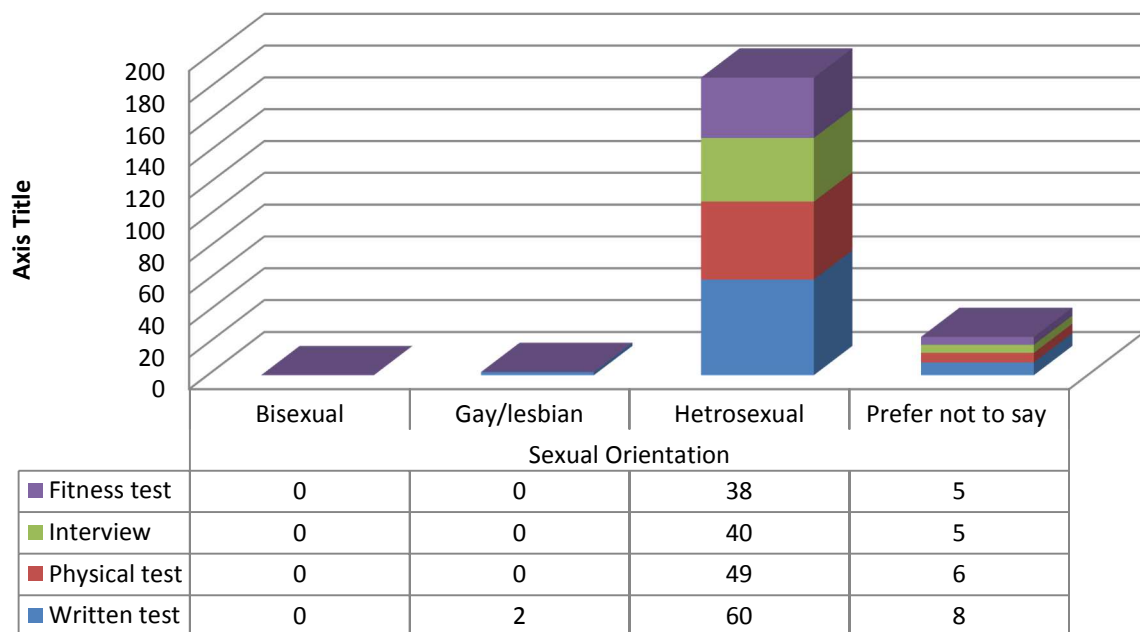
Firefighter selection process by disability



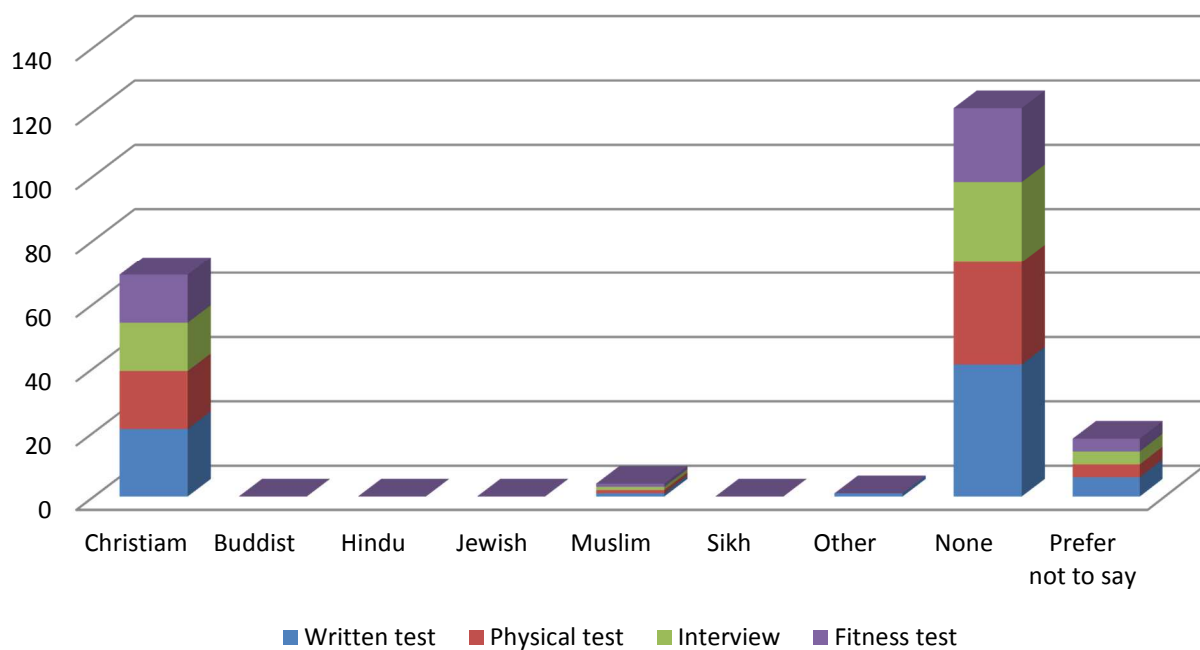
Firefighter selection process by age



Firefighter selection process by sexual orientation

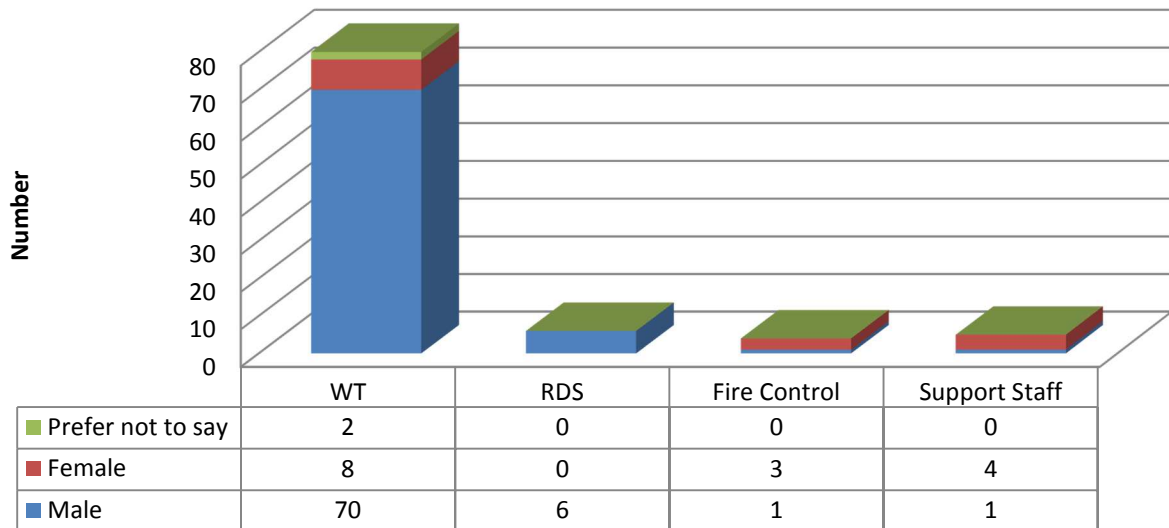


Firefighter selection process by religion or belief

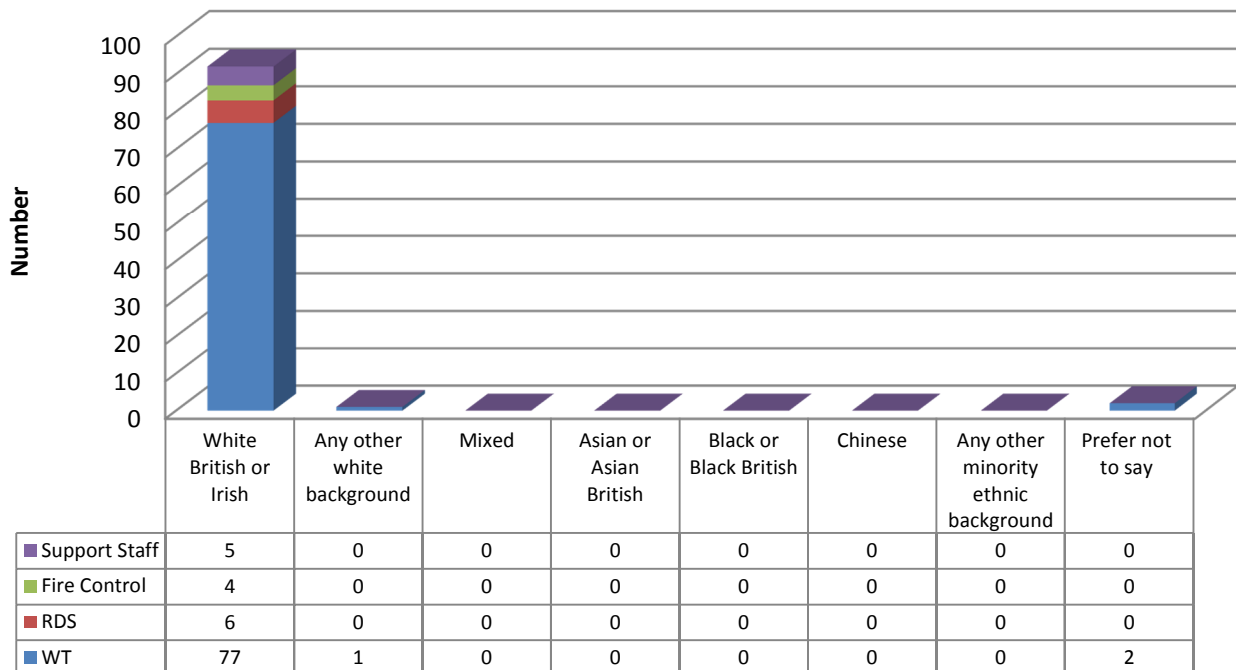


3. Promotion Applications

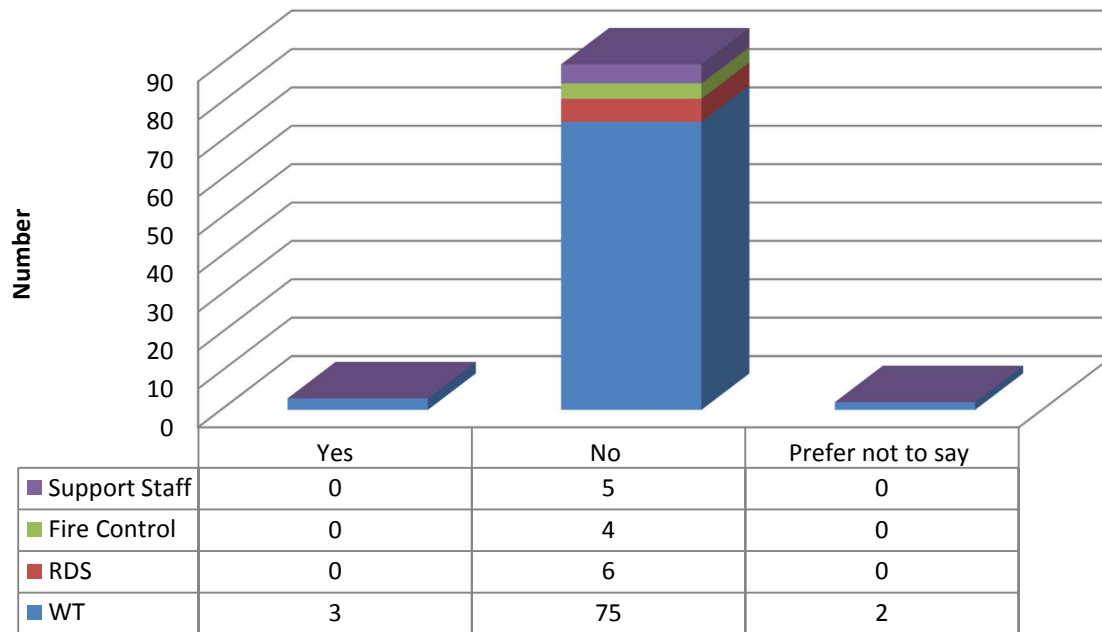
Applications received by gender



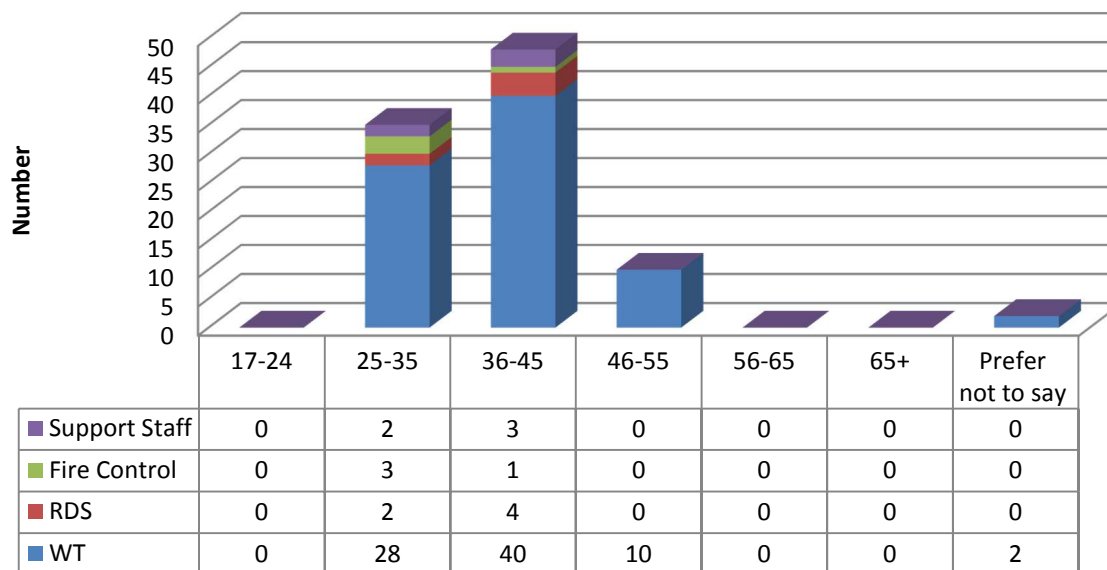
Applications received by ethnicity



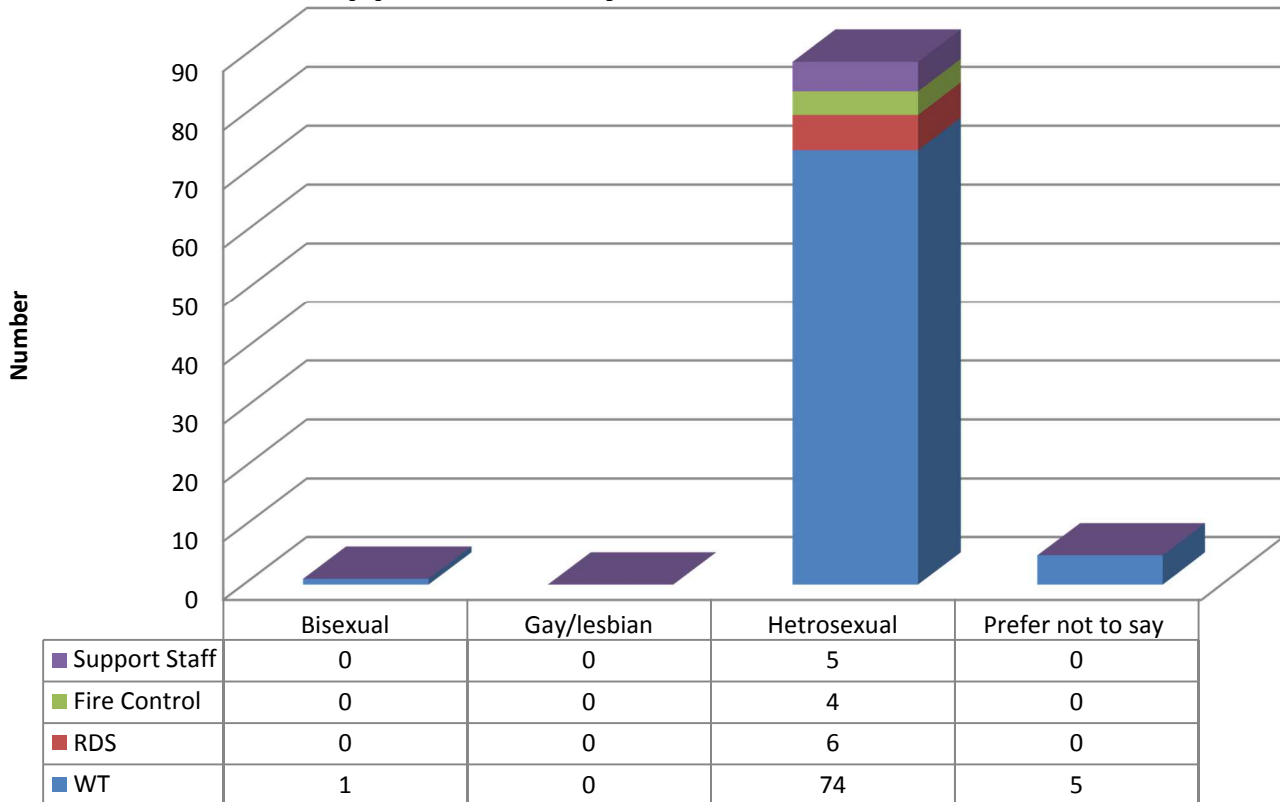
Applicants who have declared a disability



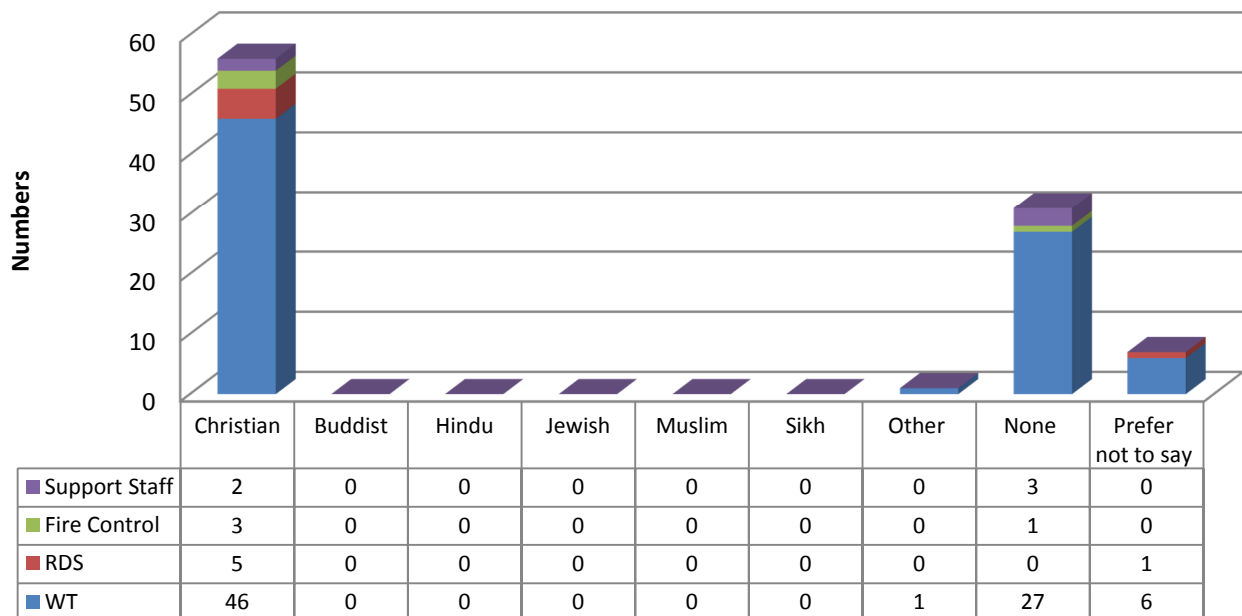
Applications by age bracket



Applications by sexual orientation

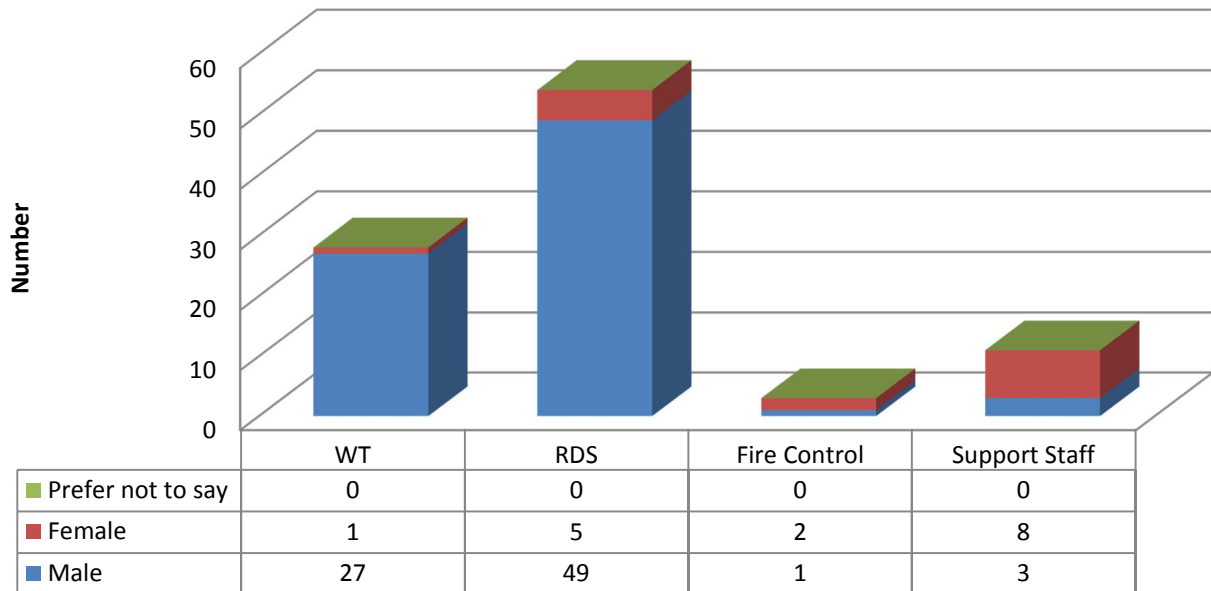


Applications by religion or belief

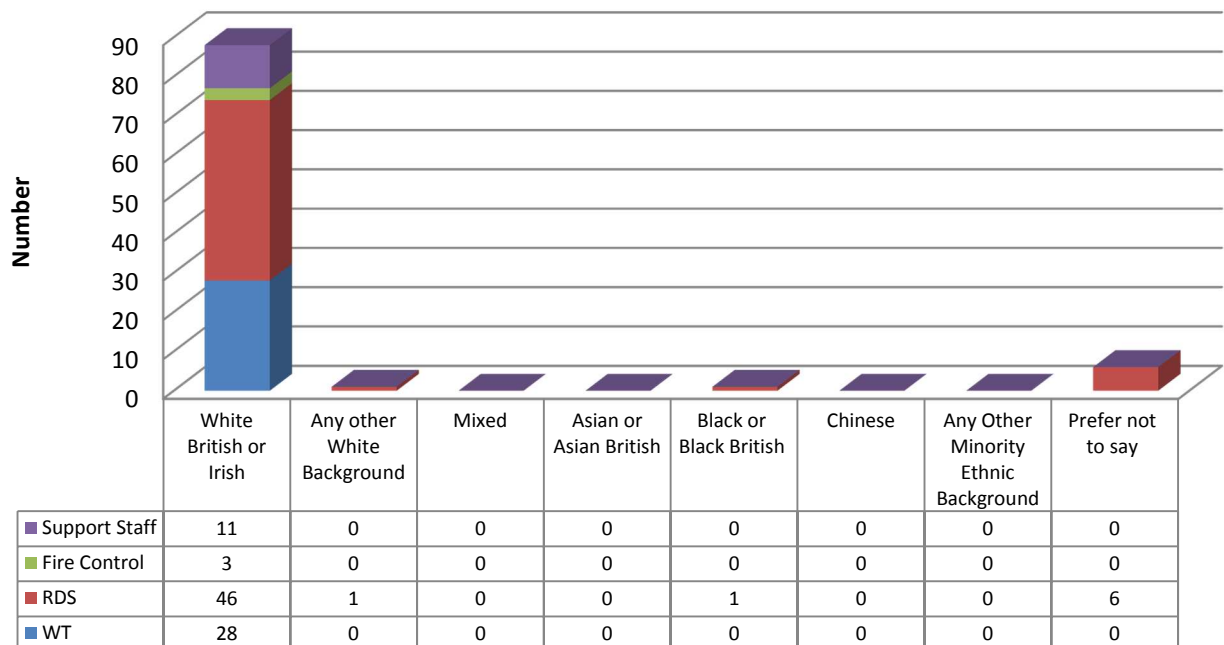


4. Number of staff leaving

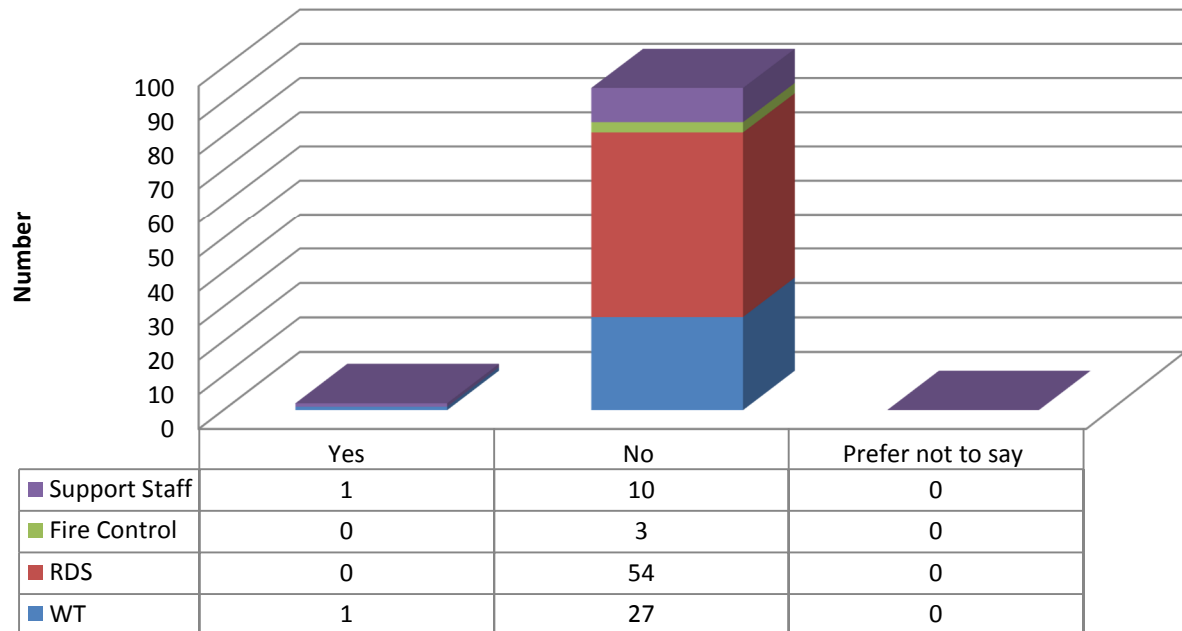
Leavers by gender



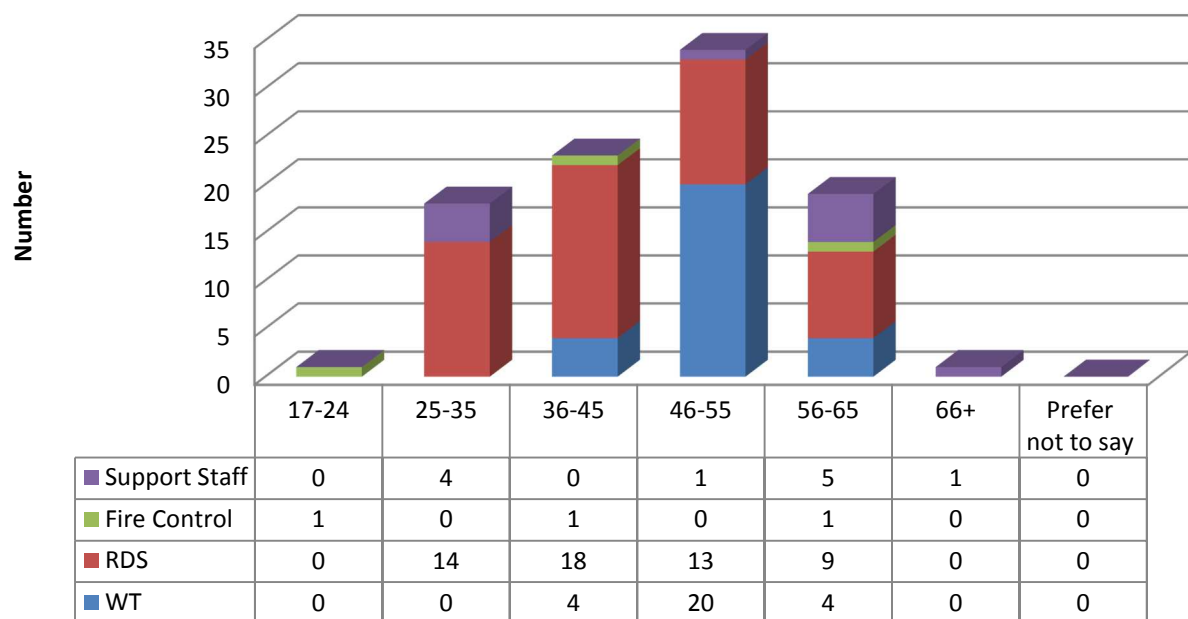
Leavers by ethnic origin



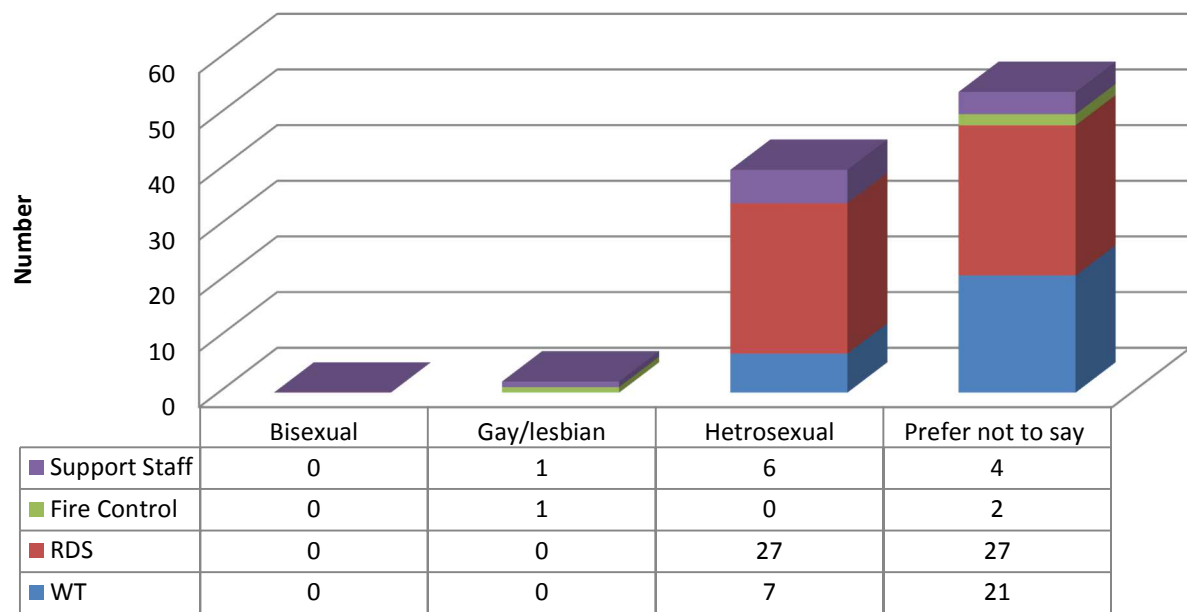
Leavers that have declared a disability



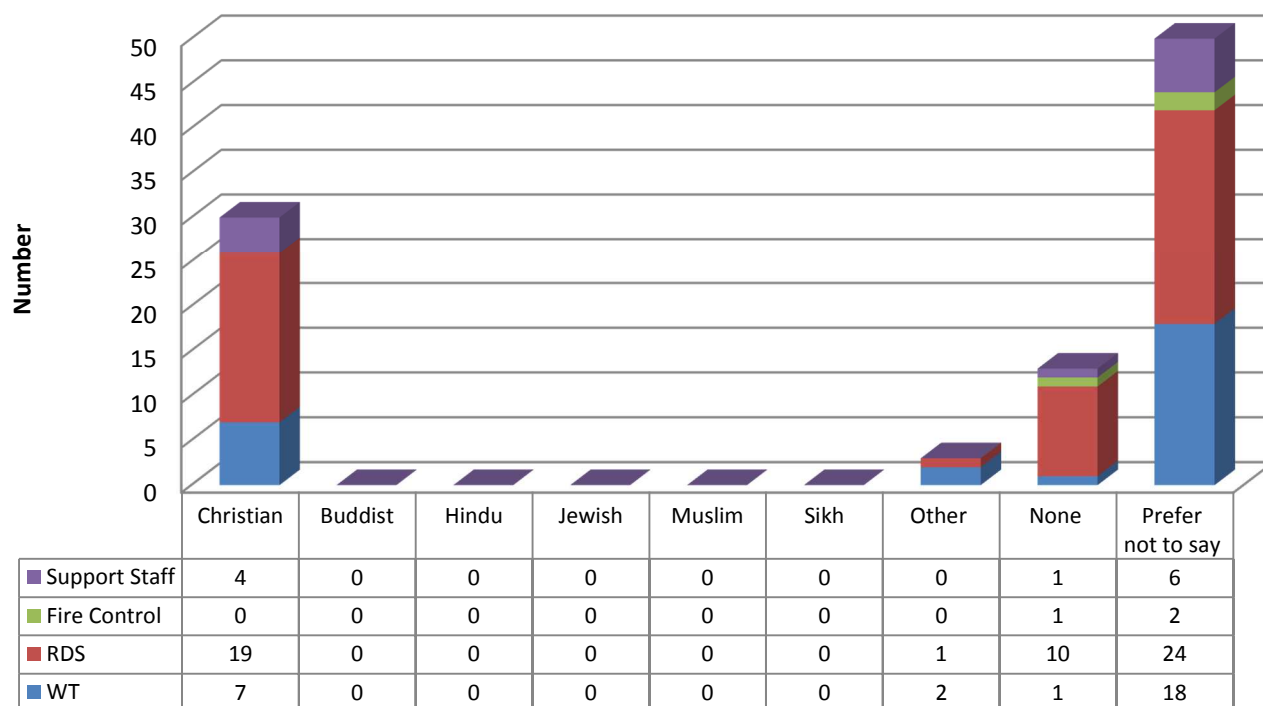
Leavers by age



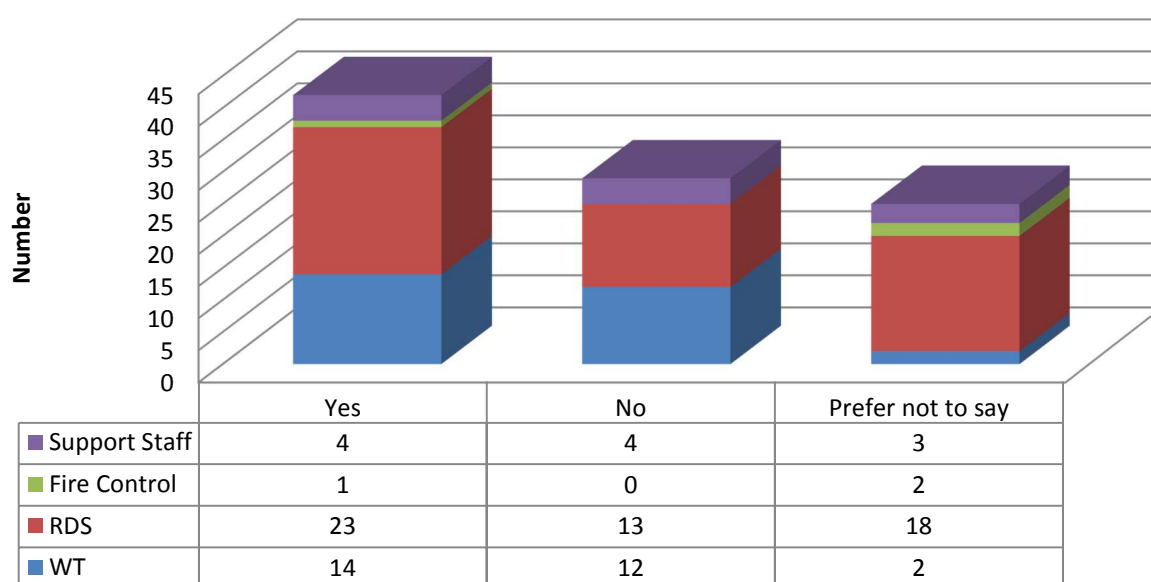
Leavers by sexual orientation



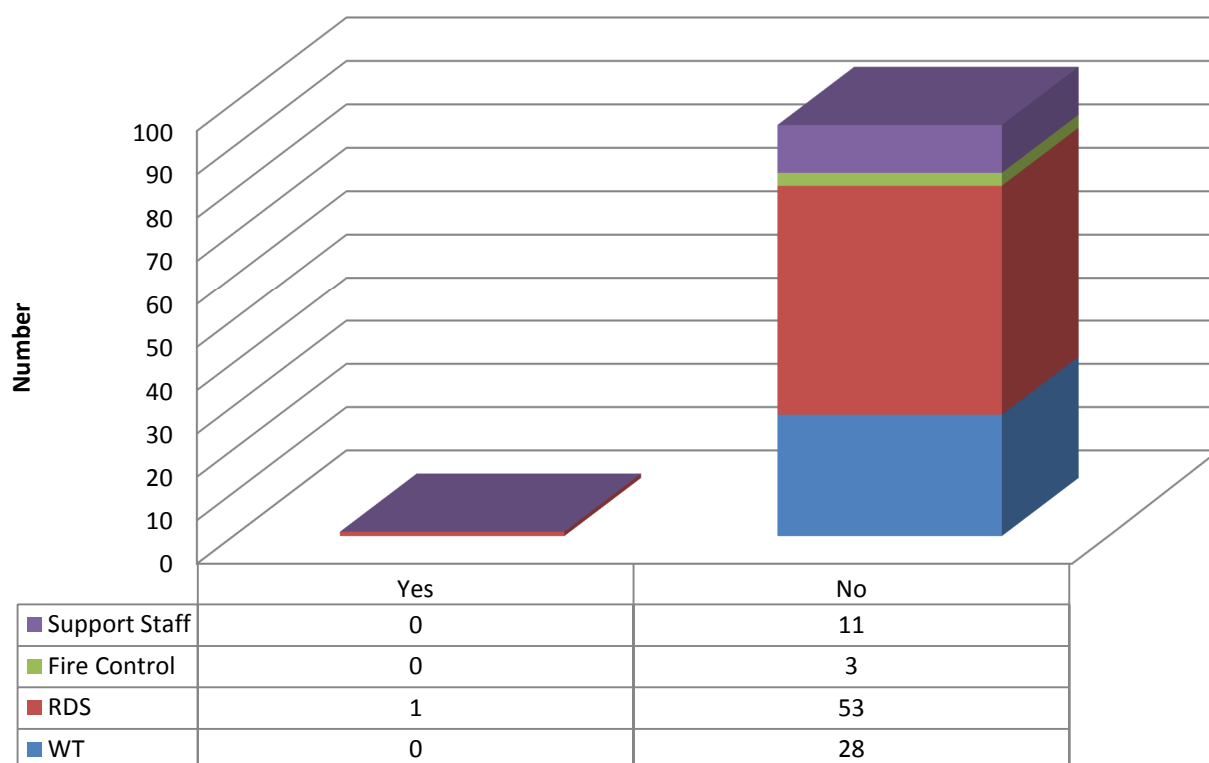
Leavers by religion and belief



Leavers who have declared they are married or in a civil partnership

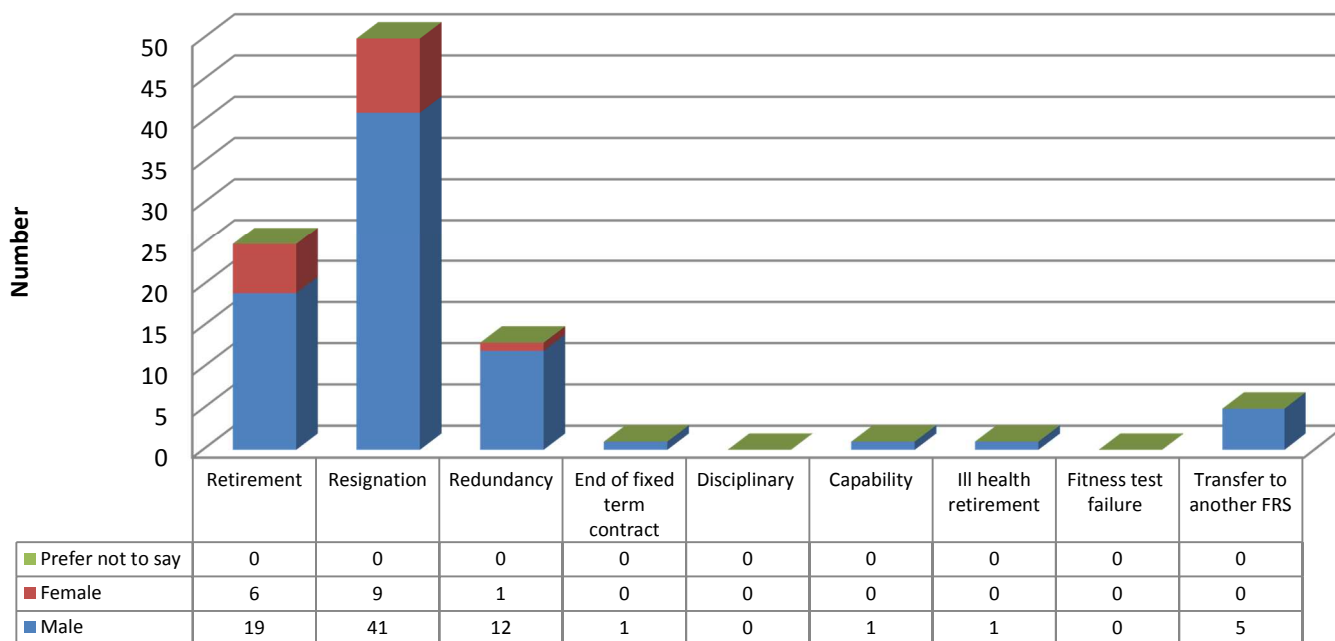


Leavers who are pregnant or on maternity leave



4.1. Reasons for staff leaving

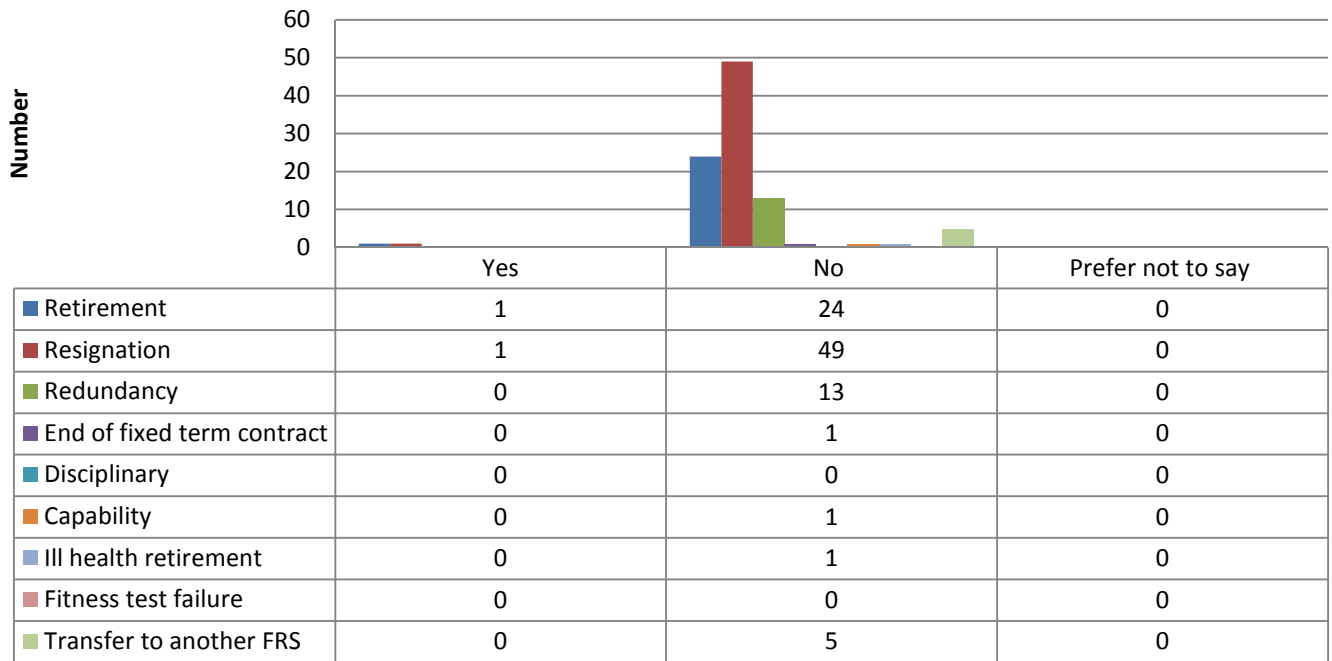
Reason for leaving by gender



Leavers by Ethnicity

Reason for leaving	Ethnicity							
	White British or Irish	Any other White Background	Mixed	Asian or Asian British	Black or Black British	Chinese	Any Other Minority Ethnic Background	Prefer not to say
Retirement	25	0	0	0	0	0	0	0
Resignation	43	1	0	0	0	0	0	6
Redundancy	13	0	0	0	0	0	0	0
End of fixed term contract	1	0	0	0	0	0	0	0
Disciplinary	0	0	0	0	0	0	0	0
Capability	0	0	0	0	1	0	0	0
Ill health retirement	1	0	0	0	0	0	0	0
Fitness test failure	0	0	0	0	0	0	0	0
Transfer to another FRS	5	0	0	0	0	0	0	0

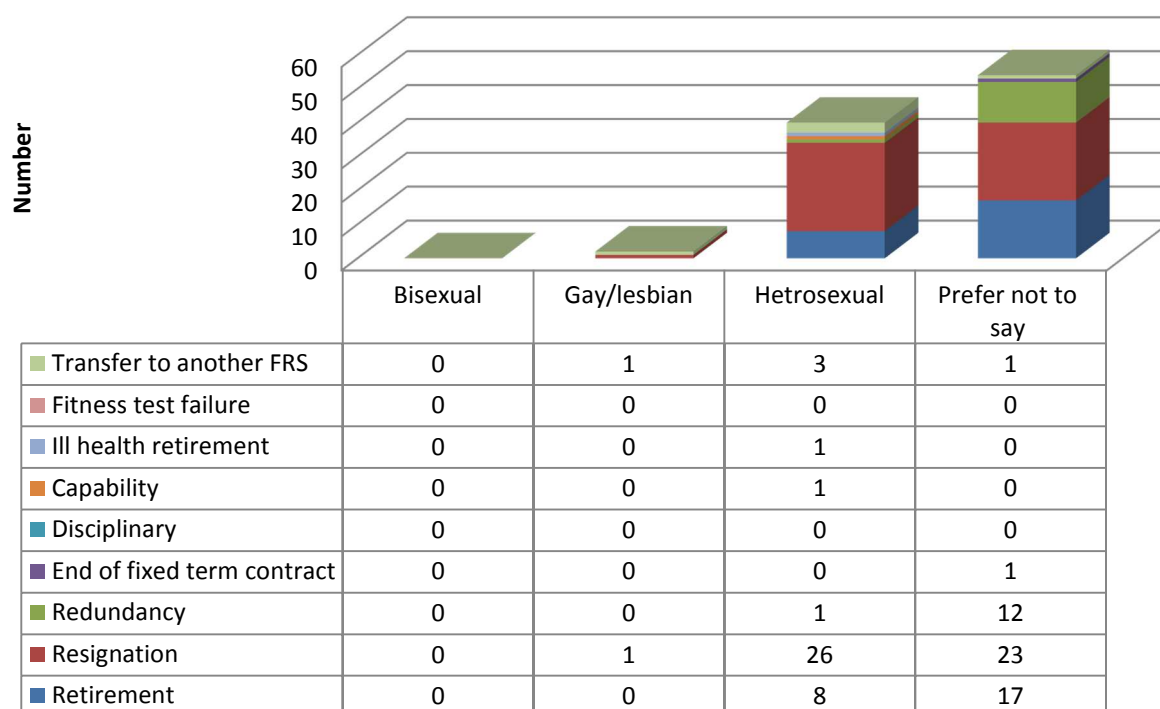
Leavers who have declared a disability



Leavers by Age

Reason for leaving	Age						
	17-24	25-35	36-45	46-55	56-65	66+	Prefer not to say
Retirement	0	0	0	10	14	1	0
Resignation	0	18	18	11	3	0	0
Redundancy	0	0	0	11	2	0	0
End of fixed term contract	0	0	1	0	0	0	0
Disciplinary	0	0	0	0	0	0	0
Capability	0	0	0	1	0	0	0
Ill health retirement	0	0	1	0	0	0	0
Fitness test failure	0	0	0	0	0	0	0
Transfer to another FRS	1	0	3	1	0	0	0

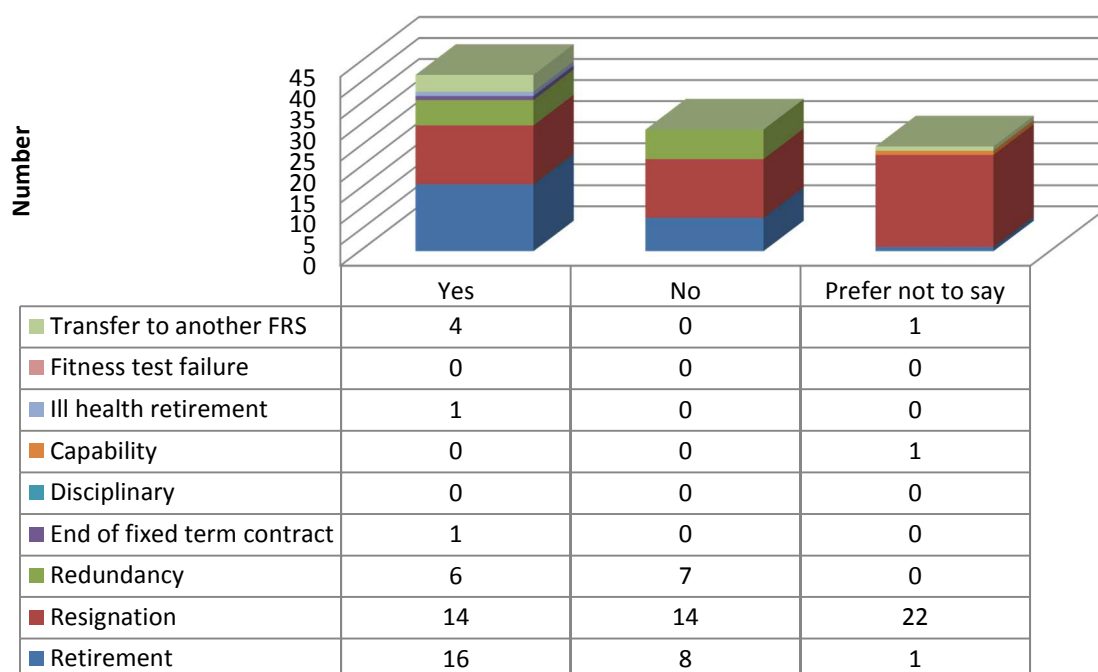
Leavers by sexual orientation



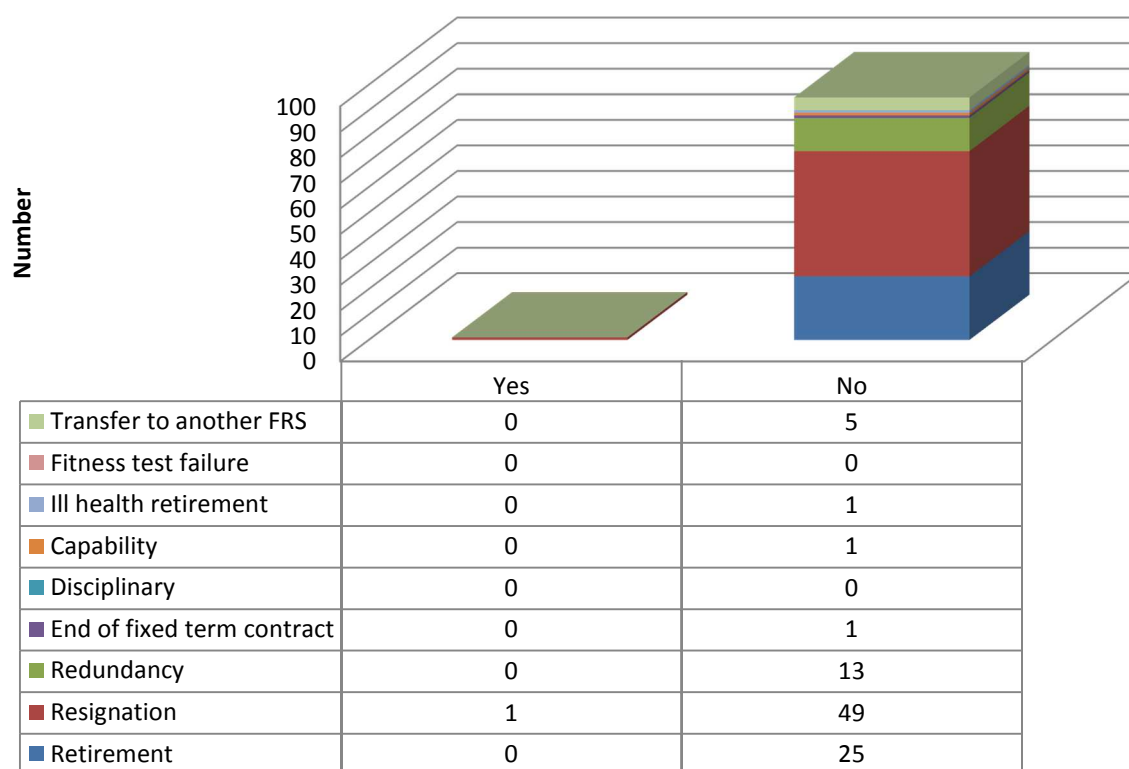
Leavers by religion or belief

Reason for leaving	Religion or Belief								
	Christian	Buddhist	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say
Retirement	7	0	0	0	0	0	1	1	16
Resignation	17	0	0	0	0	0	1	10	22
Redundancy	2	0	0	0	0	0	0	1	10
Termination of contract - end of fixed term contract	0	0	0	0	0	0	0	0	1
Termination of contract - disciplinary	0	0	0	0	0	0	0	0	0
Termination of contract - capability	1	0	0	0	0	0	0	0	0
Termination of contract - ill health retirement	1	0	0	0	0	0	0	0	0
Termination of contract fitness test failure	0	0	0	0	0	0	0	0	0
Transfer to another FRS	2	0	0	0	0	0	1	1	1
Not indicated	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0

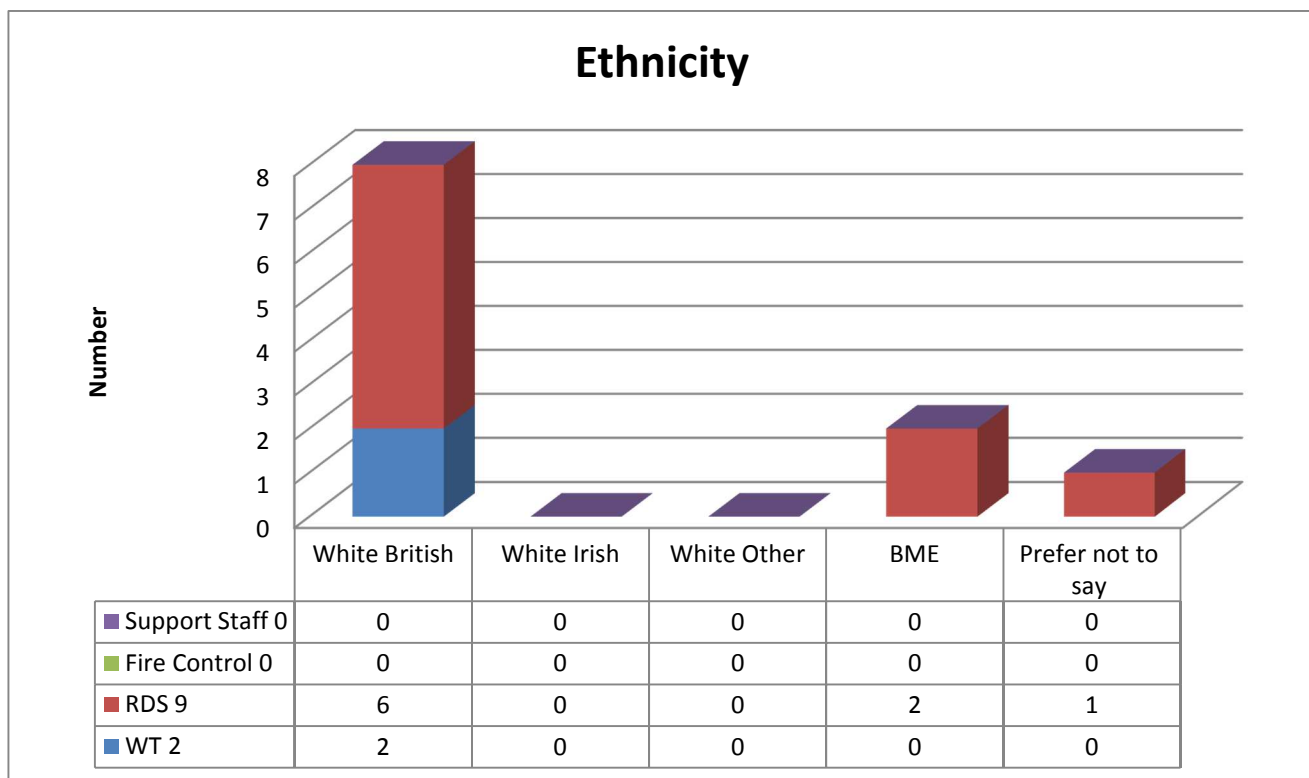
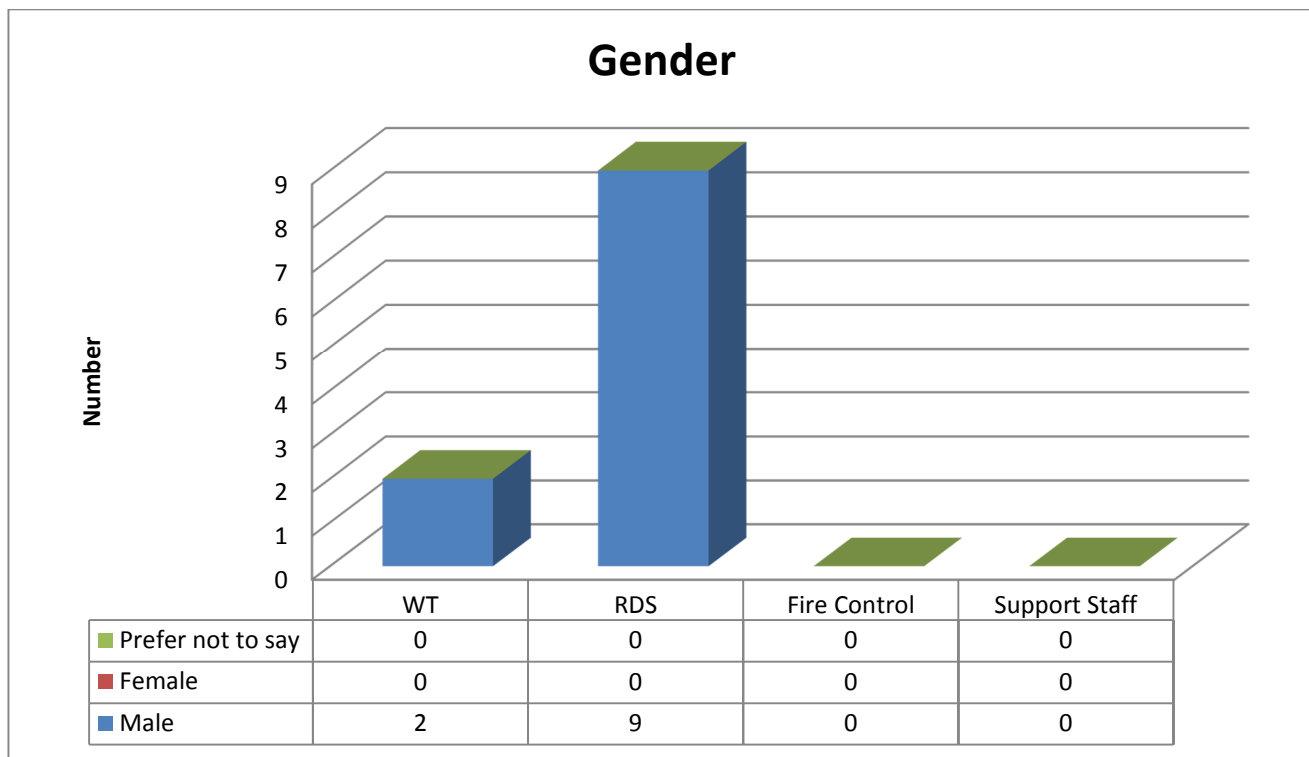
Leavers who have declared they are married or in a civil partnership



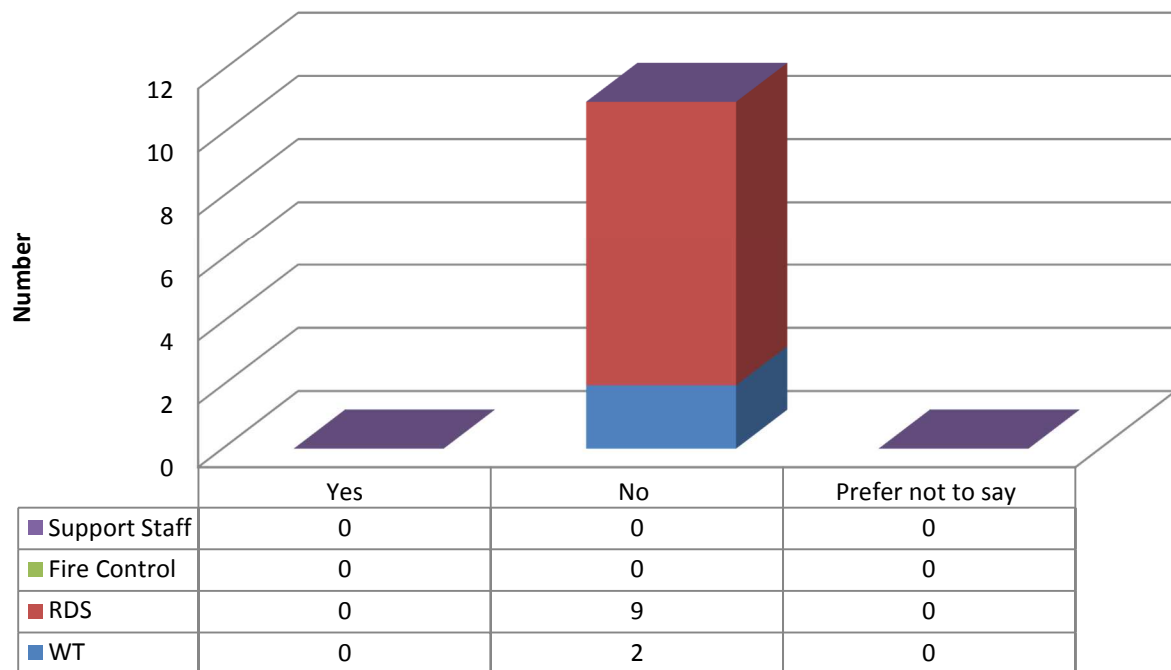
Leavers who are pregnant or on maternity leave



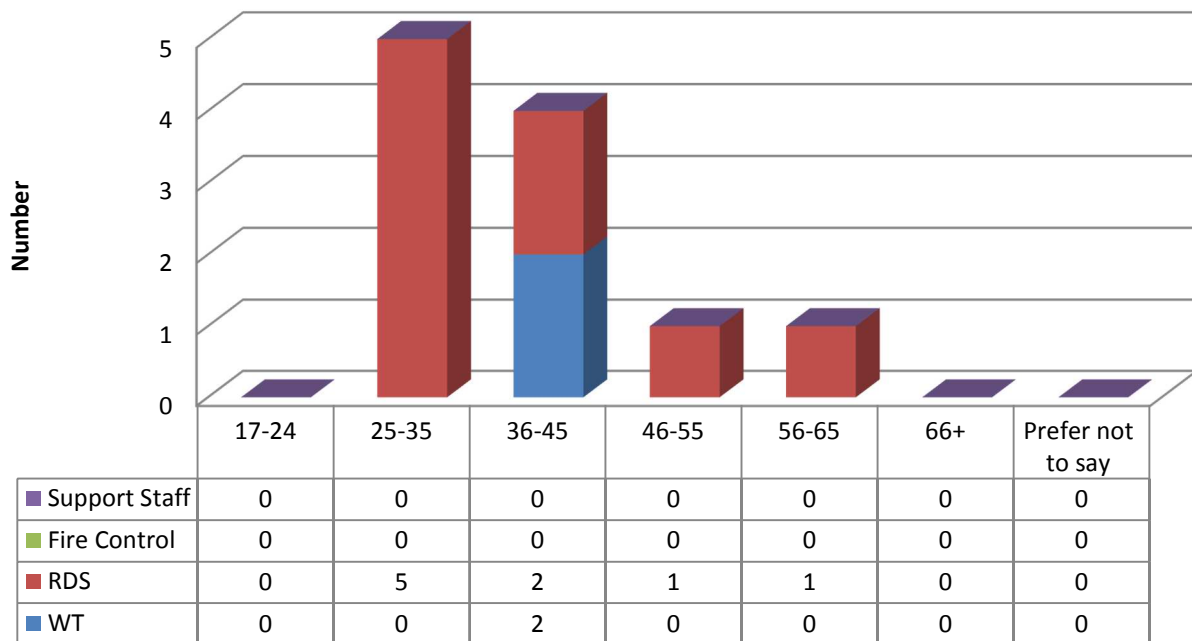
5. Formal discipline case work



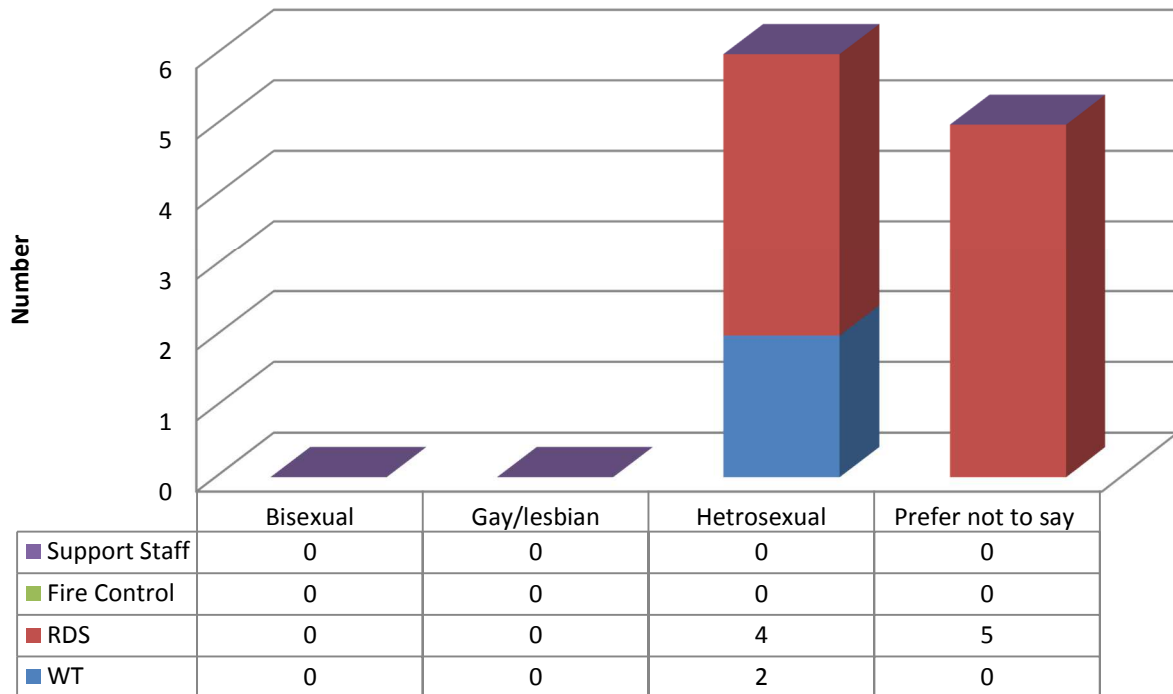
Disability



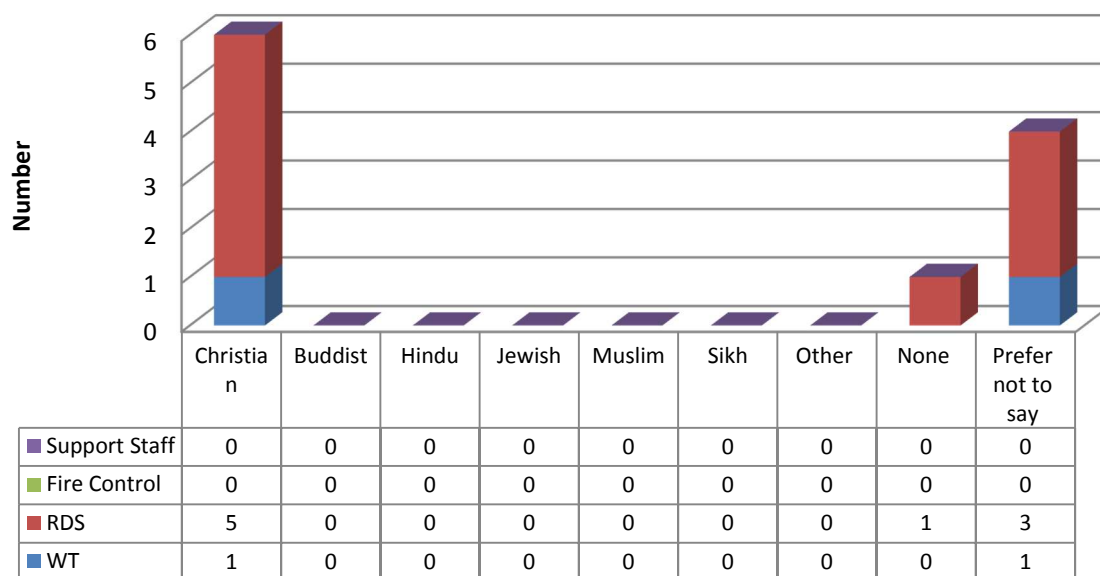
Age



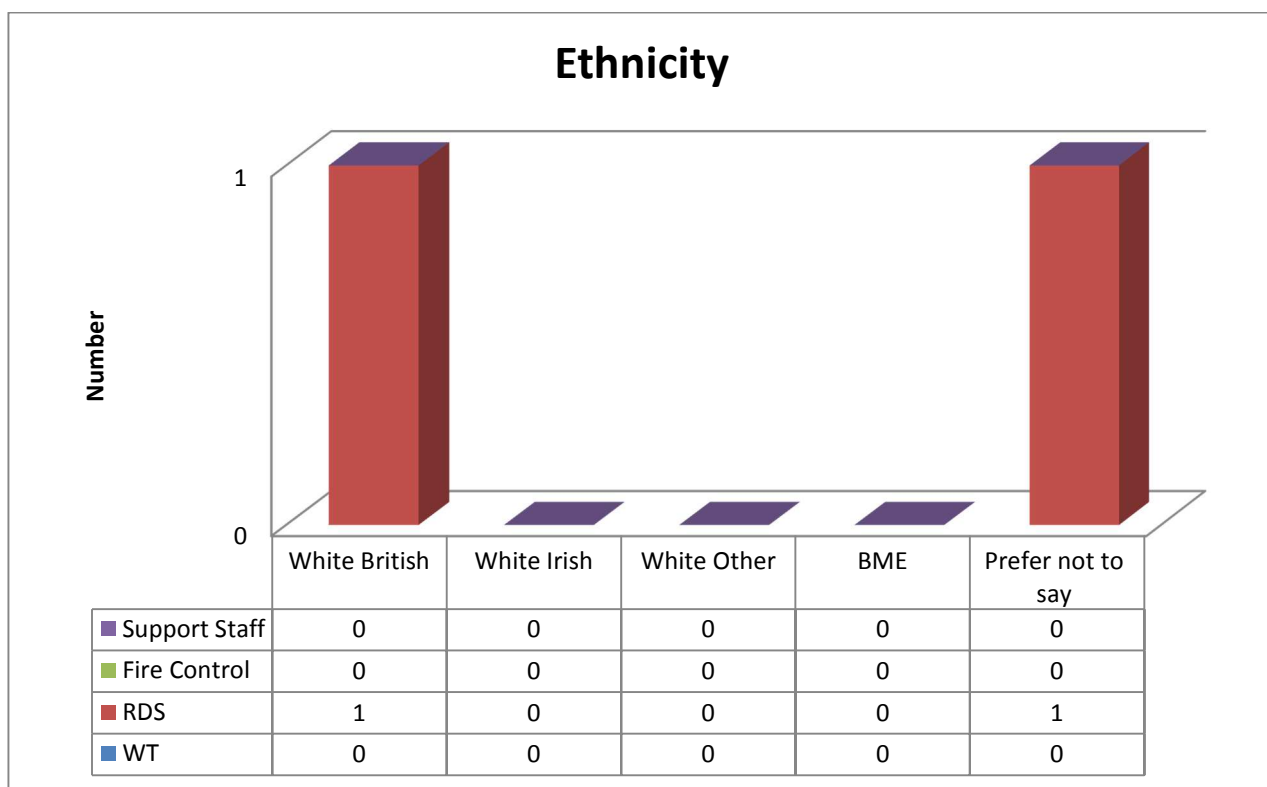
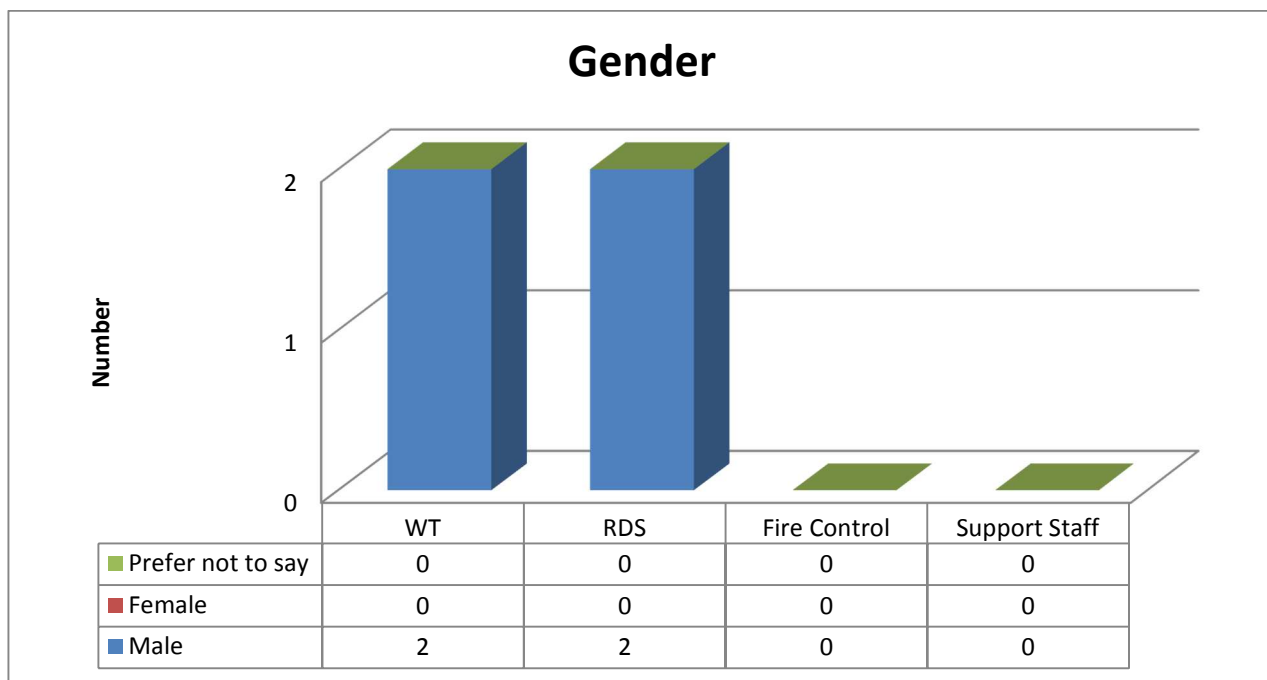
Sexual orientation



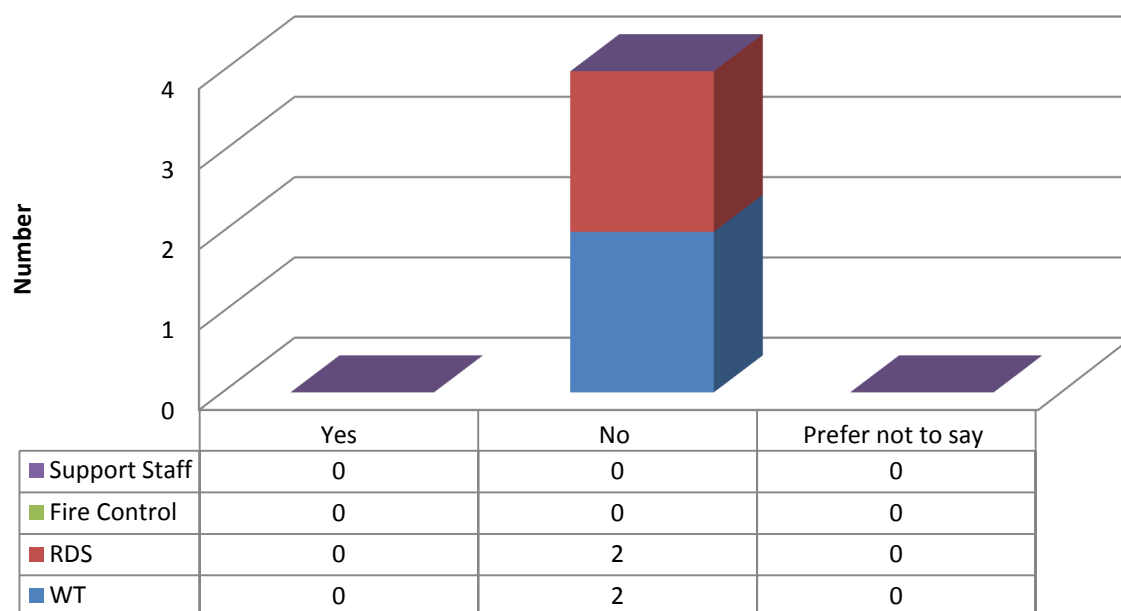
Religion or belief



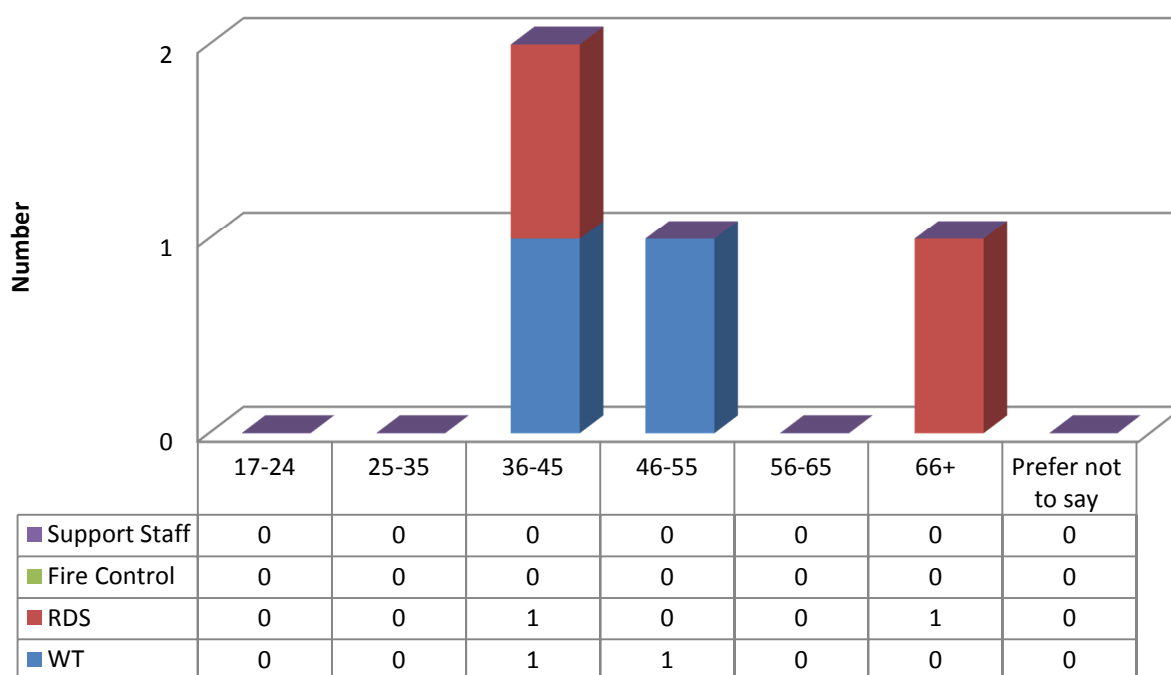
6. Grievance case work



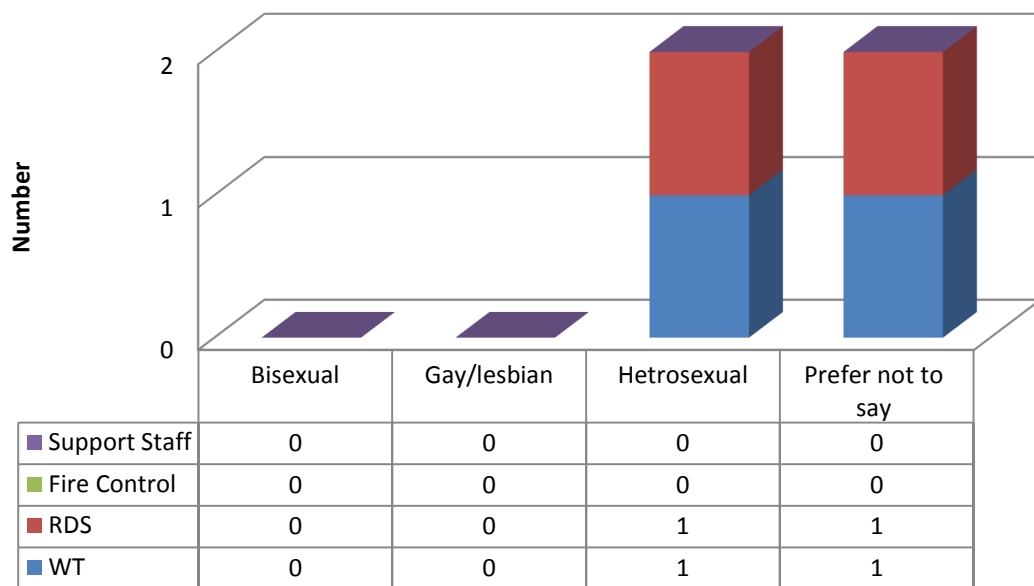
Disability



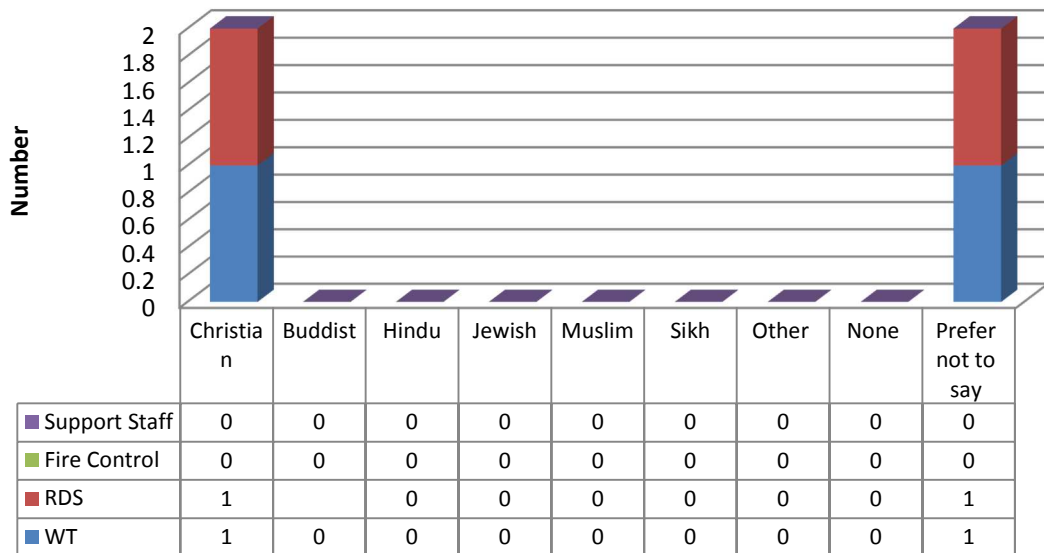
Age



Sexual orientation



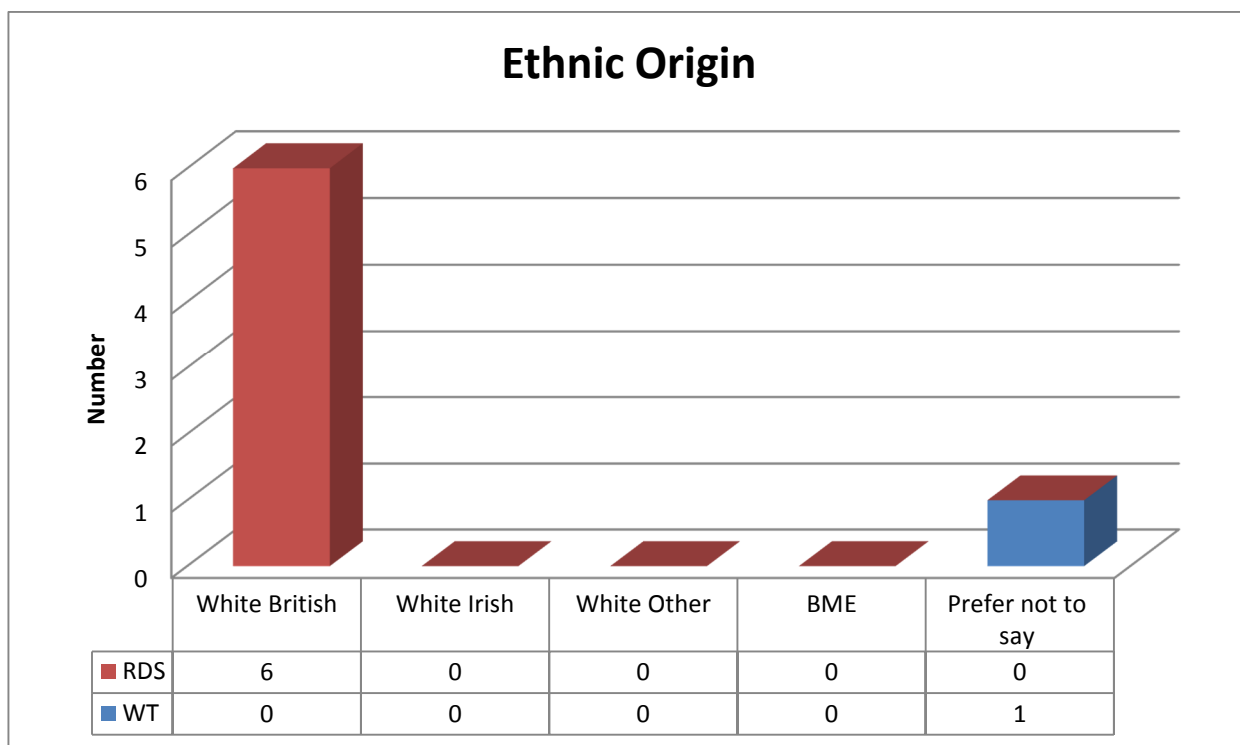
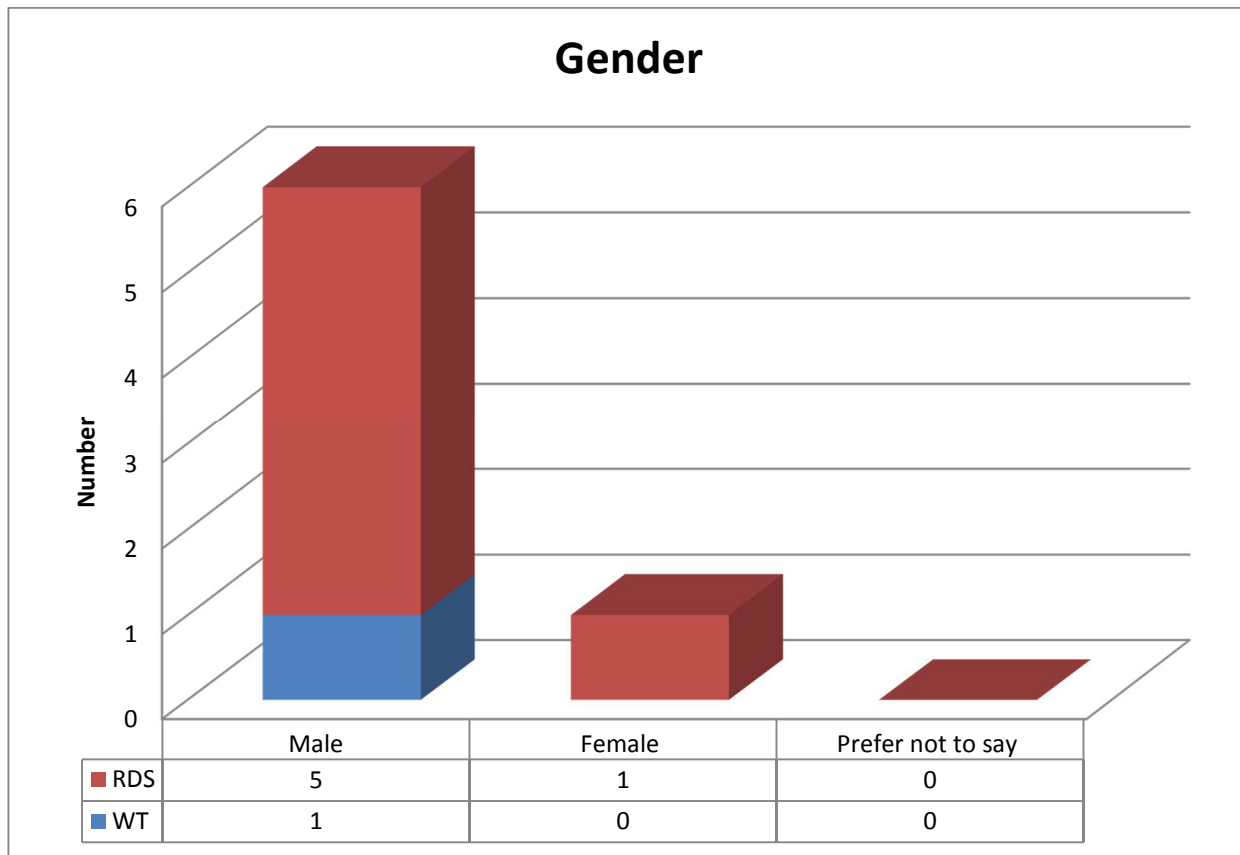
Religion or belief



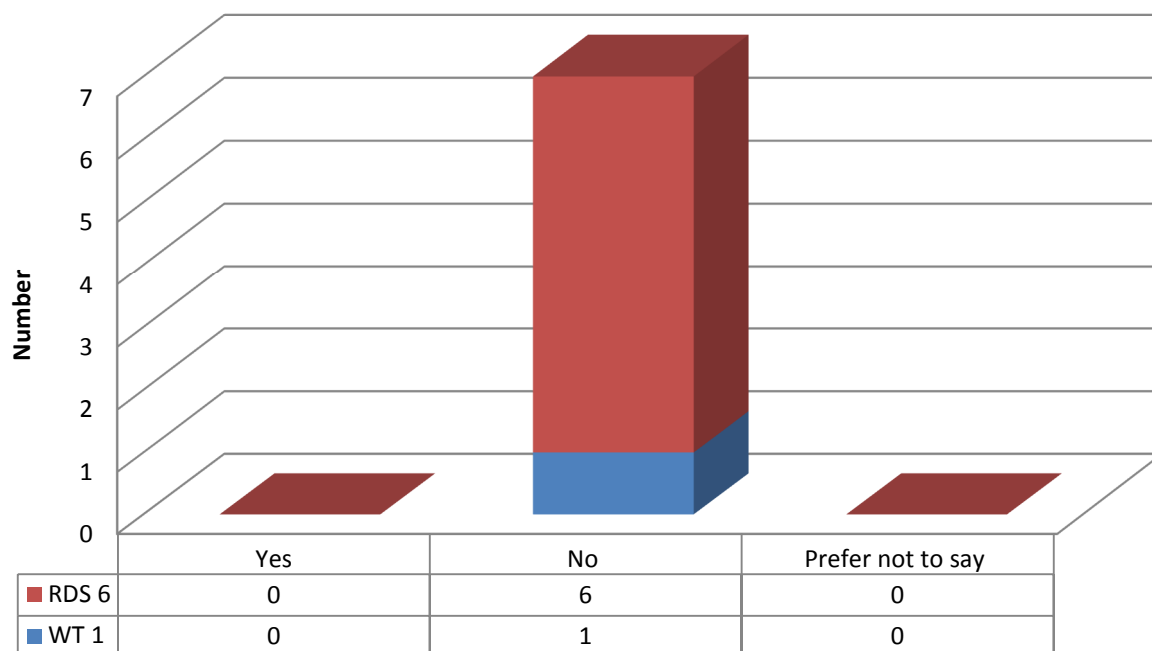
7. Bullying and harassment case work

During this year there have been no complaints raised.

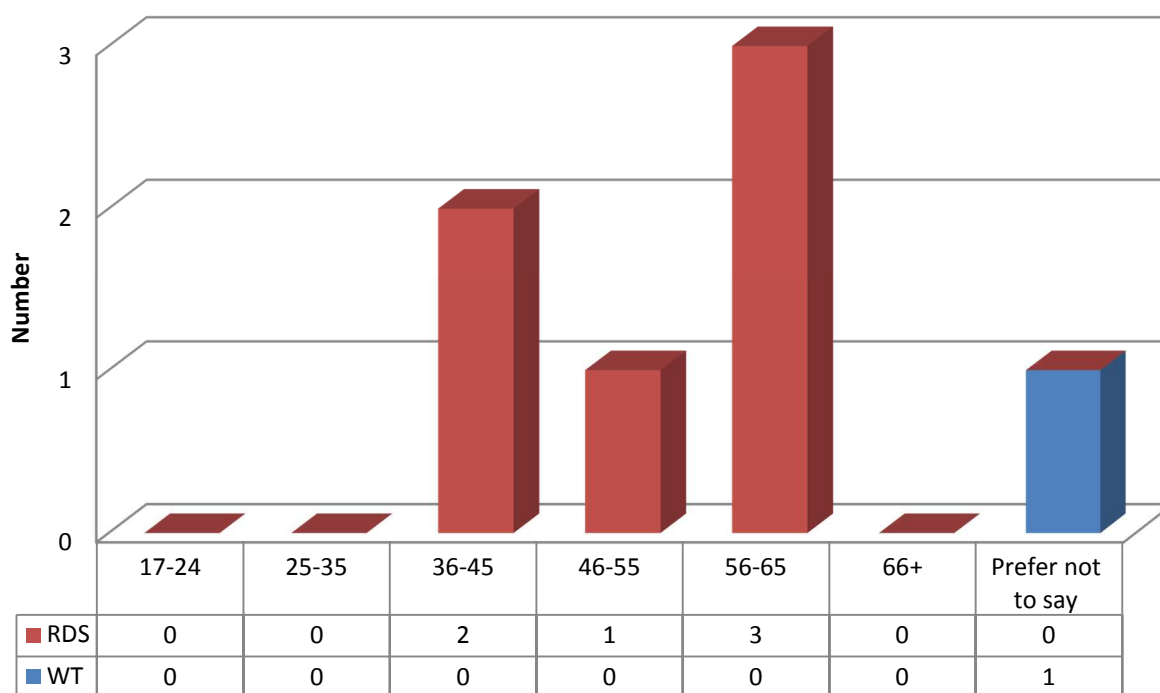
8. Unsuccessful Fitness tests



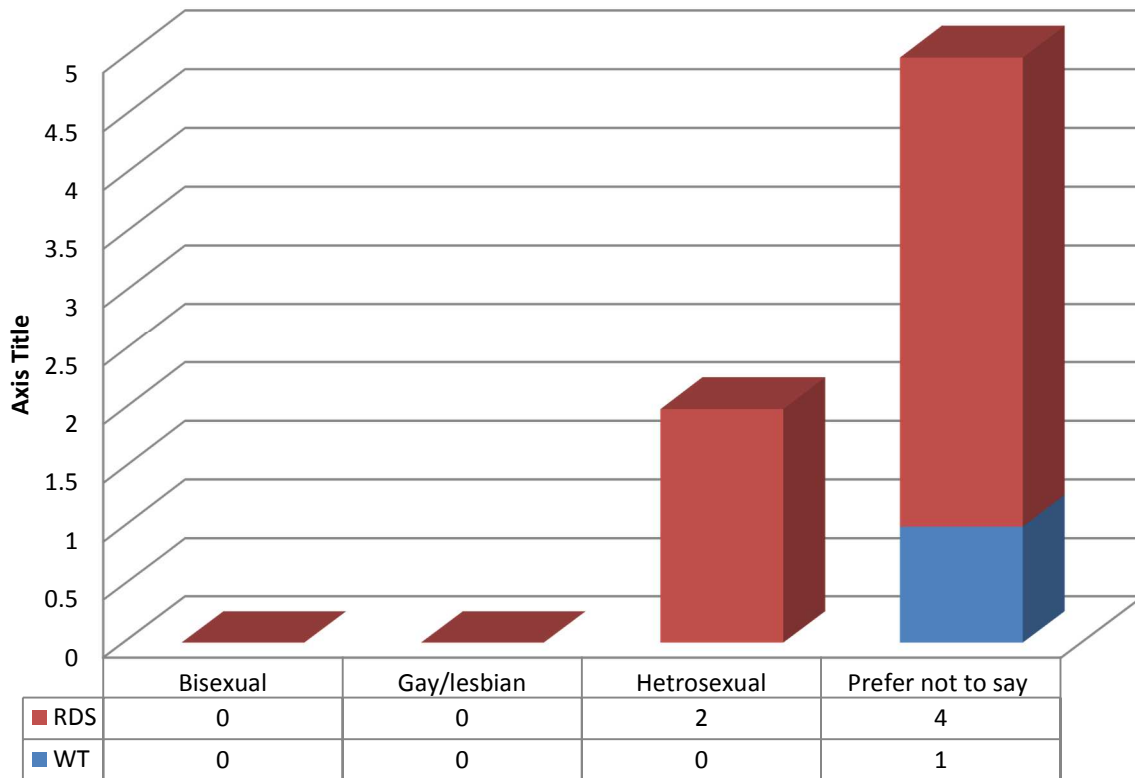
Disability



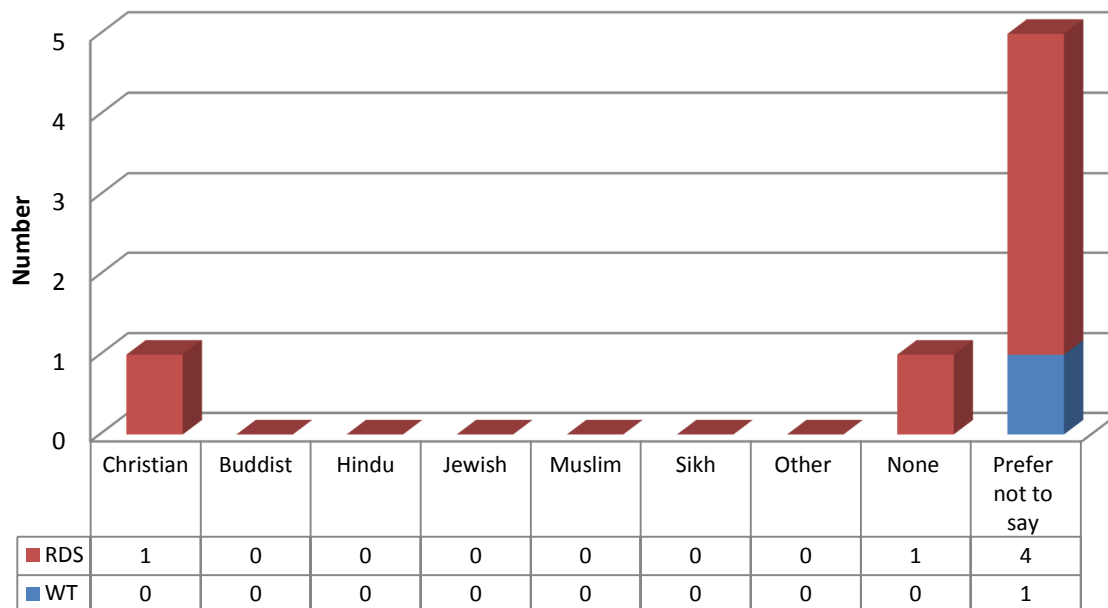
Age



Sexual orientation



Religion or belief



Report of the Head of Operational Support

Health & Safety Committee Update

Purpose of report

1. To provide the Audit and Standards Committee with an update on the activities and items of significance from the Service's Health and Safety Committee.
-

Recommendations

It is recommended that the following issues, in particular, be noted:

- (i) ***Health and Safety performance information recorded during January 2017 to June 2017 (Quarter 4 2016/17 & Quarter 1 2017/18)***
- (ii) ***The involvement of the Service in a number of Health and Safety initiatives***

Introduction

2. A key aim of Hereford & Worcester Fire Authority is to ensure the safety and well-being of its employees and to reduce and prevent accidents and injuries at work.
3. The Health and Safety Committee is established to provide effective arrangements for the liaison and review of matters of a common interest with regard to Health and Safety (H&S). The Committee provides the opportunity for the Service to discuss general H&S matters on which it must consult the workforce via employee representatives.
4. The Committee has the facility to task work to the Health & Safety Working Group, which sits beneath it and is chaired by the Area Commander Operations Support. The group meets as and when required but at least every six months.

Update

5. Due to a change of dates for the Audit and Standards Committee this update encompasses two quarters of performance information and the H&S Committee has met on two separate occasions, firstly on 15 March and then subsequently on 22 June. The H&S Committee is due to next meet on 7 September 2017.

6. At the recent H&S Committee meetings, a number of national and local initiatives were discussed. Discussions included an overview of the work being undertaken by the H&S Working Group regarding organisational road risk. Additionally, work areas under review within the H&S Department were discussed such as:- accident reporting, workplace inspections and fire risk assessments.
7. A review of quarterly performance for the relevant period is discussed in detail. Whilst this Quarter 4 report (Appendix 1) shows an increase in the total number of personal injuries reported, the severity levels remain relatively low. The Quarter 1 report (Appendix 2) highlighted that the majority of personal injuries occurred during training activities. Training Centre instructors reviewed associated risk assessment against the training activity, confirming that the control measures in place were suitable and sufficient.

H&S Committee Working Group

8. The H&S Working Group is currently midway through a review of organisational road risk in relation to all the vehicles driven and used by staff. The working group reports its findings into the H&S Committee at regular intervals. The outcomes of this review may lead to a range of changes in a number of key areas relating to the use of Service vehicles and potentially changes to Service policies and guidance. One area of this review that has been completed is the development of a revised policy for the operational mobilisation of responding vehicles to lower risk incidents where the use of blue lights and exemptions to road traffic regulations may not be justifiable. This policy has been developed in consultation with other Fire and Rescue Services and with West Mercia Police. The revised policy reflects a very similar methodology and risk assessment process to that in use by the Police and can be used by Fire Control and operational responding staff.

National Activities

9. A national H&S related publication has been issued for 'Work Related Deaths'. The publication is an agreed protocol for liaison between multi agencies following a work related death. The publication has been reviewed and is considered a supportive guidance document to be used in conjunction with the Service's 'Major Event Response Protocol'.
10. The Service has recently received a document issued by the National Fire Chiefs Council (NFCC) to evaluate an operational incident at Oldham St, Manchester which led to the death of Firefighter Stephen Hunt. The purpose of this publication/toolkit is to allow the NFCC to collate, in a structured and standardised way, responses from all UK Fire and Rescue Services (FRSs) in respect to localised improvements, both recognised and ongoing, following a Regulation 28 report issued by HM Senior Coroner, Mr Nigel Meadows. The Service is currently reviewing the publication/toolkit and will be following the process identified in the 'Prevention of future deaths' report (Previously brought to the Committee in March 2017), and confirming that the measures that have already been implemented are still effective.

Regional Activities

CFOA Health and Safety West Midlands Group

11. HWFRS are due to be audited by a combined regional Fire and Rescue audit team during the third quarter of 2017. This forms part of the agreed regional H&S audit protocol, with the key areas to be audited being selected by the H&S Department in conjunction with the audit team. A further update will be forthcoming at future meetings.

HWFRS H&S Update – Local Initiatives

Accident Reporting

12. The H&S Department has reviewed the effectiveness of the current accident reporting procedure and the quality of information that is produced for the H&S Committee. Whilst the current system evidences a positive reporting culture, some minor areas have been identified for improvement, which will be addressed accordingly.

Training Centre

13. During Quarter 1, a Specialist Accident Investigator course was facilitated between 5- 8 June 2017. Seven HWFRS officers successfully completed the course, ensuring that the Service has the right people, with the right skills, to continue to investigate significant H&S events in the future.

Workplace Inspections

14. The H&S Department has recently reviewed the previous year's completed workplace inspections; this primarily includes property related H&S issues identified that were reported to Place Partnership (PPL), and compliance against this has been evaluated.

Fire Risk Assessments

15. A review of all fire risk assessments for HWFRS properties has been undertaken. All HWFRS premises have a current fire risk assessment that has been reviewed by the responsible manager within the last 12 months. Minor remedial actions identified have been addressed. The H&S Department is working closely with PPL to gather assurance that all Service premises are fully compliant with building regulations and Fire Safety legislation. This will include the collation of completion certificates for new builds within the Service and a record of all appropriate works that have subsequently taken place. The main focus will be to ensure that any work completed has not compromised the integrity of protected fire escape routes within those premises.

Risk Assessment Database

16. The Risk Assessment database provides a platform for staff to undertake and review Risk Assessments to ensure the suitable and sufficient control measures are implemented.
17. During Quarter 4, a total of 300 Risk Assessments (RAs) were reviewed with 89 being created. Similarly, in Quarter 1, 372 RAs were reviewed with 76 being created. These were mostly undertaken for realistic training scenarios, which supports operational readiness.
18. Whilst it is clear that staff are using the system, to further confirm their knowledge questions have been included in the 2017/18 station assurance audit programme.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	N/A
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	Corporate strategy – Ensuring firefighter safety
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	Reduces the overall impact for health and safety management in the areas identified and safeguards the Service's legal requirements
Consultation (identify any public or other consultation that has been carried out on this matter)	N/A
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A

Supporting Information:

Appendix 1 – Overview of Events Reported During Quarter 4 (Jan 17 – Mar 17)

Appendix 2 – Overview of Events Reported During Quarter 1 (Apr 17 – Jun 17)

Contact Officer

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1. Overview of Events Reported During Quarter 4 (Jan 17 – Mar 17)

1.1 Type of events

In the period of January 2017 to March 2017 a total of **42** Health and Safety (H&S) events were reported.

They fall into the categories of:

- Personal Injury
- Vehicle Accidents
- Property or Equipment
- Near Hits or Causes for Concern.
- Violence or Aggression
- Exposure

Individual summaries of reporting in the key areas are outlined below.

1.2 Personal Injury

Of the **42** H&S events reported, **16** were related to the category of Personal Injury. These are described in Table 1 below:

Sub-Categories	Breakdown of Injuries in Each Sub-Category
8 incidents relate to accidents/injuries occurring during training.	1 relates to an employee straining their shoulder during swift water training.
	1 relates to an injury to the hand, after falling over on rocks during a USAR training session. 3 days lost
	1 relates to an employee feeling nauseous due to swallowing river water during swift water training.
	1 relates to a fracture to the upper arm, shoulder area. The injured person fell against a tree after slipping in a muddy area of the riverbank. RIDDOR 42 days lost <i>Significant Event</i>
	1 relates to an employee feeling sick after swallowing river water while on swift water training.
	1 relates to a pulled muscle whilst an employee was hose running.
	1 relates to a small blister on wrist during realistic fire training.
	1 relates to an injury to the eye. The injured person was performing a tethered swim across river during swift water training. Whilst doing this a branch hit them in the eye.
2 accident/injuries were during routine activities	1 relates to a muscle pull to the back after sitting on an unstable chair.
	1 relates to a minor facial injury, received from walking into a fire engine door which was open.
2 accident/injuries were at operational incidents	1 relates to an object hitting the injured person's leg when removing part of an unsafe structure on a building.

	1 relates to an employee experiencing slight skin reddening to the face; this was received when a car tyre blew which pushed hot gasses from a fuel fire toward the injured person.
1 accident/injury was due to Physical Training	1 relates to a twisted ankle whilst out running during physical training.
2 accidents/injuries due to Responding – Fire call	1 relates to a person trapping their finger in a storage box whilst re-stowing equipment.
	1 relates to an employee falling off their bike turning in for an incident.
1 accident/injury was due to Young Fire Fighter Activity	1 relates to a Young Fire Fighter bumping their head on a wall during a training exercise.
Totalling 16 personal injuries	
Totalling 1 RIDDOR events	
Totalling 45 calendar days lost	

Table 1: Personal Injuries Reported during Quarter 4

1.3 **Vehicle Accidents**

Of the **42** H&S events **14** are related to the category of Vehicle Accidents. These are further described in Table 2 below. Only **12** of these events could be attributed to the FRS driver. These events are highlighted in grey.

Sub-Categories	Breakdown of Injuries in Each Sub-Category
4 accidents were during routine activities	1 relates to a fire engine making contact with a parked vehicle in front. The FRS driver misjudged the space available when trying to avoid a wall on the near side.
	1 relates to a member of the public driving into the back of a service vehicle at slow speed.
	1 relates to a fire engine making contact with a parked vehicle on its near side. The FRS driver misjudged the space available whilst attempting to avoid an overhanging branch.
	1 relates to fire engine making contact with an overhanging branch which broke the wing mirror.
2 accidents were responding to fire calls	1 relates to a fire engine making contact with a parked vehicle, at a slow speed, whilst responding to an incident.
	1 relates to damage to a wheel arch, when the driver misjudged the space available. The damage to the fire engine was caused when it made contact with a fence.
2 accidents were responding to special service	1 relates to a FRS trailer making contact with the bumper of a car whilst responding through traffic to an incident.
	1 relates to a fire engine making contact with a tree branch on a narrow road at low speed.
2 accidents were related to training.	1 relates to an FRS driver misjudging a manoeuvre. Minor contact was made with a vehicle that hadn't pulled away from the island.
	1 relates to damage to a wing mirror when contact was made between a lorry and a stationary fire engine.

2 accidents were non-service related accidents	1 relates to minor contact being made with the vehicle in front in queuing traffic.
	1 relates to making contact with a bollard while parking.
2 accidents were non-uniformed related	1 relates to minor contact being made with a station wall whilst reversing.
	1 relates to an FRS driver's misjudgement, resulting in contact being made with a high kerb, while turning from a junction.
Totalling 14 vehicle accidents	

Table 2: Vehicle Accidents Reported during Quarter 4

1.4 **Vehicle Mileage Statistics**

Vehicle mileage statistics for the year 2015-2016 have been provided by the Operational Logistics Fleet Department. These have been used to predict vehicle mileage for Q4 2016/17, and are detailed in table 2A below. For the accidents documented in Table 2, it was reported that 7 of these involved white fleet vehicles and 7 involved red fleet vehicles.

For the 7 accidents involving white fleet it was predicted that 254,514 miles were driven. This equates to 1 accident per 36,359 miles driven.

For the 7 accidents involving red fleet vehicles it was predicted that 69,616 miles were driven. This equates to 1 accident for every 9,945 miles driven.

Fleet	Total Mileage 2015-2016	Predicted Mileage Q4 2016/17
White Fleet	1,018,054	254,514
Red Fleet	278,464	69,616
Totalling 1,296,518 miles		Totalling 324,130 miles

Table 2A: Vehicle Mileage Statistics

1.5 **Property or Equipment Failure/Damage**

Of the **42** H&S events **6** related to the category of Damage to Property or Equipment; this is further described in Table 3 below:

Sub-Categories	Break-down of Injuries in Each Sub-Category
1 property or equipment failure/damage during routine activities	1 relates to a broken bracket on the ladder gantry, found when crews were removing the ladder from the gantry on the fire engine.
1 property or equipment failure/damage during non-service activities	1 relates to a station wall being damaged by contractors.

2 property or equipment failures/damage during RTC activities	1 relates to damage to hydraulic cutters when being used to cut a car at an RTC. The body of the cutters became pinned on the vehicle, whilst in operation. The tool was crushed against the vehicle, which cracked the casing, causing hydraulic oil to leak at very low pressure.
	1 relates to damage to some RTC equipment which was used incorrectly at an incident.
2 property or equipment failures/damage during training	1 relates to a metal compartment door falling off its hinges during a BA training course at a Strategic Training Facility. <i>Significant Event</i>
	1 relates to a hose bursting during BA refresher course.
Totalling 6 property or equipment damage	

Table 3: Damage to Property or Equipment Reported during Quarter 4

1.6 Near Hits or Causes for Concern

Of the **42** H&S events **4** related to the category of Near Hits or Causes for Concern - these are further described in Table 4 below:

Sub-Categories	Breakdown of Injuries in Each Sub-Category
3 were whilst responding to incidents	3 relate to failure of the blue lights on the FRS vehicle while responding to an incident. On the way to the incidents they were only working intermittently. <i>Significant Event</i>
1 was during routine activities	1 relates to a failure of the parking sensor operating, on a vehicle whilst parking.
Totalling 4 near hits or causes for concern	

Table 4: Near Hits or Causes for Concern Reported during Quarter 4

1.7 Exposure to Violence or Aggression

Of the **42** H&S events **1** related to the category of Exposure to Violence or Aggression, this is further described in Table 5 below:

Sub-Categories	Break-down of Injuries in Each Sub-Category
1 Exposure to violence or aggression	1 relates to an incident where a member of public became verbally aggressive when asked to move away from the scene of operations.
Totalling 1 exposure to violence or aggression	

Table 5: Exposure to Violence or Aggression Reported during Quarter 4

1.8 **Exposure or Contamination**

Of the **42** H&S events **1** related to the category of Exposure or Contamination; this is further described in Table 6 below:

Sub-Categories	Break-down of Injuries in Each Sub-Category
1 Exposure or Contamination	1 relates to potential exposure whilst removing an unsafe structure with insulation materials.
	Totalling 1 Exposure or Contamination

Table 6: Exposure or Contamination reported during Quarter 4

2. **Significant/Serious Events during Quarter 4 (Jan 17 – Mar 17)**

A total of 5 significant events were investigated during Quarter 4 2017. The first relates to a member of staff who fractured a bone in their right upper arm/shoulder area. This incident occurred when the injured person fell against a tree after slipping in a muddy area during Swift Water Rescue training. The PPE provided was suitable and sufficient and the risk assessment for the training highlighted the risk of slipping within the area. This incident has therefore been resolved with no further action and the debrief has been completed following the investigation.

Another incident related to a heavy metal compartment door coming off its hinges during a BA training course. The door was located on the exterior of the fire house and had been reclaimed from the previous Strategic Training Facility (STF) location. Place Partnership were informed and asked to carry out inspections of this facility and the other STFs they maintain for HWFRS. The results of that report are pending, and any actions will be based upon its findings.

The remaining 3 significant events are all occurrences of the same type of incident. The blue lights did not function correctly, working intermittently while responding to incidents. All 3 events occurred on the same fire engine which was subsequently taken off the run. The blue lights were inspected by a competent contractor and the software was upgraded on the fire engine. All other fire engines of that particular type have also had the fault fixed.

2.1 **Summary for Quarter 4 (Jan 17 – Mar 17)**

1 RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) report was submitted to the Health and Safety Executive (HSE). This related to a personal injury event where an operational member of staff slipped on muddy ground and fell onto a tree fracturing their shoulder, resulting in 42 days absence from work. This event was also described in the significant events summary.

3. **Comparison between Quarters**

3.1 **Comparison of Events Reported Showing Differences Q4 2016 and Q4 2015**

Table 6 below, compares the number of events reported in Q4 2015-16 to those reported in Q4 2016-17, for the various reporting categories. It is evident that in Q4 2016-17, the number of Near Hits reported are down from that in Q4 2015-16 (-3).

In Q4 2016/17 Personal Injuries, Violence and Aggression, Vehicle Accidents and reports of Damage to Property or Equipment have however increased (+16) compared to Q4 2015-16.

Overall, the table displays that event reporting as a whole has increased by 13 reports during Q4 2016-17 from Q4 2015-16.

Event Type	Q4 2015-16	Q4 2016-17	Increase/Decrease
Personal Injuries	10	16	+6
Vehicle Accidents	11	14	+3
Property or Equipment	1	6	+5
Violence & Aggression	0	1	+1
Near Hits	7	4	-3
Exposure or Contamination	0	1	+1
Overall	29	42	+13

Table 6: Quarterly Events Reported Q4 2015-2016 and Q4 2016-2017

Table 6 above, compares Q4 2015-16 to Q4 2016-17 reports the service has had:*

- 6 additional Personal Injury reports
- 3 additional Vehicle Accidents
- 5 additional report of Damage to Property or Equipment
- 1 additional exposure or contamination
- 1 additional Violence or Aggression events against service personnel

- 3 fewer reports of Near Hits or Causes for Concern were made
- Giving an overall increase of 13 additional incidents reported.

*Specific details of these can be provided upon request to the Health and Safety Advisor.

3.2 Summary

In summary, whilst there has been an overall increase in events reported, they have been of a relatively minor nature. Therefore even though it appears that we have had more incidents, they have been of a relatively low level and should present no significant concern to the Health and Safety Committee. With the introduction of the new process for reporting incidents, it is expected that this number may increase in the future, however, this is due to the positive culture we are trying to create regarding health and safety reporting and learning from the event recorded.

The number of RIDDOR reportable incidents and significant events are comparable with previous reports and there has been no marked increase or decrease in these categories. Those that were reported were investigated and all resolved successfully requiring no further action by the Committee or the Health and Safety Advisor.

There has been an increase in vehicle accidents reported and it would be reasonable to state that most of these accidents could potentially have been avoided. A bulletin item was issued reminding staff to utilise banks people whilst manoeuvring vehicles into tight spaces and driver training instructors will be advised of the frequency and nature of these incidents for consideration in future training.

1. Overview of Events Reported During Quarter 1 (Apr 17 – Jun 17)

1.1 Summary

In the period of April 2017 to June 2017 a total of **40** Health and Safety (H&S) events were reported. They fall into the categories of:

- Personal Injury
- Vehicle Accidents
- Property or Equipment
- Near Hits or Causes for Concern.
- Violence or Aggression
- Exposure

Individual summaries of reporting in the key areas are outlined below.

1.2 Personal Injury

Of the **40** H&S events reported, **16** were related to the category of Personal Injury. These are described in Table 1 below:

Sub-Categories	Break-down of Injuries in Each Sub-Category
12 incidents relate to accidents/injuries occurring during training.	1 relates to an employee twisting their ankle after tripping over a hose during training.
	1 relates to an employee injuring their knee during training. No specific known event caused the injury.
	1 relates to an employee injuring their elbow while learning defensive swimming techniques, during swift water training.
	1 relates to an employee injuring their knee after slipping during water training.
	1 relates to an employee twisting their knee when climbing a ladder into a loft space of a building.
	2 relate to an employee becoming dehydrated on two separate occasions during their initial recruits training. Significant Event
	1 relates to an employee pulling a muscle in their back whilst handling hose during a training exercise.
	1 relates to an employee experiencing symptoms of exhaustion during BA refresher training. Significant Event
	1 relates to a non HWFRS (West Mids Ambulance Paramedic) employee who had a minor collision with another person during water rescue training.
	1 relates to an injury to an employee's arm whilst handling a ladder during training.
	1 related to an employee twisting their ankle. This was caused by them changing direction suddenly while carrying a ladder in a training exercise. 8 calendar days lost – RIDDOR

1 accident/injury was during operational activities	1 relates to an employee twisting their left knee whilst attempting to gain entry to a property at an incident. 7 calendar days lost
3 accident/injuries relate to routine work	1 relates to an employee who sustained a cut to their head after contact was made with a shelf during a Home Fire Safety Check visit. 3 calendar days lost
	1 relates to an employee experiencing pain in their right knee whilst walking up stairs at a fire station. 2 calendar days lost
	1 relates to a non HWFS employee who injured their back whilst lifting equipment during maintenance work on BA compressors.
Summary	Totalling 16 personal injuries
	Totalling 1 RIDDOR event
	Totalling 20 calendar days lost
	Totalling 4 Accidents that resulted in days lost
	Equates to 1.25 calendar days lost per Personal Injury reported

Table 1: Personal Injuries Reported during Quarter 1

1.3 Vehicle Accidents

Of the **40** H&S events **12** are related to the category of Vehicle Accidents, these are further described in Table 2 below. All of these events could be attributed to the FRS driver. These events are highlighted in grey.

Sub-Categories	Breakdown of Injuries in Each Sub-Category
9 accidents were during routine activities	1 relates to a fire engine making contact with a cast iron bollard, breaking the nearside indicator housing.
	1 relates to a minor collision between a service vehicle and another vehicle on a roundabout.
	1 relates to a fire engine making contact with an overhanging branch, which damaged the ladder gantry.
	1 relates to a FRS vehicle making minor contact with the car in front when it braked suddenly.
	1 relates to damage to the wing mirror on a service vehicle. The service vehicle made contact with a protruding branch whilst manoeuvring past an oncoming vehicle on a narrow lane.
	1 relates to minor damage to a parked car whilst crews were slowly manoeuvring the fire engine along a narrow residential road.
	1 relates to slight damage to a fire engines nearside wheel after making contact with another vehicle.
	1 relates to damage to a fire engine when contact was made with the door frame whilst manoeuvring out of the appliance bay at slow speed.

	1 relates to damage to the front bumper of a service van. This occurred when the car in front stalled at roundabout junction the van drove into back of car at slow speed.
3 accidents were responding to fire calls	1 relates to a fire engine making contact with the concrete base of a post which dented the hub cap
	1 relates to a fire engine making contact with a height restriction barrier at the entrance of a private property, which resulted in minor damage to the ladder gantry.
	1 relates to a fire engine making contact with a car at slow speed whilst responding through traffic.
Totalling 12 vehicle accidents	

Table 2: Vehicle Accidents Reported during Quarter 1

1.4 Vehicle Mileage Statistics

Vehicle mileage statistics for the year 2016-2017 have been provided by the Operational Logistics Fleet Department. These have been used to predict vehicle mileage for Q1 2017/18, and are detailed in table 2A below. For the accidents documented in Table 2, it was reported that 4 of these involved white fleet vehicles and 8 involved red fleet vehicles.

For the **4** accidents involving white fleet it was predicted that 207,364 miles were driven. This equates to 1 accident per **51,841** miles driven.

For the **8** accidents involving red fleet vehicles it was predicted that 58,629 miles were driven. This equates to 1 accident for every **7,328** miles driven.

Fleet	Total Mileage 2016-2017	Predicted Mileage Q1 2017/18
White Fleet	829,456	207,364
Red Fleet	234,516	58,629
	Totalling 1,063,972 miles	Totalling 265,993 miles

Table 2A: Vehicle Mileage Statistics

1.5 Property or Equipment Failure/Damage

Of the **40** H&S events **1** related to the category of Damage to Property or Equipment, this is further described in Table 3 below:

Sub-Categories	Break-down of Injuries in Each Sub-Category
1 property or equipment failure/damage during routine activities	1 relates to a faulty cylinder compressor, the automatic cut off failed to operate correctly and crew had to manually turn off the machine. The defect was reported and rectified by the maintenance contractor. Significant Event
	Totalling 1 property or equipment failure/damage

Table 3: Damage to Property or Equipment Reported during Quarter 1

1.6 Near Hits or Causes for Concern

Of the **40** H&S events **9** related to the category of Near Hits or Causes for Concern - these are further described in Table 4 below:

Sub-Categories	Break-down of Injuries in Each Sub-Category
2 were while responding to incidents	1 relates to a near miss when a firefighter dropped an axe from the top of a ladder. The axe then fell towards the firefighter who was at the bottom footing the ladder.
	1 relates to an incident where the fire engine automatically braked when exiting a traffic island. This occurred as a result of the activation of the electronic stability programme (ESP). The safety device activated as expected and a safety brief has been given to the driver.
3 were during routine activities	1 relates to a member of staff noticing that a pothole had become larger in the station drill yard. The defect was reported for repair.
	1 relates to a hydraulic ram falling out of a locker when it was opened. It appeared that the equipment hadn't been correctly stowed after previous use.
	1 relates to a young person who attended a community fire safety event. They had raised concerns when mist from the hand held smoke machine might have affected their eyes. No injury was confirmed.
1 was during non-service related activity	1 relates to a ceiling tile falling down in the lecture room near to an employee.
3 were during training	1 relates to 13.5 m ladder which rehousing itself in an uncontrolled manner at the end of an initial ladder training exercise. Significant Event
	1 relates to faulty hose which burst during training session.

	1 relates to a metal entrance door which became detached. This was due to the hinge failing when the door was opened during BA training. Significant Event
	Totalling 9 near hits or causes for concern

Table 4: Near Hits or Causes for Concern Reported during Quarter 1

1.7 Exposure or Contamination

Of the **40** H&S events **2** related to the category of Exposure or Contamination, this is further described in Table 6 below:

Sub-Categories	Break-down of Injuries in Each Sub-Category
2 during training	The 2 exposure incidents reported relate to 2 employees swallowing water and being physically sick during a water training course.
	Totalling 2 Exposure or Contamination

Table 5: Exposure or Contamination reported during Quarter 1

1.8 Significant/Serious Events during Quarter 1 (Apr 17 – Jun 17)

A total of 5 significant events were investigated during Quarter 1 2017.

The first significant event related to an employee becoming dehydrated during the new recruits training course on two separate occasions. The event was immediately reported to Training Centre management who reviewed the current control measures that were in place. Following this review a further control measure was implemented for an instructor to monitor the individual on a one-to-one basis for the remainder of the course. The lead trainer also reiterated to the other recruits the importance of keeping hydrated whilst performing physical activities.

The second incident related to a firefighter feeling exhausted during a BA training exercise. Following performing a rescue of training mannequin the firefighter felt slightly faint, the individual exited the building and radial cooling was administered. No further medical treatment was required and event was attributed to increased exertion rate.

The third event related to a failure of the automatic charging cut off valve within the cylinder compressor. Several cylinders had been put on charge when the local Watch Commander noticed that the cylinders had reached the fully charged level, yet the compressor hadn't turned off as normal. The compressor

was manually turned off and the defect was reported. The compressor had only recently been serviced that day and the engineer may have not reengaged the safety cut off valve. This matter is being pursued with the supplier of the service. The maintenance company rectified the issue and checked all other compressors in the service. No other faults were identified. Since this event all compressors have had their annual test undertaken.

The fourth incident related to the uncontrolled rehousing of a 13.5m extension ladder during a recruits course. A new recruit was lowering the extensions of the ladder at the end of the training session when the ladder dropped five rounds in an uncontrolled manner. The ladder was immediately taken off the run and inspected by Operational Logistics technicians. Following the inspection and testing the engineer could not see a mechanical failure or replicate the fault reported. The investigation was unable to confirm if this is a mechanical or user error. Protocols are in place to safeguard and protect users if this occurs as it is known possible occurrence with all such ladders, this has been reaffirmed with TDC staff.

The fifth significant event related to a near miss which occurred when an external door of a fire house came off its hinge whilst being opened. The door fell to the ground following the failure of the hinge, it appears that the cause was metal fatigue. Following the investigation the pre use checks for training venues now include a visual inspection to be undertaken of the internal and external doors and to ensure safe operation. The H&S Advisor ensured that all similar venues were inspected by contractors, with no other defects being found. Place Partnership Ltd have also arranged for door hinges to become a standard requirement of the annual safety inspection of similar venues.

1.9 Summary for Quarter 1 (Apr 17 – Jun17)

1 RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) report was submitted to the Health and Safety Executive (HSE). This related to an employee twisting their knee during a physical manoeuvre whilst carrying a ladder. The event was investigated locally which confirmed the control measure that was in place was suitable and sufficient. No further control measures were required to be implemented. No Incidents during quarter 1 required a special accident investigation.

2. Comparison between Quarters

2.1 Comparison of Events Reported Showing Differences Q1 2017 and Q1 2016

Table 6 below, compares the number of events reported in Q1 2016-17 to those reported in Q1 2017-18, for the various reporting categories.

In Q1 2017/18 Personal Injuries, Vehicle Accidents, Near Hits/Cause for Concern and reports of Exposure or Contamination have increased (+16) compared to Q1 2016-17.

Overall, the table displays that event reporting as a whole has increased by 16 reports during Q1 2017-18 from Q1 2016-17.

Event Type	Q1 2016-17	Q1 2017-18	Increase/Decrease
Personal Injuries	11	16	+5
Vehicle Accidents	8	12	+4
Property or Equipment	1	1	0
Violence & Aggression	0	0	0
Near Hits	4	9	+5
Exposure or Contamination	0	2	+2
Overall	24	40	+16

Table 6: Quarterly Events Reported Q1 2016-2017 and Q1 2017-2018

Table 6 above, compares the total number of reports received during Q1 2016-17 to Q1 2017-18:*

- 5 additional Personal Injury reports
- 4 additional Vehicle Accidents
- 0 additional report of Damage to Property or Equipment
- 2 additional Exposure or Contamination
- 0 additional Violence or Aggression events against service personnel
- 5 additional reports of Near Hits or Causes for Concern were made

This gives an overall increase of 16 additional incidents reported.

**Specific details of these can be provided upon request to the Health and Safety advisor.*

2.2 Trend Analysis

Whilst there has been an overall increase in events reported, they have been of a relatively minor nature. Therefore, even though it appears that we have had more incidents, they have been of a relatively low level and should present no significant concern.

With the introduction of the new process for reporting incidents, it is expected this number may increase in the future, but this would support a positive proactive attitude across the workforce and evidence their feeling of confidence that learning from investigations is being implemented.

The number of RIDDOR reportable incidents (1) and significant events (5) are comparable with previous reports and there has been no marked increase or decrease in these categories.

The majority of personal injuries that were reported throughout the quarter occurred during training activities. Whilst these incidents resulted in injuries, they were generally of a minor nature. All of these incidents took place whilst performing physical activities, the nature of which are critical to ensure operational readiness. Following these reported incidents training centre instructors reviewed the risk assessments to confirm that the control measures in place were suitable and sufficient.

There has been an increase in vehicle accidents reported, all of which have a level of driver error / misjudgement, meaning that most cases could have been avoidable. Training Centre are currently reviewing the number of the slow speed manoeuvres and online training packages