

Kent and Medway Fire and Rescue Authority

Auditor's Annual Report for the
year ended 31 March 2024

December 2024



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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. 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.



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 for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements 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.

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Introduction



Purpose of the Auditor's Annual Report

This report brings together a summary of all the work we have undertaken for Kent and Medway Fire and Rescue Authority ("the Authority") during 2023/24 as the appointed external auditor. The core element of the report is the commentary on the Value for Money (VfM) arrangements.

All Fire and Rescue Authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Authority's responsibilities are set out in Appendix A.

Fire & Rescue Authorities report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Responsibilities of the appointed auditor

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Authority as at 31 March 2024 and of its expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Value for money

We report our judgements on whether the Authority has proper arrangements in place regarding arrangements under the three specified criteria:

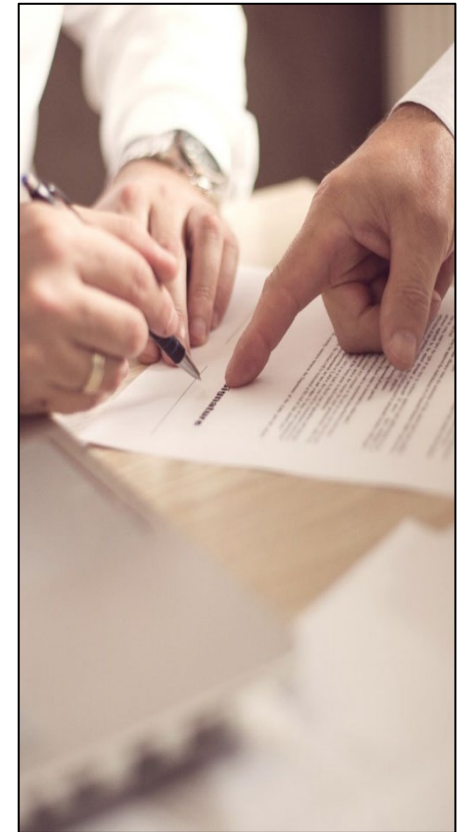
- financial sustainability
- governance
- Improving economy, efficiency and effectiveness

The Value for Money auditor responsibilities are set out in Appendix B.

Auditor powers

Auditors of a local authority have a duty to consider whether there are any issues arising during their work that require the use of a range of auditor's powers.

These powers are set out on page 9 with a commentary on whether any of these powers have been used during this audit period.



Executive summary



Executive summary

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The NAO has consulted and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditors Annual Report ("the Report") with those charged with governance by a nationally set deadline each year (30 November) and for the audited body to publish the Report thereafter. This new requirements will be introduced from November 2025. As a firm, we are committed to reporting the results of our local audit work on as timely a basis as possible. Our summary findings are set out below. Our recommendations and management responses are summarised in the section starting on page 20.



Financial sustainability

The Fire Authority has sound arrangements in place but, as raised last year, there is scope to enhance reporting of savings delivery, especially as the level of savings required to balance the budget each year, without the use of reserves, is likely to increase in the medium term. In 2023/24 the Authority underspent its £85.292m budget by £2.922m, transferring £1.5m to reserves. The 2024/25 budget is based on appropriate assumptions and scenarios. Initial indications are that there is likely to be an underspend of around £1.6m for the year.



Governance

During 2023/24 the Fire Authority has undertaken a significant refresh of its approach to risk management, including extensive consultation to identify best practice. The risk register is presented to each Audit and Governance Committee and at April 2024 included 13 strategic and 60 corporate risks. The Authority particularly recognises the potential risk of a successful cyber attack and the Committee receives periodic presentations on the arrangements in place.

Internal Audit is provided by Kent County Council, with 95 days included in the 2024/25 Plan. There is a clear approach for prioritising and agreeing reviews. The Council also provides Counter Fraud work and developed two bespoke fraud awareness videos for circulation within the Authority.

The Fire Authority has sound arrangements in place to ensure appropriate behaviours. These include a Code of Conduct. Convention for Member and Officer relations, a Whistleblowing (Speak Up) Policy. Arrangements are reviewed and updated as required.



Improving economy, efficiency and effectiveness

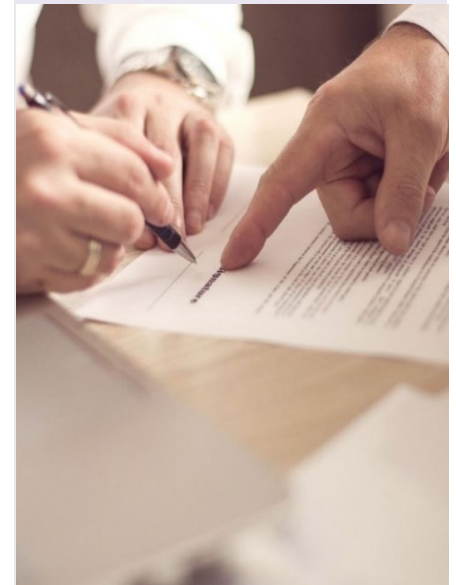
The Fire Authority receives regular information on performance, at a summary level during the year and more detailed information at the year end. For 2023/24, the detailed year end report was not published on the Authority's website or within meeting papers, and timely public reporting is identified as an opportunity for improvement. For areas where performance is deteriorating or below target, reporting to the Authority and Corporate Management Board does not include analysis of the causes of underperformance, or mitigating actions to address this, and we have identified this as an opportunity for improvement.

The Fire Authority received a "good" or "outstanding" rating across all categories and sub-categories in its most recent His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspection, which was published in January 2023.

The Fire Authority works well in partnership, but we have identified an opportunity to enhance procurement documentation.



We have substantially completed our audit of your financial statements and intend to issue an unqualified audit opinion in December 2024. Our findings are set out in further detail on pages 8 to 9.



Executive summary



Overall summary of our Value for Money assessment of the Authority's arrangements

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 for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. A summary of our judgements are set out in the table below.

Criteria	2022/23 Auditor judgement on arrangements		2023/24 Risk assessment		2023/24 Auditor judgement on arrangements	Direction of travel	
Financial sustainability	A	No significant weaknesses in arrangements identified.	No risk of significant weakness identified.		A	No significant weaknesses in arrangements identified, but one prior year improvement recommendation in respect of reporting savings delivery carried forward. Please see page 26 for further details.	↔
Governance	G	No significant weaknesses in arrangements identified.	No risk of significant weakness identified.		G	Our work did not identify any areas where we considered that key or improvement recommendations were required.	↔
Improving economy, efficiency and effectiveness	G	No significant weaknesses in arrangements identified.	No risk of significant weakness identified.		A	No significant weaknesses in arrangements identified, but three improvement recommendations raised in respect of ensuring up to date performance information is available on the Authority website, further enhancing performance reporting and ensuring policies on the Authority website are up to date. Please see page 19 for further details.	↓

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

Opinion on the financial statements and use of auditor's powers



Opinion on the financial statements



Audit opinion on the financial statements

We issued an unqualified opinion on the Authority's financial statements on 11 December 2024.

The full opinion is included in the Authority's Annual Report for 2023/24, which can be obtained from the Authority's website.

Grant Thornton provides an independent opinion on whether the Authority's financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2024 and of its expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with:

- International Standards on Auditing (UK)
- the Code of Audit Practice (2020) published by the National Audit Office, and
- applicable law

We are independent of the Authority in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

The Authority provided draft accounts in line with the national deadline.

Draft financial statements were of a good standard and supported by detailed working papers.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report was presented to the Authority's Audit and Governance Committee on 6 November 2024. Requests for this Audit Findings Report should be directed to the Authority.

Use of auditor's powers

We bring the following matters to your attention:

2023/24

Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make recommendations to the audited body which need to be considered by the body and responded to publicly.

We did not make any recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.

Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue a public interest report.

Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We did not make an application to the Court.

Advisory notice

Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account, the entry of which is unlawful.

We did not issue any advisory notices.

Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We did not make an application for judicial review.

Value for Money Commentary on arrangements



The current landscape

It is within this context that we set out our commentary on the Authority's value for money arrangements in 2023/24 and make recommendations where any significant weaknesses or improvement opportunities in arrangements have been identified.



National context

The Fire and Rescue sector in England remains challenged. In recent years, generationally significant levels of inflation have put pressure on revenue and capital expenditure, whilst demand for services has remained high with the sector seeing increasing demand stemming from emergencies relating to climate change. At the same time, uncertainty over funding levels following a series of single year funding settlement announcements from central government has impacted Fire and Rescue Authorities' ability to plan for the future.

In 2022, a Fire Reform White Paper was published which introduced the possibility of changes to governance arrangements in the Fire and Rescue sector. In 2023, the Minimum Authority Levels Act was introduced, which has significant implications for the workforce of Fire and Rescue Authorities.

Following a change of government in July 2024, the content and timing of future changes to government policy relating to the Fire and Rescue sector, including the potential reversal of the Minimum Authority Levels Act, are at present uncertain.



Local context

As Authority is responsible for the provision of fire and rescue services throughout the Kent County Council and Medway Council areas. The Authority is made up of 25 elected councillors appointed by Kent County Council (21) and Medway Council (4) as well as the Kent Police and Crime Commissioner. The Authority also has an independent member who sits on the Audit and Governance Committee to provide scrutiny and challenge where necessary as well as having the role of Independent Person to ensure that elected Members maintain high standards of conduct.

The Authority covers a geographical area south-east of London, to the coast and including major shipping routes via the Thames and Medway rivers. The total coastline covered is 225 km (140 miles). The Authority has 57 fire stations and four district fire safety offices. The service provides emergency cover to a population of 1.88 million.



Financial sustainability – commentary on arrangements



We considered how the Authority: Commentary on arrangements

Assessment

ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

The 2023/24 Outturn report shows that the Authority achieved an underspend of £2.922m against a budget of £85.292m, and has transferred £1.5m of the underspend to the Insurance and Resource Reserve to replenish it following the use of £1.25m to balance the 2022/23 budget. The report details the main variances against the budget, including a £2.4m underspend on salaries and £1.04m of extra investment income.

Bi-annual Treasury Management reports are taken to Authority, providing Members with an update on the latest cash position, as well as the investments and borrowings positions. The Authority has set a balanced budget for 2024/25 and has identified a Net Revenue Budget Requirement of £94.713m.

The 2024/25 budget has identified several Pay and Non-Pay related cost pressures. These range from inflation, pay awards, employer pension contribution rate increases, and a reduction in funding. The assumptions used by the Authority are detailed, reasonable and are in line with challenges faced on a national level. The first financial update for 2024/25 indicates that the anticipated outturn is likely to be an underspend in the region of £1.602m.

Within the Medium Term Financial Plan the Authority's total forecasted reserves declines from £38.031m for year ending 31/03/2025 to £14.364m for year ending 31/03/2028. However, most of this movement sits within the Infrastructure Reserve. This reserve is used to fund revenue and capital investment in infrastructure assets and reflects funding for a significant programme of investment in these areas over the medium-term. The level of reserves remain adequate for the Authority.

The Authority does not have any significant levels of income from commercial activities. We note that the Authority will receive a significant increase in its investment income in 2024/25. The Government paid a substantial grant to the Authority in July 2024, in relation to the Matthews and McCloud pension cases. The total value of the grant is much higher than current cost expectations. Central Government are aware that this money is being held in an account which has provided £0.8m in interest income the Authority did not expect for 2024/25. The Authority forecasts spending in the region of £7m-10m of the grant funding and the unspent balance will be returned to Government.

G

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

Financial sustainability – commentary on arrangements



We considered how the Authority: **Commentary on arrangements**

Assessment

<p>plans to bridge its funding gaps and identifies achievable savings</p>	<p>The Authority's savings target for 2023/24 was £3.617m, however, it is not clear how much of this was delivered within the Outturn report. In our prior year report we made an improvement recommendation "Develop a trackable savings plan with responsible owners, targets, KPIs and timescales. Incorporate this as part of your budget monitoring processes." Our discussions with Officers highlighted that the Strategic Leadership Board consists of 25 people members, with regular discussions with budget managers on whether savings have been identified or the budget can be reduced. The Authority does not have a plan that actively identifies savings opportunities. Savings are picked up through projects and budget managers. The Authority does not generate savings for the sake of savings, it is mainly for efficiency, these are then reflected in the Medium Term Financial Plan. An example of this is that the Authority has now trained finance staff for treasury management, which allowed this to be taken back in-house, saving £19k. Another example is the new print contract flagged by a budget holder, which saved £30k a year. Our prior year recommendation has not been implemented and will be carried forward. See page 26.</p> <p>The Medium Term Financial Plan (MTFP) 2024-28 agreed at February 2024 Authority stated that the budget is balanced for 2024/25 without the need to use reserves. To balance the budget for 2025/26 additional savings of £1.5m are required, on top of the £1.5m already identified. As savings requirements increase it will be important to be able to track these more clearly.</p>	<p>A</p>
<p>plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities</p>	<p>The budget reflects the projected costs to deliver the corporate priorities and initiatives as set out in the Safety and Wellbeing Plan. The Plan provides a summary of the services residents will receive for their Council Tax to help run the fire and rescue service across Kent and Medway. The Capital Plan has also been developed in line with the corporate priorities set out in the Safety and Wellbeing Plan. The majority of the Authority's budgeted revenue expenditure is on core services, there is some discretionary spend but there is no evidence this has been prioritised at the expense of statutory services. The budget for 2024/25 demonstrates inflationary price increases on areas of discretionary spend, such as stationery, have been removed from the budget. This is used to drive non-pay savings.</p> <p>There is a cumulative knowledge of the costs of services to be provided by the Authority due to the way the budget is created. In June, the prior year budget is rolled forward, providing an early update from the last position. This is then ratified by the Corporate Management Board in September.</p>	<p>G</p>

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Financial sustainability – commentary on arrangements



We considered how the Authority: **Commentary on arrangements**

Assessment

<p>ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system</p>	<p>The Authority has a People Plan 2021-2025. One of the key priorities within this plan is “to attract, identify, retain and develop high performing employees in order to best serve our customer”. This is reflective of the increased expected expenditure within pay costs. The Capital Programme for the medium term has been developed following the principles that are laid out in the Capital Budget Strategy and the Medium Term Financial Plan outlines "funding for climate works" and a medium term capital expenditure plan which includes a programme of refurbishment to improve building efficiency. The Capital Strategy is also supported by the Environment and Assets Strategy which outlines the Authority's aim of being carbon neutral by 2030.</p> <p>The Authority is not engaging in any major service redesign. Any major changes have to be consulted on and agreed through the Community Risk Management Plan. The capital outturn for 2023/24 is £4.719m against the revised capital budget of £6.552m. Explanations for the most significant variances on Capital and Revenue Infrastructure budgets are provided within the supporting appendices. Explanations are clear and reasonable.</p>	<p>G</p>
<p>identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans</p>	<p>Risks to financial delivery throughout 2023/24 were monitored and regularly reported to Authority at each meeting through the routine finance updates. The February 2024 Finance Update identified potential budget risks in terms of probability and impact. The report also detailed the mitigating steps taken by the Authority. Our discussions with the Authority highlighted that a key challenge is ‘On-call’ workers as it is now difficult to get firefighters to work on a part time basis. The Authority has not incurred the level of expenditure it anticipated and this could impact how it needs to resource front line delivery. The Authority is considering if this aspect needs to be delivered differently.</p> <p>The Reserves Strategy contains a doomsday scenario where reserves are forecasted based on a further banking/financial crisis which leads to even greater levels of austerity, over a significantly longer timeframe. The Authority subscribes to Pixel. Pixel issue bulletins and statements on impact and have a financial model at authority level with assumptions in place which the Authority uses to inform decision making but is not relied upon. The Authority uses the Pixel model to compare assumptions to understand the reasons for any differences and will either update their model if appropriate or keep to their assumptions if they think they are more accurate and realistic.</p>	<p>G</p>

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Governance - commentary on arrangements



We considered how the Authority: **Commentary on arrangements**

Assessment

<p>monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud</p>	<p>During 2023/24 the Authority has undertaken a significant refresh of its approach to risk management, including extensive consultation to identify best practice. The risk register is presented to each Audit and Governance Committee and at April 2024 included 13 strategic and 60 corporate risks. The strategic risks cover the areas we would expect, including finance, operational issues and cyber attacked. After consideration of mitigations and controls there are no Net Red risks. Information reported includes the type of risk (For example, service delivery, property, financial); risk description (using IF...THEN...); risk owner; date risk assessed; scoring; controls in place; additional controls and actions required; responsible person; timescale; residual scoring; desired risk score. However, risks are not linked to the Authority's objectives. This is a conscious decision the Authority made, so we have not raised an improvement recommendation.</p> <p>The Authority particularly recognises the potential risk of a successful cyber attack and the Committee receives periodic presentations on the arrangements in place.</p> <p>Internal Audit is provided by Kent County Council, with 95 days included in the 2024/25 Plan. There is a clear approach for prioritising and agreeing reviews. The Council also provides Counter Fraud work and developed two bespoke fraud awareness videos for circulation within the Authority.</p>	<p>G</p>
<p>approaches and carries out its annual budget setting process</p>	<p>The Authority uses an incremental approach to develop the budget, with the 2023/24 base revenue budget adjusted to reflect the base budget savings and additional income for 2024/25. The budget setting process begins in June, with a roll forward of the prior year budget. Discussions are held with other fire authorities (Fire Finance Network), MHCLG and Home Office for national issues which could impact the budget. The proposed budget is then ratified by the Corporate Management Board (CMB) in September – therefore, issues are picked up early. CMB members liaise with budget managers on what pressures and uplifts they are facing, especially on contracts. An Initial draft is reported to Members in October where Members will provide challenge.</p> <p>Consultation on the proposed level of the Authority’s Council Tax charge for 2024/25 was opened to the public on 1 November 2023 and closed on the 1 February 2024. The consultation included a specific question on changes to Council Tax in 2024/25 and provided four options. The outcome of the consultation is reported in the budget setting papers.</p>	<p>G</p>

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

Governance – commentary on arrangements



We considered how the Authority: Commentary on arrangements

Assessment

<p>ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p>	<p>Routine finance updates to Authority demonstrate that a clear picture is provided of the Authority's financial performance to date as well as the forecast by year end. Finance updates are presented to Authority throughout the year covering the revenue budget and the capital budget, the reports identify potential budget risks in terms of probability and impact and detail the mitigating steps taken by the Authority. The outturn report summarises financial performance at the end of the financial year, with comprehensive narrative explanations for key variances set out within the report.</p>	<p>G</p>
<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>Reports clearly set out whether they are "for Decision" or "for Information" with appropriate levels of detail and clear recommendations. The Authority comprises 25 elected councillors appointed by Kent County Council (21) and Medway Council (4) as well as the Kent Police and Crime Commissioner. The Authority also has an independent member who sits on the Audit and Governance Committee to provide scrutiny and challenge where necessary as well as having the role of Independent Person to ensure that elected members maintain high standards of conduct. Review of Audit and Governance Committee minutes shows that there is an appropriate level of challenge.</p>	<p>G</p>
<p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour and where it procures and commissions services.</p>	<p>The Fire Authority has sound arrangements in place to ensure appropriate behaviours. These include a Code of Conduct. Convention for Member and Officer relations, a Whistleblowing (Speak Up) Policy. Arrangements are reviewed and updated as required. The Fire Authority has an up to date Contracts Register and appropriate arrangements when it is necessary to waive tender requirements.</p>	<p>G</p>

G No significant weaknesses in arrangements identified or improvement recommendation made.

A No significant weaknesses in arrangements identified, but improvement recommendations made.

R Significant weaknesses in arrangements identified and key recommendations made.

Improving economy, efficiency and effectiveness – commentary on arrangements



We considered how the Authority:	Commentary on arrangements	Assessment
<p>uses financial and performance information to assess performance to identify areas for improvement</p>	<p>The Authority receives regular information on performance, at a summary level during the year and more detailed information at the year end. For 2023/24, the detailed year end report was not published on the Authority's website or within meeting papers, and timely public reporting is identified as an opportunity for improvement. The Corporate Management Board receives a regular balanced scorecard setting out performance in four domains - economy, efficiency, effectiveness and customer & corporate; and in month and year-to-date performance against key performance metrics. However, for areas where performance is deteriorating or below target, reporting to the Authority and Corporate Management Board does not include analysis of the causes of underperformance, or mitigating actions to address this. Performance data is accessible online to all officers, allowing real-time drill down into detailed data to support understanding of performance.</p> <p>The Authority has undertaken some performance benchmarking for 2023/24 using Chartered Institute of Public Finance and Accountancy (CIPFA) data, and did not identify any issues of significant concern requiring improvement action. We note that response times in Kent and Medway are longer than the CIPFA comparator group and also longer than the internal target of 71% of life threatening incidents responded to within 10 minutes and suggest this should be an area of focus for the Authority.</p>	<p>A</p>
<p>evaluates the services it provides to assess performance and identify areas for improvement</p>	<p>The Authority received a "good" or "outstanding" rating across all categories and sub-categories in its most recent HMICFRS inspection, which was published in January 2023. No areas for improvement were identified by HMICFRS. This demonstrates improvement on the June 2019 HMICFS report, when two sub-criteria were rated as "requires improvement".</p> <p>The Authority records and monitors actions identified from external reviews including HMICFRS thematic reports and the March 2023 Manchester Area Inquiry. In March 2024, the Authority reported that all actions from the HMICFRS report on Values and Culture had been completed. A summary of progress is reported at each Authority meeting.</p> <p>The ten-year Customer Safety Plan 2021-31 sets out the Authority's strategic objectives. The Plan is supported by a four year Community Risk Delivery Plan, which was refreshed in July 2024. The 2025-29 Community Risk Delivery Plan is based on a comprehensive risk analysis and risk assessment as well as an evaluation of the 2021-24 Community Risk Delivery Plan and a public consultation exercise.</p> <p>The Authority has successfully identified opportunities to reduce the cost of service delivery, for example by purchasing second hand vehicles for wildfire rescues (which has also led to quick vehicle readiness for use) and from the use of "boat in a bag" equipment on water safety units to replace dedicated inshore and offshore boats and trailers.</p>	<p>G</p>

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Improving economy, efficiency and effectiveness – commentary on arrangements



We considered how the Authority: **Commentary on arrangements**

Assessment

ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives

The Authority is involved in a wide variety of collaborative and partnership activities, with local Police and NHS bodies as well as other Fire and Rescue Services. Authority Members receive regular updates on key strategic projects such as the Networked Fire Services Partnership project to collaboratively procure and provide fire control services using a combined command and control system (due to go live in 2026/27) and the relocation of the control room (shared with Kent Police) which was completed in January 2024. The Authority intends to carry out partnership mapping during 2024/25 to support greater coordination of partnership working activities, reduce any duplication of effort and maintain appropriate governance over decision-making.

In October 2023, the Authority engaged with local residents and businesses in the development of the Community Risk Delivery Plan 2025-29. Further consultations were planned for October 2024 on the Authority's performance standards, and in July 2025 on the detailed plans for implementation of the Community Risk Delivery Plan 2025-29.

G

commissions or procures services, assessing whether it is realising the expected benefits

The Authority has a comprehensive Contract Management Toolkit which sets out contract management principles, responsibilities and other relevant information. The Authority is currently updating policy documents relating to procurement, in preparation for the implementation of the requirements of the Procurement Act 2023. We have identified some opportunities for improvements in the Authority's documentation..

Our assessment of performance monitoring for key contracts involved a review of contract review packs for the collaborative procurement for personal protective equipment (where the Authority leads on the procurement and contract management on behalf of 18 other Fire and Rescue Services). We found that issues, actions, risks, key performance indicators and savings were discussed at the meeting held each quarter. We did not identify any evidence of significant contract performance issues which would require escalation to the Corporate Management Board.

During 2023/24, the Authority did not approve any significant commercial ventures, although work continued on existing projects such as the collaborative procurement for a fire control service (mobilising system) using a combined command and control system as part of the National Fire Safety Partnership, and the control room collaboration with Kent Police.

The Ashford Fire Station redevelopment and Live Fire Training Facility project commenced in 2020/21 and was originally due to be completed by 2023/24. However, delays have arisen and the project is now not likely to be completed until 2026/27. The project is being closely managed by officers with oversight from Fire Authority members.

A

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

Improving economy, efficiency and effectiveness



Areas for improvement

Up to date website

2023/24 performance data was not easily accessible on the Authority's website at the time of our work in October 2024.

A 2023/24 performance summary was included in the July 2024 papers for the Fire Authority, but the appendix with more detailed performance information was missing from the pack of papers.

Improvement recommendation 1: The Authority should ensure that performance data available to the public on its website is updated in a timely manner.

Performance reporting

Performance reports include performance data metrics and some comments on trends, but our review did not identify any commentary on the causes of underperformance or deteriorating performance, nor any details of mitigating actions being taken.

It is good practice to include this information with performance reports, at an appropriate level of detail, to support high standards of transparency and accountability.

Response times in Kent and Medway are longer than the CIPFA comparator group and also longer than the internal target of 71% of life threatening incidents responded to within 10 minutes, this should be an area of focus for improvement.

Improvement recommendation 2: Reports on the Service's performance prepared for the Fire Authority and balanced scorecards discussed at the Corporate Management Board could be further enhanced by including more detail in relation to areas where performance is below target or where performance is deteriorating, such as the causes and mitigating actions being taken.

The Authority should work to improve response times for life-threatening incidents.

Up to date policies

Review of the Procurement Service Order and the short version noted that different thresholds under the Public Contracts Regulations were quoted in each document, due to the Service Order being updated in Jan 2024 but the short version not updated since Jan 2022 (and overdue for review by May 2023)

In addition, the Contract Management Toolkit and Procurement Card Policy are both undated.

Areas for improvement identified by Internal Audit in August 2023 have not been addressed in a timely manner.

Improvement recommendation 3: The Authority should ensure that the current review of policy documents relating to procurement and contract management includes:

- elimination of inconsistencies
- dating of documents and clear timeframes for review
- address issues raised by Internal Audit.

**Value for Money
Recommendations raised in
2023/24**



Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR1 The Authority should ensure that performance data available to the public on its website is updated in a timely manner.	Improvement	Improving economy, efficiency and effectiveness	We were unable to locate up to date performance information on the Authority's website.	It is important that key service information is publicly available. This can also reduce Freedom of Information requests.	Actions: Processes have now been reviewed, to ensure that performance information is now placed on the website in a timely manner. Responsible Officer: JQ Due Date: Immediate
IR2 Reports on the Service's performance prepared for the Fire Authority and balanced scorecards discussed at the Corporate Management Board could be further enhanced by including more detail in relation to areas where performance is below target or where performance is deteriorating, such as the causes and mitigating actions being taken. The Authority should work to improve response times for life-threatening incidents.	Improvement	Improving economy, efficiency and effectiveness	Review of performance reports highlights an opportunity for further development.	Based on our experience we feel there is scope to further develop performance reports to enable readers to have a better understanding of key issues and how they are being addressed.	Please see next page.

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Recommendations raised in 2023/24

Actions agreed by Management

Part 1

We consider in detail all the issues where there is underperformance and where we are doing well – this leads to requests for further reports to come to CMB. These more detailed reports of issues seek to understand the cause-and-effect issues. We use a report format which has four ‘P’s’ = position now, problems, proposals, and process for change. This allows for better understanding of the immediate numbers but also the factors which affect it. Issues are also discussed at Steering groups and Delivery groups which have further detailed examination. Examination of the balanced scorecard is a prompt to these other actions.

Responsible Officer – MD
Executive Lead – NH
Due Date – Work in progress

From the new financial year, we are monitoring performance within ranges rather than targets. Any indicators which are performing outside of the expected range (positively or negatively) will be highlighted through the appropriate forum for investigation. All performance indicators are mapped through meeting forums and areas of responsibility and are fully assessed for the causes. This information will be fed through meeting structures, ultimately into the responsible board with the full picture.

Responsible Officer – MD
Executive Lead – NH
Due Date – January 2025

IR2
(Cont.)

Part 2 - The Authority should work to improve response times for life threatening incidents

The Authority recognises that getting to the scene of a life-threatening incident quickly is a key part of resolving such incidents successfully. Attendance times to life threatening incidents have been gradually getting longer for some years. This trend is reflected across most fire and rescue services in the UK. The current KFRS target is to get to life threatening incidents in under 10 minutes on 71% of occasions or better. In 2023/24 performance was 66.7%.

We believe one of the key contributing factors to our attendance time performance is the availability of our fire engines, particularly our on-call fire engines. We experience low on call fire engine availability during daytime hours. This is a result of factors including the changing nature of work. Our on-call firefighters have primary employment in other jobs or work for us as wholtime firefighters. Typically, these primary employment responsibilities result in them not being able to provide on call cover during the day. When on call fire engines are not available, particularly in rural areas, this results in us having to send the next nearest fire engine. This can result in extended travel times and missing our life-threatening incident time target. So, this year we launched a major corporate project aimed at reviewing the on call system. The aim is to improve on call fire engine availability. We will do this by undertaking a detailed analysis of the causal factors affecting on call availability and working with our on-call colleagues to address these. The project is due to take place over 18-24 months. One of the project benefits is an increase in on call fire engine availability, and a subsequent improvement in incident response times.

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Recommendations raised in 2023/24

Actions agreed by Management

There is also a difference in our ability to get to incidents in rural and urban areas in less than 10 minutes. Incidents in urban areas are often a short distance from our nearest fire station, whereas incidents in rural areas can be much further from the nearest fire station. As a result, we usually achieve our attendance time target in urban areas but usually miss our attendance time target in rural areas. In order to be more transparent with our customers about this, we are currently consulting on a change to the way we measure our attendance times, splitting into rural and urban categories. This will allow us to be better able to see where improvements to attendance times could have most effect. We are not making any changes under these proposals that would result in a longer attendance time than we currently achieve.

IR2 (Cont.) Finally, we are also consulting on changes to reclassify our calls from life threatening and non-life threatening, into emergency and non-emergency. Those falling in the non-emergency category will not get a blue light response. We will still get to these calls promptly (within 30 minutes) but our control room will be better able to prioritise other emergency calls over these. That means resources that may have been tied up attending a non-emergency can be directed to emergency calls. This will help to drive down response times to life-threatening incidents (which fall into the emergency category) as more resources will be available to be directed to them.

We believe these changes will, in combination, have a positive effect on our life-threatening attendance times compared to our current performance.

Responsible Officer – MD

Due Date – Work in Progress

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
<p>IR3</p> <p>The Authority should ensure that the current review of policy documents relating to procurement and contract management includes:</p> <ul style="list-style-type: none"> - elimination of inconsistencies - dating of documents and clear timeframes for review - address issues raised by Internal Audit. 	Improvement	Improving economy, efficiency and effectiveness	We identified inconsistencies between key documents.	<p>It is important that publicly available documents are consistent and up to date. This is especially true where organisations may wish to work with the Authority.</p>	<p>Significant changes are to be released shortly in relation to Public Procurement regulations. As such, all of our Procurement documents are scheduled to be reviewed, to ensure compliance with the new regulations. Delays in the release of the revised regulations, will inevitably delay the review of our internal documents.</p> <p>However, we do recognise the inconsistencies you reference in your report (where elements of the document appear to have been updated at different times instead of the whole document being reviewed) and are realigning a part of the broader review.</p> <p>The Areas for improvement mentioned in August 2023 coincided with arrival of a new Head of Procurement and Commercial, which inevitably had an impact of the delivery of the proposed improvements. As such, the following actions are now underway:</p> <ul style="list-style-type: none"> - A full review and rewrite of the Authority's Procurement Standing Orders (PSOs) and Procurement Policy. - This will be followed by a review of a number of other policies to ensure consistency throughout. - The Contract Management Toolkit, will be reviewed to ensure it is up to date, relevant and compliant to the new regulations - And finally, a Service Wide Procurement Update Training Programme will be delivered. <p>Responsible Officer – GW Due Date – Q1 2025/26</p>

* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Appendices

Appendix A: Responsibilities of the Authority

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) is required to prepare 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. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Authority's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Authority is responsible for putting in place proper arrangements to secure 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.



Appendix B:

Value for Money Auditor responsibilities



Value for Money arrangements work

All Fire & Rescue Authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The audited body's responsibilities are set out in Appendix A.

Fire & Rescue Authorities report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

Financial Sustainability

Arrangements for ensuring the Authority can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term [3-5 years].

Governance

Arrangements for ensuring that the Authority makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Authority makes decisions based on appropriate information.

Improving economy, efficiency and effectiveness

Arrangements for improving the way the Authority delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for Authority users.

2023/24 is the fourth year of the Code, and we undertake and report the work in three phases as set out in the Code.

Phase 1 – Planning and initial risk assessment

As part of our planning we assess our knowledge of the Authority's arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period

Information which informs our risk assessment	
Cumulative knowledge and experience of the audited body	Annual Governance Statement and the Head of Internal Audit annual opinion
Interviews and discussions with key stakeholders	The work of inspectorates and other regulatory bodies
Progress with implementing recommendations	Key documents provided by the audited body
Findings from our opinion audit	Our knowledge of the sector as a whole

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor's professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations. A range of different recommendations can be raised by the Authority's auditors as follows:

- Statutory recommendations – actions which should be taken where significant weaknesses are identified with arrangements. These are made under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014 and are required to be considered by the body and responded to publicly.
- Key recommendations – actions which should be taken by the Authority where significant weaknesses are identified within arrangements.
- Improvement recommendations – actions which should improve arrangements in place but are not a result of identifying significant weaknesses in the Authority's arrangements.

Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
1 Develop a trackable savings plan with responsible owners, targets, KPIs and timescales. Incorporate this as part of your budget monitoring processes.	Improvement	January 2024	<p>The Authority has identified that the savings required to balance the budget each year without the need to use reserves will increase, and this is reflected in the Medium Term Financial Plan. In our experience savings are more likely to be achieved as planned where they are closely monitored and reported to Members. This allows appropriate challenge and scrutiny whilst providing assurance. As highlighted by our prior year recommendation, we would encourage the Authority to enhance its arrangements in this area to support it in achieving planned savings.</p> <p>Please see next page for Fire Authority response.</p>	No	Yes – implement the recommendation.

*Explanations of the different types of recommendations which can be made are summarised in Appendix B.

Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date
1 Develop a trackable savings plan with responsible owners, targets, KPIs and timescales. Incorporate this as part of your budget monitoring processes. (continued)	Improvement	January 2024	<p><u>Fire Authority response:</u></p> <p>Any savings that are identified in the MTFP each year, are taken out of the base budget at the start of that year. Only savings which are achievable are deducted from the base. However, savings identified in the MTFP in year's 2,3 and 4 will be confirmed as achievable before the start of that financial year.</p> <p>Any financial savings identified in corporate projects will also be shown in the MTFP and deducted in that financial year.</p> <p>The Service has a savings narrative which sets out our approach to driving and achieving savings. This includes a schedule of areas of activity that could be considered if savings are required to be either reallocated to another area of the service or to balance the budget.</p> <p>Savings are only set out in advance if they are; known to be achievable, or there is a certainty that they will arise or they are required to balance the budget.</p> <p>Currently the Authority do not set savings targets, for future years unless they are necessary, but they are aware of the areas of activity that could be stopped or altered should the need arise to make savings. Longer term financial settlements will help to set out an accurate picture as to the level of savings that will be required to balance the budget.</p> <p>However, the Service will continue to take savings if they arrive fortuitously or are derived by better ways of working. These are recorded in the Benefits register, which also tracks and records non - cashable savings in relation to re-allocative time alongside other types of savings.</p> <p>Responsible Officer – BF Due Date – Ongoing</p>

*Explanations of the different types of recommendations which can be made are summarised in Appendix B.

