



Essex Police, Fire and Crime Commissioner Fire and Rescue Authority

Decision Report

Report reference number: 048-21

Government security classification: Not protectively marked

Title of report: Draft Year-End Accounts 2020-21

Area of county / stakeholders affected: Countywide

Report by: Austin Page (Financial Accounting and Compliance Manager)

Date of report: 28th June 2021

Enquiries to: Neil Cross – Chief Financial Officer (S151)

1. Purpose of the report

The Authority is required to publish its Unaudited Statement of Accounts for the Year Ending 31st March 2021 by 31st July 2021 in accordance with the Accounts and Audit (Amendment) Regulations 2021.

The Authority has made the decision to publish its Unaudited Statement of Accounts on 30th June 2021. The purpose of this paper is to obtain formal authority to publish the draft, unaudited accounts.

2. Recommendations

The Commissioner is asked to approve for publication the Unaudited Statement of Accounts, comprising the Narrative Report, Annual Governance Statement, Financial Statements, and related notes for the year ending 31st March 2021.

3. Benefits of the proposal

The proposal meets the statutory reporting requirement for the publication of the Unaudited Statement of Accounts for the year ending 31st March 2021. These are required to be published by 31st July 2021.

4. Background and proposal

The Unaudited Statement of Accounts was reviewed by the Audit Committee on 25th June 2021. The key points made in respect of the Unaudited Statement of Accounts for the year are below:

Revenue Budget

There was a net contribution of reserves of £0.8m. There is no material change to the outturn presented at the Performance and Resources Board on 24th May 2021.

Comprehensive Income and Expenditure Statement

This shows the accounting cost in the year of providing services in accordance with proper accounting practices, rather than the amount to be funded from taxation (i.e. the Revenue Budget).

Net expenditure charged to the revenue account was £73.0m in the year. Due to statutory accounting adjustments, this figure is different from the cost of the provision of fire services, £66.3m, shown in the Comprehensive Income and Expenditure Account (page 44).

A reconciliation between the two figures is given below:

Reconciliation to the Provision of Fire Services per		2020/21
2019/20	the Comprehensive Income & Expenditure	£000
£000	Statement	£000
	Total Net Expenditure per Service Revenue Account	
71,343	as above	73,056
4,882	Depreciation	5,046
-	Local tax income guarantee funding	(3,019)
224	Impairment	(352)
(6,214)	IAS19 Pension adjustment	(2,932)
(1,108)	Add Amounts not reported to management	(1,257)
(1,210)	Interest payments	(1,173)
100	Interest and investment income	16
(4,781)	Capital Financing Provision	(4,318)
	Remove amounts not included in the Provision of	
	Fire Services in the Comprehensive Income and	
(5,891)	Expenditure Statement	(5,475)
	Provision of Fire Services per Comprehensive	
64,344	Income & Expenditure Statement	66,324

The Authority has recognised £3.0m of support funding, which will be transferred to the Specific Earmarked Reserve for Unspent Government Grants. This relates to a Section 31 Grant from MHCLG to compensate the Authority for the shortfall of £3.24m in the national non-domestic rates ("NNDR") collections that arose in the 2020/21 year as a result of the impact of Covid 19 pandemic on businesses. The Section 31 Grant is expected to be paid by January 2022.

Balance Sheet

The Balance Sheet shows the value at the end of the year of the assets and liabilities recognised by the Authority. At the year end the Authority had **£137.4m** of long-term assets, mainly comprising fire stations, offices, workshops and fire appliances.

The freehold and leasehold properties within the Authority's property portfolio were revalued at the balance sheet date by the Authority's property advisors (Lambert Smith Hampton).

It should also be noted this year that:

- Included within Property, Plant and Equipment is £2.2m of surplus assets. These are assets the Authority has deemed to be surplus to requirements as at the Balance Sheet Date.
- Any surplus assets actively being marketed for sale at the balance sheet date are included within Current Assets under the heading "Assets Held For Sale." The value of such assets at the balance sheet date is £0.9m.

The Authority has Long Term Liabilities of £950.0m. These primarily relate to the long term obligations on the Fire Firefighters Pension Scheme (£886.4m) and the Local Government Pension Scheme (£38.2m).

The Authority has £24.5m of long term loans.

The Authority has £27.5m of useable reserves, of which:

- £13.5m are earmarked to manage key financial risks and to support the transformation of the service
- £9.7m relate to capital receipts and are governed by regulations which determine how these can be spent
- £4.3m relate to the General Fund

The Authority has (£823.1m) of unusable reserves. The Authority cannot use these to provide services as they have arisen due to statutory accounting adjustments. They include negative Pension Reserve (£924.7m), the Capital Adjustment Account of £67.4m and the Revaluation Reserve of £38.2m.

The Unusable Reserves are made up of:

(£924.7m)	Pension Reserve
£67.4m	Capital Adjustment Account
£38.2m	Revaluation Reserve
(£0.8m)	Holiday Pay Account
(£3.2m)	Collection Fund Adjustment Account
(£823.1m) total	

The Unaudited Statement of Accounts includes a review of the year by the Police, Fire and Crime Commissioner and the Chief Fire Officer / Chief Executive, which is found in the Narrative Statement.

5. Strategic priorities

The priorities in the Fire and Rescue Plan have been considered, including making best use of resources and being transparent.

The Unaudited Statement of Accounts sets out the financial position of the Authority as at 31st March 2021. In particular the Narrative Report outlines some of the key financial issues in areas such as revenue and capital spending, ensuring that we are investing in the key areas that help drive change, reduce risk and ensure that we can continue to provide a first-class emergency response service to the people of Essex. In addition the Accounts provide information about reserves we have set aside to provide for investment to continue to develop and improve the Service.

6. Alternative options considered and rejected

The service is legally obliged to publish its draft Annual Statement of Accounts by 31st July 2021. Non-publication is therefore not an option.

7. Operational implications

There are no operational implications arising from this decision.

8. Financial implications

The Authority's financial performance and position for the year ended 31st March 2021 are reflected in the Unaudited Statement of Accounts.

9. Legal implications

The draft accounts are required to be published by 31st July 2021 in accordance with the Accounts and Audit (Amendment) Regulations 2021.

10. Staffing implications

There are no direct staffing implications arising from this decision.

11. Equality and Diversity implications

This decision will not impact on any of the protected groups as defined within the Equality Act 2010.

<i>Race</i>	<i>No</i>	<i>Religion or belief</i>	<i>No</i>
<i>Sex</i>	<i>No</i>	<i>Gender reassignment</i>	<i>No</i>
<i>Age</i>	<i>No</i>	<i>Pregnancy & maternity</i>	<i>No</i>
<i>Disability</i>	<i>No</i>	<i>Marriage and Civil Partnership</i>	<i>No</i>
<i>Sexual orientation</i>	<i>No</i>		

12. Risks

There are no specific risks identified as part of this decision.

13. Governance Boards

The unaudited accounts for the year ended 31st March 2021 were:

- Presented to the SLT Team on 8th June 2021

- Presented to the Audit Committee on 25th June 2021.

14. Background papers

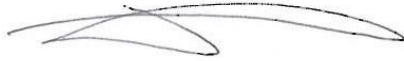
Unaudited Statement of Accounts 2020-21.

Decision Process (048-21)

Step 1A - Chief Fire Officer Comments

(The Chief Fire Officer is asked in their capacity as the Head of Paid Service to comment on the proposal.)

.....I approve this recommendation.....



Sign: ...

Date:.....28/6/21.....

Step 1B – Consultation with representative bodies

(The Chief Fire Officer is to set out the consultation that has been undertaken with the representative bodies)

N/A

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Step 2 - Statutory Officer Review

The report will be reviewed by the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority’s (“the Commissioner’s”) Monitoring Officer and Chief Finance Officer prior to review and sign off by the Commissioner or their Deputy.

Monitoring Officer

Sign:



Print: P. Brent-Isherwood

Date: 29 June 2021

Chief Finance Officer

Sign:



.....

Print:Neil Cross.....

Date: ... 28/6/21

Step 3 - Publication

Is the report for publication? **YES**

If ‘NO’, please give reasons for non-publication (Where relevant, cite the security classification of the document(s). State ‘none’ if applicable)

