

Cumbria Commissioner Fire and Rescue Authority

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

27 February 2025



Contents

Section	Page
Introduction	03
Executive summary	04
Opinion on the financial statements and use of auditor's powers	10
Value for Money commentary on arrangements	13
The current landscape	14
Financial sustainability	15
Governance	18
Improving economy, efficiency and effectiveness	24
Recommendations raised in 2023/24	27
Appendices	
Appendix A – Responsibilities of the Audited Body	34
Appendix B – Value for Money Auditor responsibilities	35
Appendix C – Follow-up of relevant legacy County Council recommendations	36



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 Service'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.

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 30 Finsbury Square, London, EC2A 1AG. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

Introduction



Purpose of the Auditor's Annual Report

This report brings together a summary of all the work we have undertaken for Cumbria 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 Services 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 Service’s responsibilities are set out in Appendix A.

Fire & Rescue Services 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 12 with a commentary on whether any of these powers have been used during this audit period.



Executive summary



Executive summary (1 of 5)

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 28.

Financial sustainability

2023/24 budget

On Vesting day (1 April 2023), the Police, Fire and Crime Commissioner (PFCC) became responsible for the governance of the Fire and Rescue Service and the Cumbria Commissioner Fire and Rescue Authority (CCFRA) became a legal entity. On 26 January 2023, the Police, Fire and Crime Panel set a net budget requirement of £26.615m for 2023/24 for the Authority. The Authority received £2m from the Home Office in 2023/24 as part of the disaggregation from the legacy County Council to support transformation and investment. In January 2023, the capital budget agreed as £3.115m which was reviewed in year. The provisional outturn for 2023/24 shows the Fire Authority Capital Budget was £2.37m of which it spent £1.207m.

In 2023/24, the Authority received an additional £4.4m from the Home Office to invest in service vehicles, equipment and for essential maintenance to the Fire Estate.

On 14 October 2024, the Police, Fire and Crime Panel received the provisional out-turn report for 2023/24. It shows a net budget of £25.442m, net expenditure of £25.376m and an underspend of £0.066m. The outturn identifies the service level agreements (SLAs) cost £0.225m more than planned. Revenue repairs and maintenance overspent by £0.307m and the Private Finance Initiative (PFI) contract overspent by £0.145m.

2024/25 budget

On 31 January 2024, the Police, Fire and Crime Panel set the budget for 2024/25 as a net budget requirement of £27.902m and made reasonable assumptions over a five-year Medium-Term Financial Plan (MTFP). Final confirmation of the reserves and balances to be transferred to the Authority following local government reorganisation (LGR) is still outstanding. On 1 April 2024, the Authority had General Fund (GF) reserves of £3.901m below the assessed minimum requirement of £4.358m following a risk-based review. GF reserves are not forecast to meet a minimum level until 2027/28. The Authority also had earmarked reserves of £2.626m. The MTFP assumes the insurance reserve will be fully used by 2026/27.

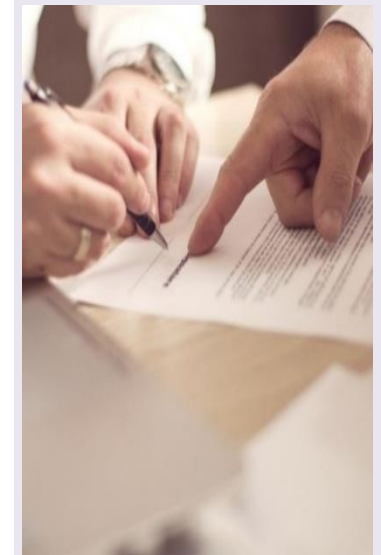
The Authority faces significant uncertainties around funding commitments and the cost of delivery as it continues to disaggregate from the Service Level Agreements (SLAs) it has with the two unitary councils following Local Government Reorganisation (LGR) in Cumbria.

In conclusion and based on our areas of focus and evidence considered, we have not identified any significant weaknesses in arrangements to ensure the Authority manages risk to its financial sustainability. However, we have identified areas where the Authority could improve arrangements and as such, have raised five improvement recommendations.



Conclusion of the audit for 2023/24

There was not sufficient time to conclude our work in advance of the 28 February 2025 backstop deadline, given the financial statements were published on 15 January 2025. On that basis, we issued a disclaimer of opinion due to the backstop legislation on 27 February 2025.



Executive summary (2 of 5)



Governance

The Authority draft Risk Strategy was discussed at Joint Audit Committee (JAC) in June 2024. We note the Strategy referenced both risk and opportunity and corporate, departmental and project risks which we see as good practice. It also sets roles and responsibilities and includes risk appetite, risk tolerance, risk type and risk escalation.

In May 2023, the JAC agreed the 2023/24 audit plan. The plan, delivered by TIAA, only included 55 days and did not include counter-fraud controls. The plan included seven audits. In September 2024, JAC received the 2023/24 Internal Audit report which gave reasonable assurance based on four completed audits of which one received a substantial opinion, two reasonable and one limited. The TIAA contract expires at the end of March 2025 and a contract is in place with a new provider increasing audit days to 90 starting from 1 January 2025.

There is robust budget setting in place including internal and external stakeholders. During the year, the Authority reported its budget position to the Expenditure Management Group, the Senior Leadership Team (SLT), the Executive Board - Fire, the PFCC Public Accountability Conference and the Police, Fire and Crime Panel. Budget holders have a reporting timetable provided by the finance team. However, we note there was insufficient detail in the budget monitoring reports due to difficulties with the hosted ledger and we make an improvement recommendation (page 22).

In 2023/24, Cumberland and Westmorland and Furness Councils hosted and ran the financial systems for the Authority for part of the year as the Authority did not have its own finance team in place for eight months. Issues with operation of financial systems at the legacy Councils impacted the Authority as budget data was not loaded into the ledger and there were problems with completion of bank reconciliations and the accuracy of payroll charges. We note the new financial system was operational from 1 April 2024. This will result in a saving from the SLA for invoice processing and finance systems and improved control. Further development work is planned on invoice scanning and reporting.

The Authority was not able to produce draft financial statements to the statutory timetable and the statements were published on 15 January 2025. Delays in production of the financial statements are substantially due to issues in extracting trial balance information from the hosted ledger, delays in finalising disaggregated balances from the legacy County Council and other factors largely outside of the control of the Authority. The publication delay means that there is insufficient time to complete the audit before the statutory backstop date of 28 February 2025 and it is anticipated that the auditor's report will include a disclaimer of opinion. We recognise the causes of delay were substantially outside of the Authority's control and on that basis are not reporting this as a significant weakness in arrangements. We have raised an improvement recommendation (page 22). We will reconsider this as part of our 2024/25 value for money review, considering if any delay in publication beyond the statutory deadline may indicate significant weaknesses in arrangements.

In 2023/24 and up to the time of this report ICT including disaster recovery was hosted by Cumberland Council and the Authority had one person supporting ICT seconded by Cumberland Council. We identified a significant weakness in arrangements at Cumberland Council that impacts on the Authority. We identify this as a significant weakness and make a key recommendation (page 9).

Following LGR the Authority received no procurement staff or budget. The Section 151 Officer was the only person with procurement experience. In May 2024, SLT and the Commissioner approved the Sustainable Procurement and Commissioning Strategy 2024-2026. The Police commissioned a new set of CSOs for all three organisations in readiness for the Procurement Act 2023 implementation. In December 2024, we note the contracts register needed significant work. Many contracts are not updated. The Section 151 Officer confirmed the fire contracts register is being reviewed with the help of the Police Commercial team who is also developing a contracts pipeline. More joint working with the Police is developing for procurement. We recognise the Authority is addressing procurement capacity and its contract arrangements therefore we make an improvement recommendation (page 23).

Executive summary (3 of 5)



Improving economy, efficiency and effectiveness

In 2023/24 the Authority had a 1-year Community Risk Management Plan (CRMP) which identified the three highest risks as primary fires, injury road traffic collisions, and flooding and water. Performance reports were monitored by SLT and discussed with the Commissioner and his executive team. Performance indicators were also available locally for stations. The Authority developed a risk-based evidence profile and used it to develop the new four-year CRMP agreed by the JAC in June 2024. On 14 October 2024, the Police, Fire and Crime Panel agreed the new Police, Fire and Crime Plan following the May 2024 election. In November 2024, the Authority aligned the CRMP with corporate strategies and the annual delivery plans. The Authority was developing its Prevention Strategy, evaluating its prevention activity and reviewing its prevention resources to prepare for the January 2025 inspection.

The annual performance report for 2023/2024 recorded four fire fatalities and 176 accidental dwelling fires. The Authority also completed 8,324 Home Fire Safety Visits and for Visits it is the fifth highest performing Authority per 1,000 population.

In March 2023, His Majesty's Inspector of Constabulary and Fire and Rescue Services (HMICFRS) followed up its 2022 inspection. It looked at two areas of concern, future governance arrangements and risk critical skills. It found appropriate and robust governance arrangements in place to monitor progress against these concerns. The Inspectorate changed the service's grading from inadequate to requires improvement. In March 2024, the Strategic Finance and Governance Board received an update on performance including work to improve prevention following the HMICFRS inspection.

In November 2024, JAC received an update report from the Chief Fire Officer. The Authority had made robust changes against the 108-point plan and identified one area of weakness: the recruitment and retention of specialist officers to deliver building risk assessments. This is a national problem, and a multi-tiered plan agreed in Cumbria includes the appointment of apprentices and providing market supplements to attract applicants.

The Authority works with a range of regional and local partners. It is coordinating a North-West regional fatality data hub to analyse fire fatalities and understand common themes. This data will be shared regionally and allow each Authority to improve their prevention offer. It uses partnership data to inform decision-making. It is using information provided by the Environment Agency to understand flood risks. It is also using data analysis, direct referrals from partner agencies such as Adult Social Care and the NHS to focus its prevention work and target the most vulnerable in the community.

In our risk planning we identified the risk of significant weakness relating to the fire estate following a fire at Lazonby Fire Station and recommendations made following an internal audit report on estates management property compliance. On Vesting Day, ownership of the fire estate moved to the PFCC. The Authority received no estates resources and the estate SLA with Westmorland and Furness Council only covered technical fire service estate management. It did not include statutory compliance, or planned maintenance, and no asset management system existed for fire estates data. In February 2024, Lazonby Fire Station had a fire and management have identified that fire stations did not have adequate fire alarm systems in place. We note that Lazonby reopened in June 2024 but in December 2024 it still had no ICT. Whilst we note considerable progress to address the risks to the estate and work in 2024/25 to develop effective governance and address compliance issues, we have raised an improvement recommendation relating to this matter on page 26.

In conclusion and based on our areas of focus and evidence considered, we have not identified any significant weaknesses in arrangements to ensure the Authority manages improving economy, efficiency and effectiveness. However, we have identified one area where the Authority could improve arrangements.

Executive summary (4 of 5)



Overall summary of our Value for Money assessment of the Service'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	2023/24 Risk assessment	2023/24 Auditor judgement on arrangements
Financial sustainability	Our risk planning shared in our audit plan in September 2024 identified financial planning and capital programme as possible significant weaknesses to be tested.	A No significant weaknesses in arrangements identified, but five improvement recommendation have been made to support the Authority in improving arrangements for financial sustainability. These relate to the development of a contingency budget, costing net zero and climate change impacts in the MTFP, developing a savings and transformation plan, introducing cost benchmarking, workforce strategy.
Governance	Our risk planning shared in our audit plan in September 2024 identified internal controls, disaster recovery, skills and capacity, financial governance, procurement and contract management as possible significant weaknesses to be tested.	R Significant weakness in arrangements relating to IT infrastructure and disaster recovery identified and a key recommendation has been raised relating to this area. We also raise six improvement recommendations. These relate to the AGS, financial reporting, finance team capacity, financial statements, a corporate gifts and hospitality register, and procurement and contract management.
Improving economy, efficiency and effectiveness	Our risk planning shared in our audit plan in September 2024 identified no areas of possible significant weakness identified.	A No significant weaknesses in arrangements identified, but one improvement recommendation is made to support the Authority in improving arrangements for economy, efficiency and effectiveness. This relate to estates governance and estates health and safety compliance.

- 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.

Executive summary (5 of 5)



Significant weakness identified in Governance arrangements

As part of our work, we considered whether there were any risks of significant weakness in the Service's arrangements for securing economy, efficiency and effectiveness in its use of resources. We reviewed the Service's arrangements to governance and have concluded there was a significant weakness in arrangements.

Corporate IT and disaster recovery

In 2023-24 and up to the time of this report IT infrastructure including disaster recovery was hosted by Cumberland Council and the Authority had one person supporting ICT seconded by Cumberland Council.

The Assistant Director for ICT leads Cumberland ICT and the hosted service agreements. We note the Assistant Director for ICT was not in post until September 2023, prior to that there was no senior manager leading ICT hosted services.

We have identified that the Council had weaknesses in internal controls relating to IT infrastructure and disaster recovery, which could expose it and hosted customers to significant financial or service loss including fraud. These weaknesses were exacerbated by a lack of capacity in the ICT team.

The significant weakness at Cumberland impacts Cumbria Fire Authority.

We have therefore identified a significant weakness in arrangements and raise the following key recommendation.

Key recommendation 2

The Authority should develop a Corporate IT Disaster Recovery Plan that should be documented and approved by SLT. This should include a single list of critically ranked applications. This will ensure there is a clear plan and prioritisation of systems to restore should the need arise. The Authority should test this plan in a practical exercise and refine it if needed. The Authority should also manage the SLA with Cumberland Council to ensure risks are minimised and review its systems and stop using those which present a high-risk threat.

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



Opinion on the financial statements



Audit opinion on the financial statements

The Authority published draft financial statements on 15 January 2025 enabling it to allow the statutory period for public inspection and to support deliver of an audit opinion in advance of the 28 February 2025 backstop date.

Given the publication date above, there is insufficient time to complete the financial statements audit by the backstop date of 28 February 2025. We therefore issued a disclaimer of the audit opinion on 27 February 2025.

The audit opinion will be included Authority's Annual Accounts for 2023/24, which can be obtained from the Authority's website.

Grant Thornton provides an independent opinion on whether the Service'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

We have been unable to perform a full audit of the financial statements due to the timing of publication and the impact of backstop legislation.

This means that we have not been able to obtain sufficient appropriate audit evidence by the backstop date to conclude that the Authority's financial statements for the year ended 31 March 2024, as a whole, are free from material misstatement. This limitation in scope is pervasive and therefore we issued a disclaimer of the audit opinion.

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 Joint Audit Committee on 4 February 2025. 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
<p>Statutory recommendations</p> <p>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.</p>	<p>We did not make any written recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.</p>
<p>Public Interest Report</p> <p>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.</p>	<p>We did not issue a public interest report.</p>
<p>Application to the Court</p> <p>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.</p>	<p>We did not make an application to the Court.</p>
<p>Advisory notice</p> <p>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:</p> <ul style="list-style-type: none"> • 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. 	<p>We did not issue any advisory notices.</p>
<p>Judicial review</p> <p>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.</p>	<p>We did not make an application for judicial review.</p>

Value for Money Commentary on arrangements



The current landscape

It is within this context that we set out our commentary on the Service'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 Services' ability to four-year plan.

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 Service Levels Act was introduced, which has significant implications for the workforce of Fire and Rescue Services.

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 Service Levels Act, are at present uncertain.

The Fire Vision (2024) published by the LGA outlines the future direction of Fire and Rescue Services, emphasizing their role in emergency response, prevention, and protection. It highlights the importance of community engagement, professional development, and the use of state-of-the-art technologies.



Local context

Following vesting Day on 1 April 2023, the Police and Crime Commissioner in Cumbria become the Police, Fire and Crime Commissioner following the transfer of responsibility for Cumbria Fire and Rescue Service's (CFRS) governance to the Office of the Police, Fire and Crime Commissioner. The Office became the Office of the Police, Fire and Crime Commissioner (OPFCC).

A separate legal entity of Cumbria Commissioner Fire and Rescue Authority (the Authority) was established, with the service being disaggregated from Cumbria County Council. On 1 April 2023, Westmorland and Furness Council became the host local authority for the Police, Fire and Crime Panel and provides administrative and other support to the panel and its members.

A new Police, Fire and Crime Commissioner took up office on 9 May 2024 for a four-year period and a new Police, Fire and Crime Plan was launched in January 2025.

A four-year Community Risk Management Plan was agreed in 2024 and identifies the three highest risks as primary fires, injury road traffic collisions and flooding and water.

Cumbria is the third largest county in England but the second least densely populated. Cumbria's population is just over 498,000 and it receives nearly 50 million visitors a year. Over half of the population live in rural communities which brings challenges for service delivery. The population of Cumbria is also ageing faster than the rest of the UK population and the number of people of working age is reducing. Nearly 25% of the Cumbrian population is aged over 65.

Financial sustainability (1 of 3)



We considered how the audited body:

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;

On vesting day (1 April 2023), the PFCC became responsible for the governance of the Fire and Rescue Authority and the Cumbria Commissioner Fire and Rescue Authority (CCFRA) became a legal entity. On 26 January 2023, the Police and Crime Panel set a net budget requirement of £26.615m for 2023/24. The Authority received £2m from the Home Office in 2023/24 as part of the disaggregation from the County Council to support transformation and investment.

During 2023/24, the Commissioner's Office, obtained an additional £2.4m from the Home Office for the Fire Authority to invest in new service vehicles, additional equipment and carry out essential maintenance work across the Fire Estate.

On 14 October 2024, the Police, Fire and Crime Panel received the provisional out-turn report for 2023/24. It shows a net budget of £25.442m, net expenditure of £25.376m and an underspend of £0.066m (0.26%). This net budget is not the same as the one agreed on 26 January 2023 because it was revised in-year. It identifies the SLA's cost £0.225m more than planned. Revenue repairs and maintenance overspent by £0.307m and the PFI Contract overspent by £0.145m.

On 31 January 2024, the Police, Fire and Crime Panel set the budget for 2024/25 as a net budget requirement of £27.902m and made assumptions over a five-year MTFP. Final confirmation of the reserves and balances to be transferred to CCFRA following LGR was outstanding. A risk-based review of prudent unallocated reserve levels shows the minimum level of General Fund reserves should be £4.358m against an estimated £3.196m on 31 January 2024.

The MTFP does not include an assessment of climate change costs, and we make an improvement recommendation (page 17). We also note there are no contingency budgets built into the estimates. This means that any unforeseen expenditure that cannot be contained from existing budgets will require the use of the Service's limited reserves which is not affordable we make an improvement recommendation (page 17).

A

plans to bridge its funding gaps and identifies achievable savings

The Authority faces significant uncertainties around funding commitments and the cost of delivery as it continues to disaggregate from the SLAs it has with the two unitary councils following LGR. In 2023/24 the budget included limited savings of £0.7m made up of £0.3m in staff budgets, £0.12m in non-pay budgets, and £0.25m from treasury management. These targets were built in annually to the five-year MTFP but were not reported in the outturn for 2023/24. In 2024/25 these targets were built into budget assumptions.

There is a monthly expenditure group in place and an external assessment of VFM was undertaken in January 2024 which identified some possible savings. These are developed and available if required. An efficiency working group has now been established looking at other fire services for ideas including income generation. We understand further savings ideas are available if required.

The delivery of savings and efficiencies is essential to protecting and building the limited reserves and ensuring the Authority is financially sustainable. We make an improvement recommendation to develop a savings and transformation programme and ensure it is monitored quarterly and reported to the Police, Fire and Crime Panel (page 17).

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.

Financial sustainability (2 of 3)



We considered how the audited body:

Commentary on arrangements

Assessment

plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

There is a coherent link between the corporate priorities and budget which includes investment in the fire estate and the fleet. The budget does not show a split between discretionary and discretionary spend however, prevention is core business for the fire service and required improvement which has been delivered therefore, we do not raise an improvement recommendation.

There was limited benchmarking in 2023/24 because the Authority was new and many of the corporate costs were not included in the 2023/24 budget. The service has learnt from other fire services relating to income generating opportunities which are being built into the 2025/26 budget. We make an improvement recommendation (page 17).

G

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

The MTFP takes other strategies into account. We note the medium-term CRMP was not in place until 2024/25 so will be reflected in the MTFP from 2025/26. The Authority had the required Treasury Management reporting in 2023/24.

On 15 February 2024, the Public Accountability Conference received the Capital Investment Strategy 2024/25. The Authority needs to invest in technology, including new data centres as part of the disaggregation work and a contribution to the North-West Fire Control's replacement of the 'Computer Aided Dispatch' System between 2024/25 and 2026/27. As services continue to disaggregate from the SLAs it will require more systems and infrastructure investment. These will need including in the Capital Investment Strategy, with revenue implications included in the MTFP.

The Authority started to develop a new workforce strategy in 2023/24 this was not yet agreed by December 2024 or aligned to the MTFP, and we make an improvement recommendation (page 20). It is also worked with the OPFCC and the Police to develop a joint estates strategy.

In January 2023, the capital budget was agreed as £3.115m. The provisional outturn for 2023/24 shows the Fire Authority Capital Budget was £2.37m of which it spent £1.207m. In 2023/24 there been limited investment in fire service buildings for a significant period and stations were not equipped for the needs of a modern service. Further work to develop the estate is ongoing in 2024/25. We discuss this further on page 26.

A

identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans

On Vesting Day, the Authority had GF reserves of £1.475m which were added to during 2023/24. On 1 April 2024, the Authority had General Fund (GF) reserves of £3.266m, which was below the minimum requirement of £4.358m assessed following a risk-based review. GF reserves are not forecast to meet a minimum level until 2026/27. The Authority also had earmarked reserves of £5.708m including a capital reserve of £0.793m. The Authority is developing a plan to address the gap in future years and replenish its reserves position, so we do not make an improvement recommendation.

The Authority budget for 2024-2029 included robust sensitivity analysis and scenario planning. It shows the impact on the estimated prudent minimum levels of reserves and the forecast level of reserves, under different scenarios of losses of grant income, other income and increases in gross expenditure.

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.

Financial sustainability (3 of 3)



Areas for improvement

Contingency planning

No contingency budgets are built into the estimates which means unforeseen expenditure that cannot be contained from existing budgets would require the Service's limited reserves which is not sustainable. Half of the operational cover is provided by the on-call firefighting service. Costs can be significantly affected by major incidents with cost increases caused by flooding and wildfire incidents in previous years. Costs pressures can be as much as £0.5m in a year.

Improvement recommendation 1:

The Authority may wish to consider developing a contingency budget to fund any unforeseen expenditure to reduce pressure on its limited reserves.

Climate change costs

The Fire Authority MTFP covers a five-year period however it does not reflect the cost of climate change and net zero to the Authority despite the increase in climate related response calls and the requirement to be net zero as a County by 2037.

Improvement recommendation 2:

The Services could consider provision for climate change and net zero costs especially fleet and estates in its MTFP.

Savings and transformation programme

In 2023/24 the budget included limited savings of £0.7m in staff budgets, £0.12m in non-pay budgets, and £0.25m from treasury management. These targets were built into the five-year MTFP annually. In 2024/25 these targets were built into budget assumptions. Not all of the savings are recurrent or sustainable. The delivery of savings is essential to protecting and building the reserves and ensuring the Authority is financially sustainable.

Improvement recommendation 3:

The Authority should develop a savings and transformation programme and ensure it is monitored quarterly and reported to the Police, Fire and Crime Panel.

Cost benchmarking

There was limited benchmarking in 2023/24 because the Authority was new and many of the corporate costs were not included in the budget. The Authority has learnt from other fire services relating to income generating opportunities which are being built into the 2025/26 budget and benchmarking data was provided for 2023/24.

Improvement recommendation 4:

The Authority may wish to develop its approach to cost benchmarking.

Workforce strategy

The Authority started developing its workforce strategy in 2023/24, but this was not agreed in December 2024 or aligned with the MTFP.

Improvement recommendation 5:

The Authority needs to complete its workforce strategy and ensure it is aligned to the costed establishment in the MTFP.

Governance (1 of 6)



We considered how the Audited Body:

Commentary on arrangements

Assessment

monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The Authority has a Risk Management Strategy agreed in 2024/25 which referenced both risk and opportunity and corporate, departmental and project risks which we see as good practice. It also includes roles and responsibilities and risk appetite, risk tolerance, risk type and risk escalation. It will receive an annual review. In March 2024, the Authority only had an operational risk register which had two high risks and 8 medium risks and the OPFCC requested a strategic risk register (SRR) for JAC. We note the risk register includes risk treatment, risk assurance, risk owners, risk cause and impact, date of next review which is good practice. We note climate change is not identified a significant risk and cyber security was only added in September 2024. Risk registers are a regular standing item at the Senior Leadership Team (SLT) and on the monthly OPFCC Executive Board agendas. Risk registers are also presented to JAC twice a year and to the Strategic Finance and Governance Board quarterly.

In May 2023, JAC agreed the 2023/24 audit plan and Audit Strategy 2023 to 2025. The plan, delivered by TIAA, only included 55 days and did not include counter-fraud controls. We note similar services have plans of between 65 and 70 days. The plan included seven audits - Procurement, Equality, Diversity and Inclusivity, Key Financial Controls, Estate Management - Property Compliance, Fleet - Strategy and Maintenance, HR - Retention and Training. We note the draft property audit was issued in February 2024, but a response was not provided until June 2024. During 2023/24 TIAA experienced delays including getting legacy audits from Cumberland Council.

In March 2024, JAC raised concern about the lack of Authority audits. In June 2024, JAC received an update from TIAA and requested a TIAA recovery plan for 2023/24 audits. By June 2024, TIAA had completed two draft reports and a finalised report, with fleet and governance reported in 2024/25. In September 2024, JAC received the 2023/24 Internal Audit report which gave reasonable assurance based on four completed audits of which one received a substantial opinion, 2 reasonable and 1 limited. The limited assurance related to Equality, Diversity and Inclusion JAC also revised the TIAA remedial plan. The OPFCC had written to TIAA regarding dissatisfaction with Internal Audit which improved for 2024/25. The TIAA contract expires at the end of March 2025 and a contract with a new provider is in place increasing audit days to 90 starting on 1 January 2025. We note the AGS was started in Summer 2024, but a draft was not ready until late December 2024. We understand this was delayed by management. It is important the AGS is completed by the Authority in a timely way and reported JAC. We make an improvement recommendation (page 22).

A

approaches and carries out its annual budget setting process

There is a robust budget setting process in place including internal and external consultation. During 2023/24, the Authority reported its budget position to the Expenditure Management Group, SLT, the Executive Board - Fire, and the PFCC Public Accountability Conference, and to the Police, Fire and Crime Panel. Budget holders have a reporting timetable provided by the finance team which identified reporting milestones.

For 2024/25 there was a budget protocols setting out the Authority framework for budget management, which must be followed by budget-holders as part of the Service's Scheme of Budget Management.

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.

Governance (2 of 6)



We considered how the Audited Body:

Commentary on arrangements

Assessment

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

In June 2024, the Police, Fire and Crime Panel received the Quarter 1 2024/25 budget monitoring report for revenue, capital and treasury management. The report did not include savings monitoring, or service expenditure breakdown and no narrative explanation. We note there is no forecast for the best case, worst case and most likely case or any relevant non-financial information such as activity and workforce data. On 14 October 2024 the Police, Fire and Crime Panel received the provisional outturn report for 2023/24. Reporting was only broken down to strategic management, corporate services, service delivery and response and there was no narrative, for example, the corporate services budget was £3.468m and was underspent by £3.731m but this was not explained. We understand that this was caused by difficulties in getting information from the ledger for 2023/24 and note more analysis is included in 2024/25 monitoring reports, however we make an improvement recommendation (page 22).

In 2023/24, Cumberland and Westmorland and Furness Councils hosted and ran the financial systems for the Authority for part of the year. The accounts payable system was structured with the Service's invoices received and processed by Cumberland Council and related payments made via Westmorland and Furness Council. The Authority did not have its own team in place for eight months with the ledger operated by Cumberland Council staff. The ledger was not able to record budgets with an alternative solution using raw ledger data on spreadsheets. There were issues with charges from the unitary councils, bank reconciliations and the accuracy of payroll charges. Cumberland Council ran payroll for the service in 2023/24 and the Police led treasury management.

In December 2024 there are three people in the finance team in addition to the 0.5 FTE Section 151 Officer, which is average for an established fire service. However, given the volume of work establishing a new service there is insufficient capacity including team resilience and we make an improvement recommendation (page 23).

The new financial system was operational from 1 April 2024 which will result in a saving from the SLA for invoice processing and finance systems. Further development work is planned on invoice scanning and reporting. In June 2024, JAC was advised that closedown of 2023/24 accounts were progressing, however draft accounts were not agreed due to inter-relationships with the unitary councils, difficulties obtaining trial balance figures and the disaggregation of legacy County Council balances. The Authority undertook preparation work on standalone items, for example, asset valuations. The Authority published draft financial statements on 15 January 2025 and due to the insufficient time being available to perform sufficient audit procedures before the backstop date of 28 February 2025, we anticipate issuing a disclaimed auditor's report. We identify the lack of financial statements as a significant weakness and make a key recommendation (reported on pages 9 and 21).

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.

Governance (3 of 6)



We considered how the Audited Body:

Commentary on arrangements

Assessment

<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>In relation to the Authority, the PFCC holds the responsibility for the governance of the Authority, ensuring that correct procedures and protocols are in place for staff to perform their duties safely and in compliance with the law. The PFCC sets the priorities for the Authority, identified by the public via consultation, which is developed into the Fire Plan and delegated to the Chief Fire Officer. The PFCC holds the Chief Fire Officer to account. The PFCC also has responsibility for the annual budget, including council tax. The JAC provides assurance on financial and non-financial performance and risk management, audit and financial reporting process. JAC members raised concerns about the delay and deferral of fire internal audit reports, and we note a remediation plan was put in place with TIAA. During 2024/25 a review of corporate governance was externally delivered and we note independent JAC members were being recruited in November 2024, so we do not make an improvement recommendation.</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>In 2023/24 and up to the time of this report ICT including disaster recovery was hosted by Cumberland Council and the Authority had one person supporting ICT seconded by Cumberland Council. We note the Assistant Director for ICT in the hosted service was not in post until September 2023. In April 2024, hosted service agreements for disaster recovery which are also led by Cumberland Council were not agreed. We identify this as a significant weakness and make a key recommendation (pages 9 and 28).</p> <p>The S151 Officer identified there is no corporate gifts and hospitality register in December 2024 or an Officer declaration of interest register. We make an improvement recommendation (page 23).</p> <p>Following LGR, the Authority received no procurement staff and no procurement budget. The Section 151 Officer was the only person with procurement experience. In July 2023, the OPFCC and the Authority agreed contract standing orders (CSOs) and financial regulations. In May 2024, SLT and the Commissioner approved the Sustainable Procurement and Commissioning Strategy 2024-2026. The Police commissioned a new set of CSOs that apply to all three organisations which are ready for the Procurement Act 2023 implementation. In December 2024, we note the contracts register needs significant work to update it and complete missing financial information. Many contracts are not updated, some since 2022/23 related to the legacy County Council. The Section 151 Officer confirmed the fire contracts register is being reviewed with the help of the Police commercial team who will develop a pipeline of contracts to be renewed and re-tendered. More joint working with the Police is developing for procurement who will undertake procurement and contract management from 1 April 2025 for the Authority. We recognise the Authority is taking steps to address procurement capacity and its contract arrangements therefore we make an improvement recommendation (page 23).</p>	<p>R</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 (4 of 6)



Significant weaknesses identified

Corporate IT and disaster recovery

During 2023-24 and up to the time of this report IT infrastructure including disaster recovery was hosted by Cumberland Council and the Authority had one person supporting ICT seconded by Cumberland Council.

The Assistant Director for ICT leads Cumberland ICT and the hosted service agreements. We note the Assistant Director for ICT was not in post until September 2023, prior to that there was no senior manager leading ICT hosted services.

We have identified that the Council had weaknesses in internal controls relating to IT infrastructure and disaster recovery, which could expose it and hosted customers to significant financial or service loss including fraud. These weaknesses were exacerbated by a lack of capacity in the ICT team.

The significant weakness at Cumberland impacts Cumbria Fire Authority.

We have therefore identified a significant weakness in arrangements and raise the following key recommendation.

Key Recommendation 2:

The Authority should develop a Corporate IT Disaster Recovery Plan that should be documented and approved by SLT. This should include a single list of critically ranked applications. This will ensure there is a clear plan and prioritisation of systems to restore should the need arise. The Authority should test this plan in a practical exercise and refine it if needed. The Authority should also manage the SLA with Cumberland Council to ensure risks are minimised and review its systems and stop using those which present a high-risk threat.

Governance (5 of 6)

Areas for improvement

Annual governance statement



We note the AGS was started in Summer 2024 but not complete as a draft until December 2024. We understand this was delayed by management. It is important that the AGS is completed by the Authority in a timely way and reported to the JAC.

Improvement recommendation 6:

The Authority needs to ensure the Annual Governance Statement is developed by those charged with governance in a timely way and presented to JAC.

Financial reporting

In June 2024, the Police, Fire and Crime Panel received the Quarter 1 2024/25 budget monitoring report for revenue, capital and treasury management. The report did not include savings monitoring, a breakdown by service expenditure and narrative explanation. We note there is no forecast for the best case, worst case and most likely case or any non-financial information such as activity and workforce data. On 14 October 2024, the Police, Fire and Crime Panel received the provisional outturn report for 2023/24 broken down to strategic management, corporate services, service delivery and response but no narrative to why the Corporate services budget of £3.468m was underspent by £3.731m.

Improvement recommendation 7:

The Authority could improve its financial reporting to the Police, Fire and Crime Panel by including a break down by service, ensuring the quarterly forecast outturn shows the best, worst and most likely outturn position and including savings monitoring and relevant non-financial information such as activity and workforce data.

Financial statements

In 2023/24, Cumberland and Westmorland and Furness Councils hosted and ran the financial systems for the Authority for part of the year. In 2023/24, the Authority used the e5 finance system hosted by Cumberland Council. The accounts payable system was structured with the Authority's invoices received and processed by Cumberland Council and related payments made via the Westmorland and Furness Council bank account.

The Authority did not have its own team in place for eight months with the ledger being operated by staff at Cumberland Council. The Cumberland ledger was not able to record budgets with an alternative solution using raw ledger data on spreadsheets. There were issues with charges from the unitary councils, bank reconciliations and the accuracy of payroll charges. Cumberland Council ran payroll for the service in 2023/24 and Cumbria Police led treasury management. We note the new financial system was operational from 1 April 2024. This will result in a saving from the SLA for invoice processing and finance systems and improved control. Further development work is planned on invoice scanning and reporting.

In June 2024, JAC were advised closedown of 2023/24 accounts were progressing, however draft accounts were not agreed due to inter-relationships with the unitary councils, difficulties obtaining trial balance figures and the disaggregation of legacy County Council balances. The Authority did preparation work on standalone items, for example, asset valuations and completed working papers. The Authority published draft financial statements on 15 January 2025 and due to the insufficient time being available to perform sufficient audit procedures before the backstop date of 28 February 2025, we anticipate issuing a disclaimed auditor's report.

The Authority moved to its own ledger for 2024/25 which will help future accounts production. The delay in publication of draft financial statements would normally be considered a significant weakness in arrangements. Given the issues related to the ledger were substantially outside of the Authority's control it is our view that there is no significant weakness in arrangements at the Authority and have raised an improvement recommendation. We will re-consider this as part of our 2024/25 value for money assessment, considering if any delay in publication may be indicative of significant weakness in arrangements.

Improvement recommendation 8:

The Authority needs to ensure that arrangements are in place to produce timely financial statements in line with national deadlines, including preparation of supporting working papers to enable completion of the subsequent audit ahead of the backstop date for 2024-25.

Governance (6 of 6)

Areas for improvement



Finance team capacity

The finance team of three with a shared S151 Officer, while average for an established fire service has limited resilience and the Authority has additional demands resulting from LGR. We note there is a temporary 9-month secondment into the team funding by Home Office grant to support further development of the fine system, but the Authority needs to consider its future business needs.

Improvement recommendation 9:

The Authority needs to ensure it has sufficient capacity in its finance team.

Corporate gifts and hospitality register

The Authority does not have a corporate gifts and hospitality register or an Officer declaration of interest register.

Improvement recommendation 10:

The Authority needs to develop a corporate gifts and hospitality register and an officer declaration of interest register.

Procurement and contract management

Following LGR the Authority received no procurement staff and no procurement budget. The Section 151 Officer was the only person with procurement experience. In May 2024, SLT and the Commissioner approved the Sustainable Procurement and Commissioning Strategy 2024-2026. The Strategy references the new Procurement Act 2023, but it requires updating to reflect the February 2024 implementation date.

In 2024/25 the Police agreed to help the Authority on an ad hoc basis. In December 2024, the Authority is addressing the lack of contracts for spend of less than £0.035m which are purchased annually and implemented an award board model from the Police for future procurements.

The Police commissioned a new set of CSOs in readiness for the Procurement Act implementation that apply to all three organisations. The Authority is contributing resources to a new procurement team with the Police, addressing capacity issues and enabling more collaborative procurement by consolidating contracts for shared services.

In December 2024, we note the contracts register needed significant work and had missing financial information. Many contracts are not updated, some since 2022/23 related to the legacy County Council. The Section 151 Officer confirmed the fire contracts register is being reviewed with the help of the Police Commercial team which is also developing a contracts pipeline. It will take time to fully understand the requirements for the new Authority following disaggregation. We recognise the Authority is addressing procurement capacity and its contract arrangements and the Police will formally manage all Fire Authority procurement and contract management from April 2025 including those of less than £0.035m with informal support until then.

Improvement recommendation 11:

The Authority needs to improve its procurement and contract management by updating the Procurement Strategy to reflect the Act implementation; developing and maintaining an updated contracts register; and agreeing a contracts pipeline.

Improving economy, efficiency and effectiveness (1 of 3)

We considered how the audited body:

Commentary on arrangements

Assessment

uses financial and performance information to assess performance to identify areas for improvement

In 2023/24 the Authority had a 1-year Community Risk Management Plan (CRMP) which identified the three highest risks as primary fires, injury road traffic collisions, and flooding and water. Performance reports were monitored by SLT and discussed with the commissioner and his executive team. Performance indicators were also available locally for stations. The Authority has developed a risk-based evidence profile which was used to develop the new four-year CRMP agreed by the JAC in June 2024. The Authority has a performance management system which uses Microsoft Power BI dashboards.

On 14 October 2024, the Police, Fire and Crime Panel agreed the new Police, Fire and Crime Plan following the May 2024 election.

In November 2024, the Authority aligned the CRMP with corporate strategies and the annual delivery plans. The Authority was developing its Prevention Strategy, evaluating its prevention activity and reviewing its prevention resources to prepare for the January 2025 inspection.

The annual performance report for 2023/2024 recorded four fire fatalities and 176 accidental dwelling fires. The Authority also completed 8,324 Home Fire Safety Visits and for Visits it is the fifth highest performing Authority per 1,000 population.

In our risk planning we identified the risk of significant weakness relating to the fire estate following a fire at Lazonby Fire Station and recommendations made following an internal audit report on estates management property compliance. On Vesting Day, ownership of the fire estate moved to the OPFCC. The Authority received no estates resources and the estate SLA with Westmorland and Furness Council only covered technical fire service estate management. It did not include statutory compliance, or planned maintenance, and no asset management system existed for fire estates data. In February 2024, Lazonby Fire Station had a fire and management have identified that fire stations did not have adequate fire alarm systems in place. We note that Lazonby reopened in June 2024 but in December 2024 it still had no ICT. Whilst we note considerable progress to address the risks to the estate and work in 2024/25 to develop effective governance and address compliance issues, we have raised an improvement recommendation relating to this matter on page 26.

During 2023/24 the hosted HR and Admin service completed pre-employment checks, on-boarding, and issued contracts which caused recruitment delays. From May 2024, recruitment administration was disaggregated, and the Authority now does its own pre-employment checks, onboarding, and contracts. Progress is being made for a standalone HR system from 2025 when the Authority will stop using multiple systems at the unitary councils. This will result in a saving from the ICT SLA for systems licensing from 2025/26.

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 (2 of 3)

We considered how the audited body:

Commentary on arrangements

Assessment

evaluates the services it provides to assess performance and identify areas for improvement

In March 2023, HMICFRS followed up its 2022 inspection. It looked at two areas of concern, future governance arrangements and risk critical skills. It found appropriate and robust governance arrangements in place to monitor progress against these concerns. The Inspectorate changed the Service's grading from inadequate to requires improvement. In March 2024, the Strategic Finance and Governance Board received an update on performance including work to improve prevention following the inspection. The Authority significantly restructured to increase resilience in the area and station managers now focus on tackling and handling prevention rather than relying on less experienced staff.

In November 2024, JAC received an update report from the Chief Fire Officer. The Authority had made robust changes against the 108-point plan and identified one area of weakness: the recruitment and retention of specialist officers to deliver building risk assessments. This is a national problem, and a multi-tiered plan agreed in Cumbria includes the appointment of apprentices and providing market supplements to attract applicants. An HMICFRS inspection is due in January 2025.

The Authority is working with the OPFCC and Cumbria Police to develop opportunities for more joint working, including a joint estates team by April 2025 to improve the use of assets and reduce costs. It is also going to share procurement resources from 1 April 2025 and is looking to share a legal resource and possibly have a joint payroll from April 2026. ICT services are still hosted by Cumberland Council.

G

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

The Authority works with a range of regional and local partners. It is coordinating a North-West regional fatality data hub to analyse fire fatalities and understand common themes. This data will be shared regionally and allow each Authority to improve their prevention offer. It uses partnership data to inform decision-making. It is using information provided by the Environment Agency to understand flood risks. It is also using data analysis, direct referrals from partner agencies such as Adult Social Care and the NHS to focus its prevention work and target the most vulnerable in the community.

G

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

In 2023/24 the Authority reviewed the SLAs with the unitary councils and made progress to develop new arrangements with the Police. In March 2024, the Estates Governance Board were told the SLA with Westmorland and Furness Council for estates compliance was not fit for purpose. The Authority worked with the OPFCC and the Police to create a joint estate team from 1 April 2025. The Authority has requested unit cost information from Westmorland and Furness Council relating to the SLA on occupational health because it is costing significantly more than budgeted in the original SLA.

The Authority has five fire stations which are part of a public finance initiative (PFI) agreement, refinanced in 2021. It has a small capital programme, governed by the Executive Board - Fire, which is responsible for agreeing business cases and monitoring and evaluating individual capital projects. The Chief Officer team and the Commissioner also receive quarterly monitoring reports on the Capital Programme.

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.

Improving economy, efficiency and effectiveness (3 of 3)



Areas for improvement

In our risk planning we identified the risk of significant weakness relating to the fire estate following a fire at Lazonby Fire Station and recommendations made following an internal audit report on estates management property compliance. On Vesting Day, ownership of the fire estate moved to the OPFCC. The Authority received no estates resources and the estate SLA with Westmorland and Furness Council only covered technical fire service estate management. It did not include statutory compliance, or planned maintenance, and no asset management system existed for fire estates data. In February 2024, Lazonby Fire Station had a fire. The Head of Estates, who started in February 2024, said in 2023/24 the fire stations did not have adequate fire alarm systems in place. We note that Lazonby reopened in June 2024 but in December 2024 it still had no ICT.

In March 2024, the Head of Estates commissioned a full stock building condition survey across the Fire Estate to inform a new March 2024, Estates Strategy. He also commissioned a fire risk assessment for Whitehaven Fire Station with the last assessment being in January 2008. The fire risk identified was moderate and actions were delivered early 2024/25. Home Office funding was also provided in early 2024/25 to improve the stations and address compliance gaps, including fire risk assessments.

In June 2024, JAC received an internal audit report on estates management property compliance covering water hygiene, fire risk assessments, asbestos, and electrical testing. It identified no formal performance monitoring was taking place on estate health and safety. It found two stations were recorded as unsatisfactory for electrical safety checks with remedial works highlighted but no evidence from legacy Council records to demonstrate action taken. Procedure documentation was last updated in 2019. In July 2024, the OPFCC Head of Estates developed a business case to include fire estates management and remove fire from the estates SLA due to the SLA weaknesses relating to a lack of compliance, no PFI management or a planned maintenance programme.

The condition survey is completed is informing the MTFP for 2025/26. The survey identified category D issues which are the most severe, including structural problems, severe dampness, inadequate heating or insulation or outdated or unsafe facilities. The Home Office transition grant was used during 2024/25 to fund immediate compliance work and targeted investment such as Lazonby and Whitehaven stations. Category D issues are all extracted from the data and inform a top ten action plan that is reported regularly to SLT and the Executive Board. This plan shows ten fire stations require refurbishment to improve equality and diversity, welfare facilities and address immediate maintenance and remedial work to the building fabric and mechanical and electrical installations. In November 2024, a new estates strategy was agreed which include the top 10 actions, sets out estates governance and addresses the lack of compliance. Policies are reviewed and are being updated.

By December 2024, a contract is in place across stations with work due to start in March 2025. Several fire towers are condemned, and a structural survey of the towers is being commissioned together with a tower review. Penrith Fire House is nearing the end of its service life and is close to being condemned as unsafe operationally and structurally. Proposals for a new Fire House at the same location are being developed. By December 2024, we understand all electrical safety checks and fire risk assessments are complete, but legionella checks are still progressing. While joint estates governance is in place in 2024/25, this needs further refinement to include the Authority. From 1 April 2025, the OPFCC will have a shared estates team.

We conclude the fire service estate management was a significant weakness in 2023/24. However, we recognise the hard work to improve this position following LGR and the action plan that is in place to address the estate condition and develop effective practices. We do not make a key recommendation but do make an improvement recommendation.

Improvement recommendation 12:

The Authority should continue to improve the estate assets by delivering its action plan, reviewing estate governance to include fire and developing a longer term planned approach to estate management ensuring compliance with health and safety legalisation.

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



Recommendations raised in 2023/24 (1 of 5)

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
KR1 The Authority should develop a Corporate IT Disaster Recovery Plan that should be documented and approved by SLT. This should include a single list of critically ranked applications. This will ensure there is a clear plan and prioritisation of systems to restore should the need arise. The Authority should test this plan in a practical exercise and refine it if needed. The Authority should also manage the SLA with Cumberland Council to ensure risks are minimised and review its systems and stop using those which present a high-risk threat.	Key	Governance	Cumbria Police, Fire and Crime Commissioner's Community Scrutiny Panel Papers , Cumberland Council Draft AAR	The Authority has no current arrangements for disaster recovery and IT infrastructure arrangements need embedding in the SLA.	<p>Actions: The Head of Transformation has been assigned responsibility for drafting and, when complete, exercising the corporate ICT disaster recovery plan. It is recognised that some specialist support will be required in drafting the plan.</p> <p>The Head of Transformation already oversees the SLA with Cumberland Council and has recently undertaken a gap analysis of the Digital and Cyber Fire Control Fire Standard (issued Sept 24).</p> <p>Associated risk has been included in the service's corporate risk register (CRR - risk 13) and mitigations are in place. The CRR is reviewed quarterly by SLT and Executive Board - Fire</p> <p>Responsible Officer: Head of Transformation</p> <p>Due Date: Ongoing</p>

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

Recommendations raised in 2023/24 (2 of 5)

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR1 The Authority may wish to consider developing a contingency budget to fund any unforeseen expenditure to reduce pressure on its limited reserves.	Improvement	Financial sustainability	MFTP and 2023/24 and 2024/25 budget papers.	Building in a contingency budget would improve financial resilience to future impacts such as major incidents.	Actions: Due to pressures on the budget and reserves, it would be difficult to provide for a contingency budget. However, the aim of improving the prudent level of reserves will give capacity should any additional unexpected expenditure occur. If possible, in future budget settlements, a contingency option will be explored. Responsible Officer: Section 151 Officer Due Date: 30/09/2025
IR2 The Services could consider provision for climate change and net zero costs especially fleet and estates in its MFTP.	Improvement	Financial sustainability	MFTP	Planning the cost of net zero into the MFTP would assist the Authority to meet its net zero target.	Actions: Now strategies are in place, future MFTP and budget planning will consider the costs associated with Climate Change and will aim to capture any initiatives undertaken. Responsible Officer: Section 151 Officer Due Date: 30/09/2025
IR3 The Authority should develop a savings and transformation programme and ensure it is monitored quarterly and reported to the Police, Fire and Crime Panel.	Improvement	Financial sustainability	MFTP and financial monitoring for 2023/24.	The lack of adequate saving plans and associated transformation programme to deliver recurring savings will impact the Service's ability to maintain financial sustainability.	Actions: Savings and transformation programme will be considered at monthly SLT meetings and developed to provide indications of where savings and efficiencies can be achieved. Responsible Officer: Section 151 Officer Due Date: 30/09/2025
IR4 The Authority may wish to develop its approach to cost benchmarking.	Improvement	Financial sustainability	Interview with S151 Officer.	Data is important to ensure the Council is achieving VFM by enabling comparison with its nearest neighbours.	Actions: Benchmarking has not been possible to date due to only disaggregating from the Council in 2023. 2023/24 benchmarking data has been submitted to feed into national returns so can start to be utilised. More use will be used as time progresses. Responsible Officer: Section 151 Officer Due Date: 30/09/2025

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

Recommendations raised in 2023/24 (3 of 5)

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR5 The Authority needs to complete its workforce strategy and ensure it is aligned to the costed establishment in the MTFP.	Improvement	Financial sustainability	Interview with S151 Officer and HR response.	Lack of costed workforce plan impacting capacity of the Council and future skill needs.	Actions: Plans are in place to develop a workforce plan/strategy and to align it to the service's People Strategy, L&D Plan and MTFP (specifically a costed establishment). It has been agreed that the Workforce Development Group will provide oversight of the strategy and regular reports on delivering against the strategy's objectives will be reported to SLT and Executive Board - Fire. Responsible Officer: Assistant Chief Fire Officer Due Date: 1/10/25
IR6 The Authority needs to ensure the Annual Governance Statement is developed by those charged with governance in a timely way and presented to Joint Audit Committee.	Improvement	Governance	Interview with S151 Officer.	The AGS is an essential part of the Service's control environment.	Actions: The Head of Safety and Assurance will ensure the AGS is drafted and approved in accordance with the service's planning timescales by SLT and Executive Board - Fire before being presented to JAC. Responsible Officer: Head of Safety and Assurance Due Date: 30/9/25
IR7 The Authority could improve its financial reporting to the Police, Fire and Crime Panel by including a break down by service, ensuring the quarterly forecast outturn shows the best, worst and most likely outturn position and including savings monitoring and relevant non-financial information such as activity and workforce data.	Improvement	Governance	Financial monitoring reports for 2023/24 and 2024/25.	Enhanced financial reporting will help in-year monitoring.	Actions: New finance system has already enabled better financial reporting in 2024/25 and as the system is developed greater benefit will be achieved. Reports are constantly being developed to further enhance the information presented. Responsible Officer: Section 151 Officer Due Date: 30/09/25

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

Recommendations raised in 2023/24 (4 of 5)

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR8 The Authority needs to ensure that arrangements are in place to produce timely financial statements in line with national deadlines, including preparation of supporting working papers to enable completion of the subsequent audit ahead of the backstop date for 2024-25.	Key	Governance	Lack of timely draft accounts for 2023/24 audit and Interview with S151 Officer.	Compliance with Government requirements on preparation and publication of financial statements.	Actions: A new finance system is in place and will give greater control of financial information that will enable accounts to be closed down much sooner. Detailed plans are in place with timetables for closing down 2024/25 by the statutory deadline. Responsible Officer: Section 151 Officer Due Date: 30/06/25
IR9 The Authority needs to ensure it has sufficient capacity in its finance team.	Improvement	Governance	Interview with Section 151 Officer.	Enhanced capacity would improve financial control and management.	Actions: It is a statutory requirement of the S.151 officer to ensure the financial capability of the service is adequately resourced. A temporary additional post has been brought in for 9-months to enable development of the finance system. The resourcing of the finance team will be kept under review for 2025/26. Responsible Officer: Section 151 Officer Due Date: 30/09/25
IR10 The Authority needs to develop a corporate gifts and hospitality register.	Improvement	Governance	Interview with Section 151 Officer.	Having a gifts and hospitality register in place will reduce the risk of bribery and corruption.	Actions: The Head of Safety and Assurance will ensure a gifts and hospitality register is drafted and approved by SLT and Executive Board - Fire. Responsible Officer: Head of Safety and Assurance Due Date: 30/9/25

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

Recommendations raised in 2023/24 (5 of 5)

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
IR11 The Authority needs to improve its procurement and contract management arrangements by updating the Procurement Strategy to reflect the Act implementation; developing and maintaining an updated contracts register; and agreeing a contracts pipeline.	Improvement	Governance	Contract register, Interview with Section 151 Officer.	The Authority needs to improve procurement and contract management arrangements to ensure good VFM.	Actions: Shared arrangement now agreed with the Constabulary for provision of procurement support Responsible Officer: Section 151 Officer Due Date: 01/04/25
IR12 The Authority should continue to improve the estate assets by: delivering its action plan, reviewing estate governance to include fire and developing a long-term planned approach to estate management ensuring compliance with health and safety legalisation.	Improvement	Economy, efficiency, effectiveness	Meeting with Head of Estates, Top 10 report to the Executive Board, Whitehaven Fire Risk Assessment, Estates Strategy, Estates policy and procedures.	Improved estates management and VFM and improved health and safety compliance	Actions: A report will be provided in May 25 which sets the annual planned maintenance programme of the estate. Regular updates on the fire estate capital programme are provided to the SLT and executive board fire. There will be an annual review of the estate strategy and objectives, report on progress to SLT and executive board fire. Responsible Officer: Head of Estates Due Date: May and December 2025

* 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 Service'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 Services 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 Services 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 service 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 Service'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 Service'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 Service's arrangements.

Appendix C:

Follow-up of relevant legacy County Council recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
1 There is scope to increase the Council's risk maturity and duality of risk by formally considering opportunities to exploit as well as a focus on downside risks.	Improvement	February 2024	The new risk management framework for Fire does include opportunity.	Yes	No
2 Request Members to re-confirm that their register of interests and gifts and hospitality is complete and up to date. Ensure that a Register of Interest and Gifts/Hospitality is maintained and regularly updated for all Senior and Principal Officers.	Improvement	February 2024	The Authority does not have Gifts and Hospitality Register or Officer declarations of interest.	No	Yes, we make an improvement recommendation (IR10)
3 Introduce a formal agile mid-year review of in year MTFP assumptions with appropriate reporting to Members. Refine formal reporting to Members on sensitivity analysis and scenario planning, undertaken on key assumptions and estimates, as part of the development of the annual budget and MTFP. Given the level of uncertainty in the wider economy, and the scale of the challenge to maintain financial sustainability we believe that this recommendation should be carried forward to the two unitary councils and OPFCC.	Improvement	February 2024	The Fire budget for 2024-2029 includes robust Sensitivity Analysis and Scenario Planning. It shows the impact on the estimated prudent minimum levels of reserves and the forecast level of reserves as 31 March 2024, under different scenarios of losses of grant income, other income and increases in gross expenditure. There is a mid year MTFP review in place.	Yes	No

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



[grantthornton.co.uk](https://www.grantthornton.co.uk)

© 2025 Grant Thornton UK LLP.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.