



**Northern Ireland  
Fire & Rescue Service**

# **NIFRS Annual Report & Statement of Accounts 2022-23**

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**Northern Ireland Fire & Rescue Service (NIFRS)  
Annual Report and Statement of Accounts  
For the year ended 31 March 2023**

Laid before the Northern Ireland Assembly under paragraphs 15 (5) and 16 (2) of  
Schedule 1, and paragraph 6 (4) of Schedule 2 to The Fire and Rescue Services  
(Northern Ireland) Order 2006 by the Department of Health

On  
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## Introduction by Carmel McKinney OBE, Chairperson, NIFRS Board (until 30 June 2023)



On behalf of the Northern Ireland Fire & Rescue Service (NIFRS) Board I am pleased to present the Annual Report & Statement of Accounts for 2022-23.

The NIFRS Board is responsible for the provision of core fire and rescue functions across Northern Ireland. As a Board we report to the Department of Health (DoH) on issues of governance and accountability and we greatly value their support and continued investment in our Service.

During 2022-23 we welcomed a Department of Health sponsored Review of NIFRS. This was conducted by His Majesty's Fire Service Inspectorate (Scotland) and commenced in June 2022. The Review focused on core service delivery areas and also on our governance structures.

We would thank the Inspectorate Team for the professional way in which they conducted the Review and would also like to thank all NIFRS staff for the support provided to the Inspectorate Team when undertaking their work.

During the Review process, the Inspectorate Team acknowledged the openness and transparency of all participants and highlighted the sense of pride within our workforce. This has always been something we have been acutely aware of and we know that we already have the talent and commitment to embrace any service improvement initiatives to ensure that we continue to deliver the service that the public deserves.

It is currently anticipated that this report will be finalised in June 2023 and the outcomes of this Review will help inform our direction of travel for the next 3-5 years as will be reflected in a Community Risk Management Plan (CRMP) which will be developed for public consultation in 2023-24.

Whilst supporting the Review process, NIFRS concurrently worked through complex preparations for potential National Industrial Action, as a result of the Fire Brigades Union ballot for strike action.

This was a challenging time for NIFRS in terms of business continuity planning, scoping of contingency options, engagement with local representatives and contribution to national negotiations. However in March 2023 we were pleased that Firefighters accepted a revised pay offer and industrial action was averted allowing us to avoid the implementation of contingency options in Northern Ireland.

We commend the Department of Health, Executive Leadership Team (ELT) and those involved in any aspect of the negotiations and contingency planning and we are now able to focus on the continued delivery of a high quality effective and efficient fire and rescue service that the people of Northern Ireland rightly expect.

As an organisation we know people are at the core of what we deliver. In September 2022 Minister Swann provided £1.692m in additional funding for the recruitment of 77 Wholetime and 44 On-Call Operational Firefighters to support the front line, as well as the recruitment of 13 Support Staff. This demonstrated a commitment to supporting NIFRS and to ensuring that the organisation is sufficiently resourced to provide a safe and effective service so that communities across Northern Ireland are safe.

## **Introduction by Carmel McKinney OBE, Chairperson, NIFRS Board (until 30 June 2023)(continued)**

Since June 2022, 78 Wholetime trainees have completed our Trainee Firefighter Programme; 33 On-Call trainees have completed our On-Call Training Programme; and in January 2023 we commenced a recruitment drive on 46 On-call stations. A Wholetime recruitment process is also scheduled to commence during 2023-24.

We remain committed to embedding a culture which sets high expectations and ensures our people are developed, supported and motivated to fulfil their potential and deliver results. We ultimately want NIFRS to be an organisation where everyone enjoys coming to work and feels that they can contribute to making Northern Ireland a safer place because we know that we are all Safer by Working Together. This desire will be at the core of a new People & Culture Strategy currently being developed which will be subject to consultation during next financial year.

We were delighted in June 2022 to have Minister Swann cut the first sod on the £42.6million final phase of our Learning & Development Centre (LDC) outside Cookstown. This final phase investment will include the building of a specialist driving and road traffic collision training area, a training environment for collapsed buildings and below ground rescue, a flood water rescue training facility and a “call out village” which will include a bungalow, a semi-detached dwelling and a detached dwelling. Work on the final phase is anticipated to complete in May 2024.

This Northern Ireland Executive flagship project represents the largest capital build ever undertaken by NIFRS and the new facilities will revolutionise how NIFRS trains and develops its people to protect everyone in Northern Ireland and further professionalise the Service.

Further during 2022-23 the £1.25m refurbishment of Larne Fire Station concluded and on 6 October 2022 the station was re-opened by Minister Swann. This represented a special day for NIFRS and for the local community in Larne and we would like to thank the local Firefighters of Larne for their patience, resilience and dedication whilst working from temporary facilities and continuing to provide an essential service to their community.

Throughout the year the Board continued to monitor progress on the implementation of 13 Business Improvement Projects. The aim of each project is to improve future service delivery whilst also addressing a large number of historical audit recommendations. As such I am pleased to report that significant progress has been made with 72% of the outstanding internal audit recommendations fully implemented and 28% partially implemented. The only historical recommendations moving into 2023-24 relate to longer term projects; implementation of structural reviews; and/or a requirement for IT or other capital investment.

I and my Board colleagues take the public responsibilities entrusted to us very seriously and will continue to govern and oversee NIFRS, to uphold the core values of the organisation, ensuring that Firefighter and public safety are at the core of every decision we make.

We are incredibly proud to be part of NIFRS and after 8 years with NIFRS I wish to take this opportunity in my last Annual Report as Chairperson to acknowledge and recognise the magnificent work that all colleagues and employees do in protecting our community from fire and other emergencies.

# 1 Performance Report

## 1.1 Performance Overview by Andy Hearn, Interim Chief Fire & Rescue Officer (until 30 November 2023)



On behalf of the Board and Executive Leadership Team (ELT) I am pleased to present the Performance Report for 2022-23.

NIFRS report performance against 6 Strategic Outcomes covering the areas of Transformation; Service Delivery; People, Governance & Performance; Financial Management; and Asset Management. These Strategic Outcomes are underpinned by 21 Strategic Performance Indicators as detailed later in this document which align to and support the delivery of the draft Programme for Government (PfG) outcomes and as such NIFRS will focus on activities which help deliver against these.

During 2022-23, we received a total of 34,044 emergency calls for help into our Regional Control Centre (RCC) representing an in-year decrease of 7.26% (2021-22: 36,711). Fire crews responded to a total of 22,992 emergency incidents across Northern Ireland a decrease of 3.03% (2021-22: 23,710).

We are increasingly tasked to road traffic collisions, wildfire, flooding and water rescues, animal rescues, incidents involving chemical, biological or radioactive substances as well as search and rescue incidents. During 2022-23, our operational statistics show us responding to 682 road traffic collisions, an increase of 0.29% (2021-22: 680), and 2,880 special service calls, an increase of 8.07% (2021-22: 2,665).

We received 903 hoax calls (2.38% increase (2021-22: 882)). However, through the skillful call management and call challenge process demonstrated by RCC personnel, crews were mobilised to less than 50% of those calls with 443 mobilisations (2021-22: 435).

One of our key targets is to reduce the number of deaths as a result of accidental dwelling fires. Whilst the number of accidental dwelling fires decreased in year by 3.22% to 691 (2021-22: 714), unfortunately during 2022-23, 13 people still lost their lives in accidental dwelling fires (2021-22: 8). We continue to work hard towards our ultimate goal, to ensure that no-one in Northern Ireland loses their life as a result of an accidental house fire, and in doing so we will continue to engage with the public, identifying and targeting those most at risk from fire in our community.

We continue to work with our partners across the voluntary and statutory sectors to help us to identify and engage with those people who need our help the most, particularly those meeting the definitions contained within the People at Risk Strategy.

During 2022-23 Firefighters carried out 5,033 free home fire safety checks an increase of 29% on prior year (2021-22: 3,894), and fitted 5,579 smoke alarms an increase of 28% on prior year (2021-22: 4,348). 34% of home fire safety checks were completed as a result of a Partnership referral.

Through our defined People at Risk groups we completed 350 targeted activities (2021-22: 431) reaching an audience of 25,520 (2021-22: 4,556). These activities included leaflet drops, prevention and safety talks, events and exhibitions.



## **2 Performance Report (continued)**

### **1.1 Performance Overview by Andy Hearn, Interim Chief Fire & Rescue Officer (until 30 November 2023) (continued)**

Other targeted initiatives include Community Advice and Support Team (CAST), Sheltered Dwellings Initiative (SDI), and Strategically Targeted Areas of Risk (STAR2). During 2022-23 we completed 1,815 visits collectively over these 3 initiatives, talking directly to 1,850 members of the public about fire safety in the home.

We delivered our P5 Safety Team Initiative making 973 visits to Primary 5 classes (9-10 year olds) throughout Northern Ireland, delivering tailored key fire safety to 32,839 pupils (2021-22: 27,651)

441 other activities in relation to wider fire safety messaging were completed (2021-22: 1,086), this included events/ exhibitions, alongside our partners, and leaflet drops reaching an audience of 34,738 (2021-22: 9,107). Whilst fire safety activity levels appear to have decreased by 59.4% in 2022-23, targeted fire safety activities have reached a larger target audience, 281.4% higher than prior year.

We continued to progress our Service Improvement Programme which aims to redesign our Fire and Rescue Service to ensure that we are better structured and have the right resources to ensure we deliver the best, affordable service to everyone in Northern Ireland with a view to having the right people, in the right place at the right time. To support the redesign process we have generated an updated Strategic Assessment of Risk during 2022-23 and this will be used to inform the Community Risk Management Plan which will be finalised in 2023-24. We look forward to shaping the future direction of NIFRS with key stakeholders including the responsible Minister, when appointed, and the Department of Health (DoH).

The opening 2022-23 budget allocations from DoH were £81.04m (2021-22: £80.1m) in respect of revenue and £25.69m (2021-22: £11.5m) for capital. The final budget allocation, excluding non-cash expenditure, was £88.52m (2021-22: £86.2m) in respect of revenue and £24.55m (2021-22: £8.3m) for capital.

During 2022-23 we monitored expenditure against an overall financial key performance breakeven target of 0.25% of revenue allocation and regularly reported on monthly financial outcomes to the NIFRS Board - we achieved break-even 0.00% (£nil under/over spend) (2021-22: 0.00% - £nil under/over spend).

We worked closely with DoH to ensure sound financial management during the year and where appropriate, secured additional resourcing. This collaborative approach ensured we achieved breakeven at year-end.

In terms of financial performance we achieved the required breakeven position during 2022-23 and paid 99.3% of trade creditors within the 30 day target (2021-22: 97.9%) and 96.4% of trade creditors within the 10 day target (2021-22: 93.6%).

We are committed to providing the best value Fire and Rescue Service to the public. Our overall costs per head of population increased by 2.7% to £46.51\* for 2022-23 (£45.29\* in 2021-22) (\*calculated using the net expenditure that scores against the annual revenue budget divided by Northern Ireland Statistics and Research Agency 2021 census total of 1.903175 million people) however the need to effectively manage our resources remains a priority.

## **2 Performance Report (continued)**

### **1.1 Performance Overview by Andy Hearn, Interim Chief Fire & Rescue Officer (until 30 November 2023) (continued)**

In February 2023 we updated our approach to Fraud management to reflect the Departmental Counter Fraud Strategy and the Fraud Policy & Response Plan were under revision at year-end to reflect this change.

The advancement of technology brings with it ever-increasing risks and opportunities for more complex fraud to be committed and therefore the approach of the Department to identifying and preventing fraud has developed and changed significantly.

Under the direction of the Department, Counter Fraud Services (CFS) at the Business Services Organisation (BSO) is responsible for conducting all investigations of fraud within or against NIFRS. CFS will recommend referral to the Police for further action when appropriate.

We continue to focus our attention on capital investment in key areas of infrastructure including estates and IT. With organisational restructuring and significant capital investment taking place to help improve our service delivery, it is an exciting time for us but it also presents a challenge as we, like other public services, are living in a challenging financial climate.

A number of key capital projects that have progressed in-year include Phase 2 of our Learning & Development Centre Cookstown project and significant work was undertaken to strengthen and enhance our IT infrastructure, systems and resilience to support service improvement.

As an equal opportunities employer we are committed, in line with our Equal Opportunities Policy Statement, to making every effort to comply with equality legislation and the principles of fairness. We work hard to continue developing an inclusive, diverse and equal working environment and in doing so aim to maximise the potential of all our employees, providing equality of opportunity in all aspects of employment and prevent any form of unlawful discrimination. Our work in this area is recognised locally and we hold a Bronze Northern Ireland Diversity Chartermark, a new recognition for local employers.

Outreach activities, focused on promoting firefighting as a viable career option for females and other underrepresented groups, remains a priority and has seen improvement in attracting a more diverse range of applicants. Whilst there is more to do, NIFRS has set a target to increase its percentage of females in the operational workforce by 0.5% year-on-year. During 2022-23 the percentage of operational females increased to 6.27 % (2021-22: 5.98%). 8 (10.25%) of the 78 new Wholtime Trainee Firefighters and 4 (12%) out of 33 On-Call Firefighters appointed during 2022-23 were female.

During 2022-23, with the continued support and professionalism of our employees and strategic partners, including Department of Health, we will continue to move in the right direction, and will be able to bring about the necessary change and improvement required, to ensure Northern Ireland has a modern efficient and effective fire and rescue service, reflective of the community we serve.

# 1 Performance Report (continued)

## 1.1 Performance Overview (continued)

### Organisational Overview - Who We Are and What We Do

NIFRS protects and serves the entire population of Northern Ireland, an area of over 5,500 square miles and with a population of 1.9032 million (2021-22: 1.8986 million), providing them with a range of fire and rescue services.

Under The Fire and Rescue Services (Northern Ireland) Order 2006, The Fire Safety Regulations (Northern Ireland) 2010, and The Fire and Rescue Services (Emergencies) Order (Northern Ireland) 2011, NIFRS responds to fires, road traffic collisions and other emergencies including chemical, biological, radiological or nuclear incidents, search and rescue incidents, serious flooding and serious transport incidents. A range of community engagement initiatives are provided to help educate and reduce risk and keep people safe from the dangers of fire and other types of incidents.. The organisation has a dedicated Regional Control Centre (RCC) where all the Fire and Rescue Service 999 calls for Northern Ireland are answered and Fire Crews mobilised to respond.

NIFRS has 67 Fire Stations across Northern Ireland plus one additional satellite station location in Dunmurry. These utilise a variety of crewing models such as; Wholetime, On-Call and Volunteer Firefighters.



# 1 Performance Report (continued)

## 1.1 Performance Overview (continued)

### Vision, Purpose, Values & Strategic Outcomes

During 2022-23 our Vision, Purpose, Values & Strategic Outcomes Statements underpinned all that we did as an organisation. These are:

**Our Vision:** Safer Together

**Our Purpose:** To help make Northern Ireland a safer place and improve community wellbeing. We will work with others to deliver a high quality Fire and Rescue Service that is valued by the public, our partners and our people.

**Our Values:** **Community** – we will put our community first.  
**Improvement** – we will learn and develop.  
**Respect** – we will respect each other.  
**Integrity** – we do the right things.

#### Our Strategic Outcomes:

| Theme                       | Descriptor   |
|-----------------------------|--|
| 1 Service Transformation    | We will design and deliver progressive change across the organisation using new and innovative ways to improve the efficiency and effectiveness of the service we deliver.   |
| 2 Community Risk Management | We will help make Northern Ireland a safer place through working with others to deliver a Community Risk Management Plan (CRMP). This CRMP will show how we will effectively target our prevention, protection, response & resilience activities to reduce community risk and enhance Firefighter safety and will be complimented with a financial plan. |
| 3 People                    | We will embed a high performing and inclusive culture which promotes health, safety, well-being and personal responsibility and ensures our people are continually developed, supported and motivated to deliver results.  |
| 4 Governance & Performance  | We will have a robust approach to governance, planning and performance management that supports both the effectiveness of the service we deliver and continuous improvement.   |
| 5 Financial Management      | We will ensure an effective use of available budget through risk-based financial planning to deliver agreed outcomes and use public money in the best way possible.  |
| 6 Asset Management          | We will ensure the effective development and management of all organisational assets in a way that drives efficiency and supports the delivery of our service.   |

## 2 Performance Report (continued)

### 2.1 Performance Overview (continued)

#### Reporting on Performance Indicators

NIFRS report performance against the 6 Strategic Outcomes detailed above. These Strategic Outcomes are underpinned by 21 Strategic Performance Indicators (SPI) and were developed to align and support the delivery of the draft Programme for Government (PfG) outcomes. As such, NIFRS focus on activities which help deliver against the [PfG outcomes](#).

| Strategic Outcome  | SPI No.  | Strategic Performance Indicators  |
|--------------------|----------|---|
| 1 Transformation   | SPI 1    | <b>Complete a baseline assessment against the areas of efficiency, effectiveness and people.</b>  |
| 2 Service Delivery | SPI 2    | <b>Number of fatalities in accidental dwelling fires</b><br>Target - reduce by 2% year-on-year (10% reduction by 2025) from the 5 year average baseline.  |
|                    | SPI 3    | <b>Number of accidental dwelling fires</b><br>Target - reduce by 2% year-on-year (10% reduction by 2025) from the 5 year average baseline.  |
|                    | SPI 4    | <b>Number of injuries in accidental dwelling fires</b><br>Target - reduce by 2% year-on-year (10% reduction by 2025) from the 5 year average baseline (Injuries are the number of people taken to hospital for treatment).  |
|                    | SPI 5    | <b>Number of deliberate primary fires</b><br>Target - reduce by 2% year-on-year (10% reduction by 2025) from the 5 year average baseline.   |
|                    | SPI 6    | <b>Number of deliberate secondary fires</b><br>Target - reduce by 2% year-on-year (10% reduction by 2025) from the 5 year average baseline.   |
|                    | SPI 7    | <b>Number of attacks causing injury to personnel</b><br>Target - zero attacks causing injury to personnel - benchmark 5 year baseline.  |
|                    | SPI 8    | <b>Achieve and maintain local 999 emergency response standard of 75% appliances attending an incident within the set target times</b><br>Targets - 1st Appliance - High 6 mins; Medium 12 mins; and Low 21 mins; and 2nd Appliance - High 9 mins; Medium 15 mins; and Low 24 mins.  |
|                    | SPI 9    | <b>Measure first appliance in attendance, from time of call, based on the crewing of the Station area to which crews are mobilised</b><br>Target – Wholetime Station Areas: 90% in 10 mins; On-Call Station Areas: 90% in 20 mins.  |
|                    | SPI 10   | <b>Alignment of NIFRS Operational Guidance with National Operational Guidance</b><br>Target - Alignment of NIFRS Operational Guidance with National Operational Guidance (Baseline of 33% alignment at April 2022 - increase Year 1 to 45% alignment, increase Year 2 alignment to 60%, Year 3 onwards obtain and maintain alignment at 90%). |
|                    | 3 People | SPI 11a   |
| SPI 11b            |          | <b>Reduced number of On-Call shifts lost per person</b><br>Target - Reduce by 5% year-on-year from 2020/21 baseline.  |



**1 Performance Report (continued)**  
**1.2 Performance Analysis (continued)**  
**Reporting on Performance Indicators (continued)**

| Strategic Outcome          | SPI No. | Strategic Performance Indicators  |
|----------------------------|---------|---|
| 3 People                   | SPI 12  | <b>Increased % of females in the operational workforce</b><br>Target – 0.5% year-on-year increase from 2020-21 baseline.  |
|                            | SPI 13  | <b>Full annual attainment of compliance against training figures set out in the Operational Competence Framework (OCF) and related policies.</b>  |
| 4 Governance & Performance | SPI 14  | <b>Reduction in the numbers of outstanding recommendations</b><br>Target - 20% reduction year-on-year from baseline as at 1 April 2022 (measured annually).   |
|                            | SPI 15  | <b>Achieve full compliance with DoH governance requirements and specified timelines.</b>  |
| 5 Financial Management     | SPI 16  | <b>By 31 March each year, to achieve financial breakeven target of +/- 0.25%.</b>   |
|                            | SPI 17  | <b>Achieve and maintain prompt payment target of 95% invoices paid within 30 days and 75% within 10 days.</b>   |
| 6 Asset Management         | SPI 18  | <b>% of actual fleet &amp; engineering inspections versus planned inspections</b><br>Target -95%  |
|                            | SPI 19  | <b>% of actual Planned Preventative Maintenance (PPM) inspections versus scheduled PPM inspections (monthly)</b><br>Target - 95%  |
|                            | SPI 20  | <b>Attainment of a reduction of 30% in energy usage in buildings by 2030</b><br>Target - 3% year-on-year reduction from 2016/17 baseline).<br>Achievements reported at end of September (Q2) and end of March (Q4). |

2022-23 Strategic Performance Indicator outcomes as part of a 3 year comparator analysis is detailed below -

| Strategic Performance Indicators  | Target / Average Baseline                          | 2020-21 | 2021-22 | 2022-23 |
|---|--|---------|---------|---------|
| <b>SPI 1 – Complete a baseline assessment against the areas of efficiency, effectiveness and people.</b>  | RAG Rating<br>Reported Annually                    | Red     | Red     | Green   |
| <b>SPI 2 – Number of fatalities in accidental dwelling fires</b><br>Target – reduce by 2% year-on-year (10% reduction by 2025) from the 5 year average baseline*  | <b>Baseline:</b> 6.8<br><b>Target:</b> 6.5         | 8       | 8       | 13      |
| <b>SPI 3 – Number of accidental dwelling fires</b><br>Target – reduce by 2% year-on-year (10% reduction by 2025) from the 5 year average baseline*  | <b>Baseline:</b> 830.4<br><b>Target:</b> 797.2     | 761     | 714     | 691     |
| <b>SPI 4 – Number of injuries in accidental dwelling fires**</b><br>Target – reduce by 2% year-on-year (10% reduction by 2025) from the 5 year average baseline* (Injuries are the number of people taken to hospital for treatment). | <b>Baseline:</b> 86.4<br><b>Target:</b> 82.9       | 83      | 54      | 73      |
| <b>SPI 5 – Number of deliberate primary fires</b>   | <b>Baseline:</b> 1,209.2<br><b>Target:</b> 1,160.8 | 919     | 866     | 870     |

**1 Performance Report (continued)**  
**1.2 Performance Analysis (continued)**  
**Reporting on Performance Indicators (continued)**

| Strategic Performance Indicators  | Target / Average Baseline  | 2020-21                         | 2021-22                         | 2022-23                            |
|---|--|---------------------------------|---------------------------------|------------------------------------|
| Target – reduce by 2% year-on-year (10% reduction by 2025) from the 5 year average baseline*  |  |                                 |                                 |                                    |
| <b>SPI 6 – Number of deliberate secondary fires</b><br>Target – reduce by 2% year-on-year (10% reduction by 2025) from the 5 year average baseline*   | <b>Baseline:</b> 4,771.6<br><b>Target:</b> 4,580.7   | 4,648                           | 4,780                           | 3,462                              |
| <b>SPI 7 – Number of attacks causing injury to personnel</b><br>Target – 0 attacks causing injury to personnel – benchmark 5 year baseline*   | <b>Target:</b> 0   | 1                               | 2                               | 0                                  |
| <b>SPI 8 – Achieve and maintain local 999 emergency response standard of 75% appliances attending an incident within the set target times (methodology under review)</b><br>Targets – 1 <sup>st</sup> Appliance – High 6 mins; Medium 12 mins; and Low 21 mins; and 2 <sup>nd</sup> Appliance – High 9 mins; Medium 15 mins; and Low 24 mins. | <b>Response Area Targets Monthly Average</b><br><br><b>1<sup>st</sup> Appliance</b><br>High 75%<br>6 min<br>Medium 75%<br>12 min<br>Low 75%<br>21 min<br><br><b>2<sup>nd</sup> Appliance</b><br>High 75%<br>9 min<br>Medium 75%<br>15 min<br>Low 75%<br>24 min | 46.4%<br><br>72.4%<br><br>90.1% | 46.3%<br><br>69.9%<br><br>91.7% | 44.32%<br><br>66.19%<br><br>87.81% |
| <b>SPI 9 – Measure first appliance in attendance, from time of call, based on the crewing of the Station area to which crews are 10obilized</b><br>Target – Wholetime Station Areas: 90% in 10 mins; On-Call Station Areas: 90% in 20 mins.   | <b>Target:</b><br>WT 90% in 10 mins<br>OC 90% in 20 mins   | WT: 84.5%<br>OC: 91.2%          | WT: 84.3%<br>OC: 91.4%          | WT 86.7%<br>OC 91.3%               |
| <b>SPI 10 – Alignment of NIFRS Operational Guidance with National Operational Guidance ****</b><br>Baseline of 33% alignment at April 2022 – increase Year 1 to 45% alignment, increase Year 2 alignment to 60%, Year 3 onwards obtain and maintain alignment at 90%.   | <b>Baseline:</b> 14%<br><b>Target:</b> 45%   | 18%                             | 33%                             | 35%                                |
| <b>SPI 11a – Reduced number of WT, RCC &amp; Support shifts lost per person</b><br>Target – Reduce by 5% year-on-year from 2019-20 baseline.  | <b>Baseline:</b> 16.6<br><b>Target:</b> 15.0   | 9.4                             | 14.2                            | 32.86                              |
| <b>SP11b - Reduced number of On-Call shifts lost per person</b><br>Target - Reduce by 5% year-on-year from 2020/21 baseline.  | <b>Baseline:</b> N/A<br><b>Target:</b> 18.9  | N/A                             | 27.57                           | *****                              |
| <b>SPI 12 - Increased % of females in the operational workforce</b><br>Target – 0.5% year-on-year increase from 2020-21 baseline.   | <b>Baseline:</b> 5.22%<br><b>Target:</b> 5.72%   | 5.22%                           | 5.98%                           | 6.27%                              |

**1 Performance Report (continued)**  
**1.2 Performance Analysis (continued)**  
**Reporting on Performance Indicators (continued)**

| Strategic Performance Indicators  | Target / Average Baseline                          | 2020-21                                | 2021-22                                | 2022-23                                |
|---|--|--|--|--|
| <b>SPI 13 - Full annual attainment of compliance against training figures set out in the Operational Competence Framework (OCF) and related policies.</b>   | <b>WT Target: 100%</b><br><b>OC Target: 100%</b>   | WT: 69%<br>OC: 57%                     | WT: 58.0%<br>OC: 50.8%                 | WT: 79.5%<br>OC: 73.7%                 |
| <b>SPI 14 - Reduction in the numbers of outstanding recommendations</b><br>Target - 20% reduction year-on-year from baseline as at 1 April 2022 (measured annually).  | <b>Target: 80 Outstanding</b>                      | N/A                                    | 107                                    | 139                                    |
| <b>SPI 15 - Achieve full compliance with DoH governance requirements and specified timelines.</b>   | <b>Target: Full Attainment</b>                     | Green                                  | Green                                  | Green                                  |
| <b>SPI 16 - By 31 March each year, to achieve financial breakeven target of +/- 0.25%.</b>  | RAG Rating. Reported Annually.                     | Green                                  | Green                                  | Green                                  |
| <b>SPI 17 - Achieve and maintain prompt payment target of 95% invoices paid within 30 days and 75% within 10 days.</b>  | <b>Target:</b><br>75% in 10 days<br>95% in 30 days | 10 Days:<br>91.8%<br>30 Days:<br>97.7% | 10 Days:<br>93.6%<br>30 Days:<br>97.9% | 10 Days:<br>96.4%<br>30 Days:<br>99.3% |
| <b>SPI 18 - % of actual fleet &amp; engineering inspections versus planned inspections</b><br>Target - 95%  | <b>Target: 95%</b>                                 | 83%                                    | 66%                                    | 97%                                    |
| <b>SPI 19 - % of actual Planned Preventative Maintenance (PPM) inspections versus scheduled PPM inspections (monthly)</b><br>Target - 95%   | <b>Target: 95%</b>                                 | 99%                                    | 92.0%                                  | 94%                                    |
| <b>SPI 20 - Attainment of a reduction of 30% in energy usage in buildings by 2030</b><br>Target - 3% year-on-year reduction from 2016/17 baseline). Achievements reported at end of September (Q2) and end of March (Q4). | RAG Rating. Reported Annually.                     | Green                                  | Green                                  | ***                                    |

**Notes**

- \* 5 year average baseline is calculated from the average of 2015-16, 2016-17, 2017-18, 2018-19 & 2019-20
- \*\* Requiring attendance at hospital
- \*\*\* Reporting has 2/3 month lag
- \*\*\*\* SPI 10 baseline redefined at commencement of 2022-23
- \*\*\*\*\* Methodology query around SPI 11b – reporting suspended until issue resolved
- N/A New measure introduced during 2021-22 – historical information not available



# 1 Performance Report (continued)

## 1.2 Performance Analysis (continued)

### Reporting on Performance Indicators (continued)

#### Reporting on Service Delivery Statistics

Statistical data on a range of Service Delivery activities are recorded to monitor performance and determine future priorities.

| Performance Measurement <sup>(1)</sup>                              | 2020-21 | 2021-22 | 2022-23 | % change from 2021-22 & 2022-23 <sup>(3)</sup> |
|---|---------|---------|---------|--|
| <b>Regional Control Centre</b>                                      |         |         |         |  |
| 999 Calls managed by RCC*   | 33,163  | 36,711  | 34,044  | -7.26%   |
| Incidents Mobilised   | 22,390  | 23,710  | 22,992  | -3.03%   |
| Hoax Calls Received   | 630     | 882     | 903     | 2.38%  |
| Mobilisations to Hoax Calls   | 316     | 435     | 443     | 1.84%  |
| <b>Response Activity</b>  |         |         |         |  |
| Primary Major Fires Mobilised <sup>(2)</sup>                        | 2,510   | 2,577   | 2,474   | -4%  |
| Deliberate Primary Fires  | 919     | 866     | 870     | 0.46%  |
| Accidental Dwelling Fires   | 761     | 714     | 691     | -3.22%   |
| Accidental Dwelling Fire Fatalities                                 | 8       | 8       | 13      | 62.50%   |
| Accidental Dwelling Fire Fatalities – People at Risk                | 7       | 7       | 13      | 85.71%   |
| Major Fire Rescues  | 39      | 54      | 46      | -14.81%  |
| Major Fire Casualties   | 343     | 353     | 220     | -37.68%  |
| Road Traffic Collisions Mobilised                                   | 528     | 680     | 682     | 0.29%  |
| Road Traffic Collision Fatalities (only at RTCs NIFRS mobilised to) | 27      | 30      | 29      | -3.33%   |
| Road Traffic Collision Rescues                                      | 33      | 32      | 47      | 46.88%   |
| Road Traffic Collision Casualties                                   | 687     | 1,000   | 960     | -4.00%   |
| Special Service Calls Mobilised (Excludes RTCs)                     | 2,236   | 2,665   | 2,880   | 8.07%  |
| Special Service Call Fatalities (Excludes RTCs)                     | 35      | 57      | 72      | 26.32%   |
| Special Service Call Rescues (Excludes RTCs)                        | 649     | 872     | 1,165   | 33.60%   |
| Special Service Call Casualties (Excludes RTCs)                     | 456     | 540     | 526     | -2.59%   |
| Gorse Fires (Secondary)   | 1,913   | 1,940   | 1,231   | -36.55%  |
| Secondary Fires – Other <sup>(2)</sup>                              | 3,263   | 3,340   | 2,550   | -23.65%  |
| False Alarms due to Alarm Systems                                   | 8,471   | 9,089   | 9992    | 9.94%  |

**1 Performance Report (continued)**  
**1.2 Performance Analysis (continued)**  
**Reporting on Performance Indicators (continued)**

**Reporting on Service Delivery Statistics (continued)**

| Performance Measurement <sup>(1)</sup>                     | 2020-21  | 2021-22 | 2022-23 | % change from 2021-22 & 2022-23 <sup>(3)</sup> |
|--|----------|---------|---------|--|
| <b>Protection Activity</b>                                 |          |         |         |  |
| Fire Safety Audits   | 522      | 1,183   | 1,247   | +5.4%  |
| <b>Prevention Activity</b>                                 |          |         |         |  |
| Home Fire Safety Checks                                    | 3,039    | 3,894   | 5,033   | +29%   |
| Smoke Alarms Fitted During HFSC                            | 3,025    | 4,348   | 5,579   | +28%   |
| Strategically Targeted Areas of Risk (STAR) <sup>(4)</sup> | 15,937** | 5,093   | (5)     | (5)  |

**Other Prevention Activities**

|                         | Activity                 | 2020-21 |        | 2021-22 |        | 2022-23 |        |
|-------------------------|--------------------------|---------|--------|---------|--------|---------|--------|
|                         |                          | Events  | Reach  | Events  | Reach  | Events  | Reach  |
| Fire Safety in the Home | Leaflets                 | 2,552   | 4,934  | 151     | 6,851  | 174     | 13,037 |
|                         | Youth Engagement         | 28      | 397    | 41      | 941    | 90      | 3,665  |
|                         | Safety Team              | 155     | 3,576  | 836     | 27,651 | 973     | 32,839 |
|                         | Chip Pan Demos           | 0       | 0      | 0       | 0      | 0       | 0      |
|                         | Community Safety Vehicle |         |        |         |        |         |        |
|                         | Bee Safe                 | 3       | 638    | 3       | 130    | 27      | 3,027  |
|                         | Event/Exhibition         | 1       | 0      | 34      | 995    | 99      | 13,927 |
|                         | Talks                    | 7       | 11     | 21      | 190    | 51      | 1,082  |
| People at Risk          | Leaflets                 | 2,176   | 26,441 | 204     | 1,898  | 77      | 11,913 |
|                         | Partnership Development  | 7       | 185    | 9       | 75     | 49      | 126    |
|                         | Talks                    | 20      | 300    | 52      | 969    | 112     | 1,848  |
|                         | Events/Exhibitions       | 2       | 0      | 29      | 1,614  | 42      | 11,633 |
|                         | Replacement Smoke Alarms | 79      |        | 137     |        | 70      |        |
|                         | Home Fire Safety Checks  | 3,039   |        | 3,894   |        | 5,033   |        |

**Notes**

\* The 999 Calls managed by RCC figures do not include Test Calls or Exercises

\*\* Includes 654 STAR visits from 2019-20 which weren't added to MIS until post year-end

(1) Following establishment of a central Data Analysis Hub, data analysis methodologies were reviewed during 2019-20 and as required historical outcomes restated using the revised methodology. Methodology remained unchanged in 2022-23.

# **1 Performance Report (continued)**

## **1.2 Performance Analysis (continued)**

### **Reporting on Performance Indicators (continued)**

#### **Reporting on Service Delivery Statistics (continued)**

##### Notes (continued)

- (2) A reportable fire is an event of uncontrolled burning involving flames, heat or smoke attended by a UK Fire Brigade. Reportable fires are classified for data collection purposes by the Department of Communities and Local Government into 2 main categories: Major (Primary) Fires and Secondary Fires
  - Major (Primary) Fires are generally more serious fires occurring in one or more of the following locations: buildings, mobile homes, caravans, trailers, vehicles and other methods of transport (not derelict), outdoor storage, plant, machinery, agricultural and forestry property, other outdoor structures including post boxes, tunnels, bridges. Any fire involving casualties or rescues, or a fire that was attended by 5 or more fire appliances or a fire which spread from one secondary location to another would also be categorised as a primary fire
  - Secondary fires are generally smaller fires which were attended by 4 or fewer fire appliances and which are confined to the following locations: outdoor locations (gardens, grassland, heathland, and hedges), fires involving rubbish, street or railway furniture, fires in single derelict buildings or vehicles
- (3) All percentages have been rounded to one decimal place for reporting purposes
- (4) STAR2 implemented in 2021-22 and visits conducted when Covid restrictions permitted.
- (5) Due to staff shortages at Area/District administration level database is not up-to-date and showing only 2,073 STAR2 visits as at 31 March 2023 – Areas are reporting volume is significantly higher but paperwork pending data entry

# **1 Performance Report (continued)**

## **1.2 Performance Analysis (continued)**

### **Strategic Outcome Overview**

#### **STRATEGIC OUTCOME 1: SERVICE TRANSFORMATION**

##### **OUTCOME DESCRIPTION**

We will design and deliver progressive improvement changes across the organisation using new and innovative ways to enhance the efficiency and effectiveness of the service we deliver.

##### **RELATED STRATEGIC MEASURES**

- SPI 1 - Complete a baseline assessment against the areas of efficiency, effectiveness and people.

##### **2022-23 HIGHLIGHTS**

###### **His Majesty's Fire Service Inspectorate (Scotland) Inspection**

During 2022-23 NIFRS welcomed a Department of Health sponsored Service Independent Inspection. This was conducted by His Majesty's Fire Service Inspectorate (Scotland) and commenced in June 2022. The HMFSI (Scotland) Inspection focused on all core service delivery areas and also on the organisations governance structure.

It is currently anticipated that this report will be finalised in June 2023. The outcomes of this Inspection will help inform our direction of travel for the next 3-5 years which will be reflected in the development and publication of a Community Risk Management Plan (CRMP) which will be subject to public consultation in 2023-24.

###### **Community Risk Management Plan (CRMP)**

The Community Risk Management Plan (CRMP) Project aims to deliver a Strategic Assessment of Community Risk using National best practice risk assessment methodologies developed by National Fire Chief Council (NFCC) supported workstreams and UK Fire & Rescue Services. This Strategic assessment of risk for Northern Ireland will underpin NIFRS Strategic 5 year CRMP 2023-28.

This CRMP 2023-28 will become the 5 year NIFRS Corporate Plan and is currently under development.

The CRMP 2023-28 will clearly define how NIFRS Service Delivery activities (Prevention, Protection, Response and Resilience) will be targeted and delivered against the Community Risk assessment. The CRMP will also detail how the underpinning support services of Finance, Governance, People and Asset Management will be configured to support the community risk based approach.

###### **Operational Risk Assessment**

NIFRS is aware that the Community Risk Management Plan (CRMP) requires consideration of all existing and emergent community risks, and as such are committed to developing and

# **1 Performance Report (continued)**

## **1.2 Performance Analysis (continued)**

### **Strategic Outcome Overview (continued)**

#### **Strategic Outcome 1 – Service Transformation (continued)**

#### **Operational Risk Assessment (continued)**

sourcing appropriate data and information ensuring that strategic decisions are based on data that is informed and accurate.

Our CRMP will be supported by a number strategies aimed at delivering NIFRS response, resilience, prevention and protection interventions based on the risk assessment data. These strategies will allow NIFRS to be more flexible in responding to changing risks across Northern Ireland.

To support the Strategic Assessment of Community Risk, NIFRS staff are working closely with, and contributing to, the National Fire Chief's Council (NFCC) 'Community Risk Programme'. This engagement with the UK Fire & Rescue Sector and partner agencies ensures our risk assessment analysis is aligned with current best practice models and professional standards.

During 2022-23, NIFRS procured and installed operational risk modelling software to assist with the community risk assessment process. A Northern Ireland specific community risk 'base case' was built within the software utilising existing datasets and allowing trained personnel to develop and demonstrate a risk profile for Northern Ireland. Work is also ongoing to further inform this community risk data through the procurement of 'lifestyle' information, and utilisation of new information stemming from the latest NISRA census conducted in 2021.

A draft Strategic Assessment of Risk (SAoR) document which clearly details all risk layer information sources, assumptions and the processing methodology has been developed and once finalised, we aim to initiate a level of independent validation on the methodology during next financial year.

#### **Community Risk Management Project Board**

During 2022-23 a Community Risk Management Plan (CRMP) Project Board was established to:

- Oversee the development and maintenance/refresh of the NIFRS CRMP and supporting community risk assessment;
- Ensure appropriate independent validation of outcomes;
- Ensure regular engagement with key stakeholders groups;
- Oversee delivery of CRMP in line with PRINCE2 methodology; and
- Provide the NIFRS Board with regular reports on plans, progress, risks and issues that emerge as a result of the work.

Membership of the CRMP Project Board is as follows:

- Deputy Chief Fire & Rescue Officer (SRO - Project Board Chair);
- Board Representative;
- Assistant Chief Fire & Rescue Officer Operational Delivery;
- Assistant Chief Fire & Rescue Officer Operational Support;

# **1 Performance Report (continued)**

## **1.2 Performance Analysis (continued)**

### **Strategic Outcome Overview (continued)**

#### **Strategic Outcome 1 – Service Transformation (continued)**

#### **Community Risk Management Project Board (continued)**

- Area Commander Prevention & Protection;
- Area Commander Response & Resilience;
- Area Commander Learning & Development Centre;
- Area Commander - Territorial Area Command Representative;
- Head of Planning, Performance & Governance;
- Head of Fleet, Engineering & Supplies;
- Head of Facilities & Assets;
- Head of Human Resources Advisory;
- Head of Finance;
- Business Assurance Manager (CRMP Project Manager); and
- Trade Union Representative.

Acknowledging the importance of the Community Risk Management Plan (CRMP), the NIFRS Board nominated a Board Member, Mrs Singleton, to sit on the CRMP Project Board in an assurance capacity. This Member provides the NIFRS Board with on-going assurances on the work of the CRMP Project Board.

As Senior Responsible Officer (SRO) for the CRMP Project the Deputy Chief Fire & Rescue Officer is responsible for:

- Establishing appropriate governance and oversight structures;
- Chairing CRMP Project Board meetings including approving agenda items and managing workflows and timings during meetings;
- Directing the work of CRMP Project Board;
- Setting delivery timelines, monitoring outcomes and supporting delivery;
- Updating the Executive Leadership Team (ELT) and NIFRS Board on a regular basis; and
- Cascading work as appropriate to the Senior Leadership Team (SLT) which he also chairs.

The inaugural meeting of the CRMP Project Board took place on 7 December 2022 and met on a further 2 occasions in 2022-23:

- 10 January 2023; and
- 6 March 2023

# 1 Performance Report (continued)

## 1.2 Performance Analysis (continued)

### Strategic Outcome Overview (continued)

## STRATEGIC OUTCOME 2: COMMUNITY RISK MANAGEMENT

### OUTCOME DESCRIPTION

We will help make Northern Ireland a safer place through working with others to deliver a Community Risk Management Plan (CRMP). This CRMP will show how we will effectively target our prevention, protection, response & resilience activities to reduce community risk and enhance Firefighter safety and will be complimented with a financial plan.

### RELATED STRATEGIC MEASURES

- SPI 2 - Number of fatalities in accidental dwelling fires (Reduce by 2% year-on-year (10% reduction by 2025) from the 5 year average baseline).
- SPI 3 - Number of accidental dwelling fires (Reduce by 2% year-on-year (10% reduction by 2025) from the 5 year average baseline).
- SPI 4 - Number of injuries in accidental dwelling fires (Reduce by 2% year-on-year (10% reduction by 2025) from the 5 year average baseline (Injuries are the number of people taken to hospital for treatment)).
- SPI 5 - Number of deliberate primary fires (Reduce by 2% year-on-year (10% reduction by 2025) from the 5 year average baseline).
- SPI 6 - Number of deliberate secondary fires (Reduce by 2% year-on-year (10% reduction by 2025) from the 5 year average baseline).
- SPI 7 - Number of attacks causing injury to personnel (Target - zero attacks causing injury to personnel - benchmark 5 year baseline).
- SPI 8 - Achieve and maintain local 999 emergency response standard of 75% appliances attending an incident within the set target times (Targets - 1st Appliance - High 6 minutes; Medium 12 minutes; and Low 21 minutes; and 2nd Appliance - High 9 minutes; Medium 15 minutes; and Low 24 minutes).
- SPI 9 - Measure first appliance in attendance, from time of call, based on the crewing of the Station area to which crews are mobilised (Target – Wholetime Station Areas: 90% in 10 minutes; On-Call Station Areas: 90% in 20 minutes).
- SPI 10 - Alignment of NIFRS Operational Guidance with National Operational Guidance (Baseline of 33% alignment at April 2022 - increase Year 1 to 45% alignment, increase Year 2 alignment to 60%, Year 3 onwards obtain and maintain alignment at 90%).

### 2022-23 HIGHLIGHTS

#### Call Handling

Our Regional Control Centre (RCC) provides 24 hour emergency call management including call handling, call challenge to identify hoax calls, mobilising the nearest available and appropriate appliance(s) and crew(s), information flow between operational crews and managers and information recording.

NIFRS received 903 hoax calls (2.38% increase (2021-22: 882). However, through the skills demonstrated by Regional Control Centre (RCC) personnel, in terms of call management and call challenge, crews were mobilised to less than 50% of those calls with 443 mobilisations (2021-22: 435)).



# 1 Performance Report (continued)

## 1.2 Performance Analysis (continued)

### Strategic Outcome Overview (continued)

#### Strategic Outcome 2 – Community Risk Management (continued)

#### Response

We have 67 Fire Stations across Northern Ireland plus one additional satellite station location in Dunmurry (2021-22: 67), with crews providing an effective response to a wide range of emergency incidents all across Northern Ireland.

Under The Fire and Rescue Services (Northern Ireland) Order 2006 our response duties moved beyond the historical activities of extinguishing fires to include other response activities, such as Road Traffic Collisions (RTC). The Fire and Rescue Services (Emergencies) Order (Northern Ireland) 2011 further extended our statutory responsibility to include Chemical, Biological, Radiological and Nuclear (CBRN), Search and Rescue (SAR), serious flooding and serious transport incidents.

We also respond with partner agencies to incidents such as water rescues, bariatric rescues and large animal rescues as part of our wider corporate social responsibility.

During 2022-23, NIFRS received a total of 34,044 emergency calls for help to its RCC, representing an in-year decrease of 7.26% (2021-22: 36,711). Fire crews responded to a total of 22,992 emergency incidents across Northern Ireland, a decrease of 3.03% (2021-22: 23,710).

NIFRS are increasingly tasked to road traffic collisions, wildfire, flooding and, large animal rescues, incidents involving chemical, biological or radioactive substances as well as search and rescue incidents.

#### Resilience

We make our community safer by planning and preparing so we have the capacity and capability to respond and recover from threats and emergencies that can cause major disruptions for the community.

Developing our resilience capability ensures that we can fulfil our statutory duties under The Fire and Rescue Services (Northern Ireland) Order 2006 and The Fire and Rescue Services (Emergencies) Order (Northern Ireland) 2011 and as such will have the resources available to respond and recover effectively from incidents that would critically affect our community.

These incidents include:

- Major industrial & transport incidents;
- Large collapsed structures;
- Terrorist related incidents;
- Natural environmental risks including serious and widespread flooding;
- Chemical, Biological, Radiological, Nuclear (CBRN) incidents; and
- Operational capabilities including - Rope Rescue; Urban Search and Rescue (USAR); Flood Response; High Volume Pump (HVP); Marine Response; Hazardous Material (Hazmat); Large Animal Rescue and Heavy Vehicle Rescue.



# **1 Performance Report (continued)**

## **1.2 Performance Analysis (continued)**

### **Strategic Outcome Overview (continued)**

#### **Strategic Outcome 2 – Community Risk Management (continued)**

#### **Resilience (continued)**

We have highly trained tactical advisors who are able to offer technical support and information at complex incidents.

To provide operational assurance of our capability to respond to these types of incidents, procedures are regularly tested and exercised with multi-agency partners to ensure preparedness.

#### Emergency Planning

We are represented across the Northern Ireland Civil Contingencies structures at all levels and working with partner agencies is an integral part of the overall emergency planning process in Northern Ireland. We are represented strategically on the Civil Contingency Group NI (CCGNI) and Northern Ireland Emergency Preparedness Group (NIEPG), and regionally on the 3 Emergency Preparedness Groups (EPGs) across Northern Ireland. Through these structures NIFRS contributes to the wider multi-agency pre-planning for response and recovery to events that impact Northern Ireland.

#### Operational Guidance and Risk Information

We have prioritised the implementation of robust systems and processes to assess the effectiveness of our current operational guidance. This guidance is benchmarked against national best practice and focuses on the identification of potential hazards in the operational environment and providing the relevant control measures to mitigate the risk.

The continued focus on alignment with national best practice and the development of a dedicated resource to develop and maintain this safety critical information will enable us to provide safe, effective and efficient response information and training material for responding crews to use at operational incidents.

To further support our preparedness and ensure the most effective response, we prioritise the collection of relevant risk critical information about specific higher risk sites across Northern Ireland. This information is collected and validated regularly by operational crews to make sure operational risk informational is available on the incident ground.

#### **Prevention**

We make our community safer by aiming to prevent incidents occurring by educating, delivering safety advice and providing targeted interventions to those most at risk. This is achieved by understanding the needs of our community and working in collaboration with a range of partners.

#### Targeted Interventions

One of our key targets is to reduce the number of deaths as a result of accidental dwelling fires. Whilst the number of accidental dwelling fires decreased in year by 3.22% to 691 (2021-22: 714), unfortunately during 2022-23, 13 people still lost their lives in accidental

# **1 Performance Report (continued)**

## **1.2 Performance Analysis (continued)**

### **Strategic Outcome Overview (continued)**

### **Strategic Outcome 2 – Community Risk Management (continued)**

#### **Prevention – Targeted Interventions (continued)**

dwelling fires (2021-22: 8). We continue to work hard towards our ultimate goal, to ensure that no-one in Northern Ireland loses their life as a result of an accidental house fire, and in doing so we will continue to engage with the public, identifying and targeting those most at risk from fire in our community.

We continue to work with our partners across the voluntary and statutory sectors to help us to identify and engage with those people who need our help the most, particularly those meeting the definitions contained within the People at Risk Strategy.

During 2022-23 Firefighters carried out 5,033 free home fire safety checks (2021-22: 3,894) and fitted 5,579 smoke alarms (2021-22: 4,348). 34% of home fire safety checks were completed as a result of a Partnership referral.

Through our defined People at Risk groups we completed 350 targeted activities (2021-22: 431) reaching an audience of 25,520 (2021-22: 4,556). These activities included leaflet drops, talks, events and exhibitions.

Other targeted initiatives include Community Advice and Support Team (CAST), Sheltered Dwellings Initiative (SDI), and Strategically Targeted Areas of Risk (STAR2). During 2022-23 we completed 1,815 visits collectively over these 3 initiatives, talking directly to 1,850 members of the public about fire safety in the home.

441 other activities (excluding Safety Team talks) in relation to wider fire safety messaging were completed (2021-22: 250), this included events/ exhibitions, alongside our partners, and leaflet drops reaching an audience of 34,738 (2021-22: 9,107).

#### Collaboration and Partnership

NIFRS has approximately 100 live partnerships (2021-22: 114) across the voluntary and statutory sector. During 2022-23 this work continued with partner agencies, to reduce risk within our communities through Prevention work, and ensure a co-ordinated response to operational incidents.

#### Safety Team

We delivered our P5 Safety Team Initiative making 973 visits (2021-22: 836) to P5 classes throughout Northern Ireland, delivering tailored key fire safety to 32,839 pupils (2021-22: 27,651).

#### Youth Engagement – Cadet Scheme

The Fire Cadet Scheme is a youth engagement scheme run by volunteers, and is part of a UK wide Fire Cadets. Young people can apply to join from age 14, and stay in the Scheme for 3 years. The Cadet Scheme provides an exciting and varied range of activities including basic Firefighter skills, team building and first aid training. Our Fire Cadets work towards the

# **1 Performance Report (continued)**

## **1.2 Performance Analysis (continued)**

### **Strategic Outcome Overview (continued)**

### **Strategic Outcome 2 – Community Risk Management (continued)**

#### **Prevention – Targeted Interventions (continued)**

##### Youth Engagement – Cadet Scheme (continued)

National Cadet Award, and actively engage with their communities, representing NIFRS spreading key Fire Safety messages.

We have 4 Cadet Branches in Belfast, Bangor, Lisburn, and Newry. The delivery of the Fire Cadet Scheme is primarily run by 42 volunteers across the 4 sites, with support from their District Officer Team and the Prevention Team in HQ.

##### Other Youth Engagement

During 2022-23 NIFRS were able to work collaboratively with our partners in delivering several Youth engagement programmes, including the Youth Volunteer Academy, Bee Safe and the Prince's Trust 'Get Started' programme.

##### Road Safety

Our Road Safety Strategy recognises that, to make a significant and effective contribution, we need to work in partnership with others to identify and implement best practice, improving our intervention skills whilst endeavouring to promote responsible road behaviour.

Working to drive down road deaths NIFRS completed 50 events in partnership with other agencies, with a total target audience of 8,615 people reached. NIFRS Your Choice programme, tailored for the 16-24 year old age group, was delivered at a further 18 events, reaching 998 people.

During 2022-23, NIFRS operational statistics show response to 682 road traffic collisions, an increase of 0.29% (2021-22: 680), and 2,880 special service calls, an increase of 8.07% (2021-22: 2,665). 29 people (2021-22: 30 decrease of 3.33%) tragically lost their lives at RTCs attended by NIFRS (61 RTC fatalities in total in 2022-23 (2021-22: 45) – source: Police Service of Northern Ireland (PSNI) Website).

We work closely with the Department of Infrastructure (DoI), PSNI and Northern Ireland Ambulance Service (NIAS) to help improve road safety and reduce the number of collisions occurring and therefore the number of people killed and injured.

#### **Protection**

##### Fire Safety Audits

Our Fire Safety Inspectors audit relevant premises (approximately 65,000 within Northern Ireland) to provide information to help owners/managers of premises maintain the required standards as detailed in The Fire Safety Regulations (Northern Ireland) 2010. The aim is to educate and inform but, where necessary, enforce or ultimately prosecute cases of non-compliance with the fire safety regulations.

**1 Performance Report (continued)**  
**1.2 Performance Analysis (continued)**  
**Strategic Outcome Overview (continued)**  
**Strategic Outcome 2 – Community Risk Management (continued)**

**Protection (continued)**

Fire Safety Audits (continued)

Our Fire Safety Inspectors are suitably qualified through the completion of the UK aligned Competency Framework for Fire Safety Regulators which has been developed for Northern Ireland Fire & Rescue Service in conjunction with and aligned to the revised UK Competency Framework.

We apply a risk based, intelligence-led approach to target those premises most at risk to ensure we have the greatest impact with our available resources.

Risk information gathered through these Fire Safety audits will be captured and shared to enhance Firefighter safety within the operational environment.

During 2022-23, NIFRS carried out 1,247 Fire Safety audits in non-residential premises (2021-22: 1,183 Fire Safety audits) under the Fire Safety Legislation. 3 Enforcement Notices (2021-22: 2 Enforcement Notices) and 5 Prohibition Notices (2021-22: 3 Prohibition Notice) were issued to premises not compliant with the required fire safety standards.

Health and Safety

Due to the risk environment NIFRS works within, it is important that we focus on our legislative requirements in terms of Health & Safety as depicted in the Health & Safety at Work (Northern Ireland) Order 1978. As such we ensure Health & Safety statutory compliance through our protection work streams, with a particular focus on community and Firefighter safety within the operational environment.

# 1 Performance Report (continued)

## 1.2 Performance Analysis (continued)

### Strategic Outcome Overview (continued)

#### STRATEGIC OUTCOME 3 – PEOPLE

##### OUTCOME DESCRIPTION

We will embed a high performing and inclusive culture which promotes health, safety, wellbeing and personal responsibility and ensures our people are continually developed, supported and motivated to deliver results.

##### RELATED STRATEGIC MEASURES

- SPI 11a - Reduced number of WT, RCC & Support shifts lost per person (Target - Reduce by 5% year-on-year from 2019-20 baseline).
- SPI 11b - Reduced number of On-Call shifts lost per person (Target - Reduce by 5% year-on-year from 2020/21 baseline).
- SPI 12 - Increased % of females in the operational workforce (Target – 0.5% year-on-year increase from 2020-21 baseline).
- SPI 13 - Full annual attainment of compliance against training figures set out in the Operational Competence Framework (OCF) and related policies.

##### 2022-23 HIGHLIGHTS

NIFRS Resourcing Team delivered a busy programme of recruitment and selection throughout 2022-23 with recruitment processes completed for Executive Leadership Team (ELT), Operational, Regional Control Centre (RCC) and Support employees.

##### Appointments/Promotions

| Role   | 2021-22<br>Appointments | 2022-23<br>Appointments |
|--|-------------------------|-------------------------|
| Chief Fire & Rescue Officer *                  | 1                       | 0                       |
| Deputy Chief Fire & Rescue Officer *           | 1                       | 0                       |
| Assistant Chief Fire & Rescue Officer *        | 1                       | 0                       |
| Director of Corporate Services*                | 1                       | 0                       |
| Director of People & Culture*                  | 0                       | 1                       |
| Area Commanders (includes Secondments)         | 0                       | 4                       |
| Group Commanders (includes Secondments)        | 2                       | 2                       |
| Station Commanders (includes Secondments)      | 12                      | 1                       |
| Watch Commanders (includes Secondments)        | 59                      | 9                       |
| Crew Commanders (includes Secondments)         | 40                      | 17                      |
| Firefighters – Wholetime (Full-Time)           | 40                      | 78                      |
| RCC Group Commander (A) (includes Secondments) | 1                       | 0                       |
| RCC Station Commanders (includes Secondments)  | 2                       | 0                       |
| RCC Watch Commanders (includes Secondments)    | 1                       | 1                       |
| RCC Crew Commanders (includes Secondments)     | 1                       | 2                       |
| RCC Firefighters                               | 0                       | 6                       |
| On-Call Watch Commanders                       | 10                      | 0                       |
| On-Call Crew Commanders                        | 29                      | 1                       |
| On-Call Firefighters                           | 43                      | 33                      |
| Support Roles                                  | 19                      | 29                      |

\* Executive Leadership Team (ELT) appointment

# **1 Performance Report (continued)**

## **1.2 Performance Analysis (continued)**

### **Strategic Outcome Overview (continued)**

#### **Strategic Outcome 3 – People (continued)**

#### **Firefighter Recruitment**

During 2022-23, 78 new Wholetime Firefighters were appointed from the reserve list relating to the last recruitment exercise (2021-22: 40). These new Wholetime Firefighters commenced training in our Learning & Development Centre on 3 October 2022 and 13 March 2023.

The Trainee Firefighter intake 02/2022 comprised of 29 new Firefighters and 7 On-Call Firefighters. The new Firefighters completed 18 weeks of training and the On-Call Firefighters completed an 8 week Wholetime training programme.

The current Trainee Firefighter intake 01/2023 is made up of 30 new Firefighters, 12 On-Call Firefighters. The new Firefighters are currently completing up to 19 weeks of training, and the On-Call are completing a 9 week Wholetime training programme.

10.25% (8) of the Trainee Firefighter intake on courses 02/2022 & 01/2023 were female (2021-22: 19% (7)).

We also appointed 33 On-Call Firefighters during 2022-23 (2021-22: 43). 12% (4) of the On-Call appointees were female.

In January 2023 NIFRS commenced a recruitment process in 46 On-Call Fire Stations.

#### **Investors in People (IIP)**

In 2019 Investors in People (IIP) conducted a Service-wide survey and various face-to-face meetings in order to assess the organisation against the IIP standard. As a result we have successfully achieved the following:

- Investors in People accreditation at a 'developed' level in the IIP Sixth Generation Standard; and
- Investors in People Health and Wellbeing Award.

This IIP accreditation remains in place following a review in 2022-23.

#### **Employee Engagement and Recognition**

NIFRS has a substantive workforce of 1,998 people spread over 77 sites (Stations, Districts, Areas, Service Support Centre, Learning & Development Centre (LDC) – Boucher & Cookstown, and Headquarters).

Organisationally, we know that engaging, empowering and recognising our people are critical elements to excellent service delivery and as such we use a variety of channels to communicate and engage with employees.

During 2022-23 these included e-bulletins from the Chief Fire & Rescue Officer; Executive Leadership Team employee engagement sessions; and Board, Executive & Senior Leadership Team attendance at Annual Inspections.

# **1 Performance Report (continued)**

## **1.2 Performance Analysis (continued)**

### **Strategic Outcome Overview (continued)**

#### **Strategic Outcome 3 – People (continued)**

#### **Employee Engagement and Recognition (continued)**

The Covid-19 pandemic meant that we were unable over a number of years to host our annual Employee Awards Ceremony to acknowledge and recognise the contribution made by individuals and teams. Management are currently looking at reinstating this important recognition event during 2023-24, however it would be remiss of the Board and Executive Leadership Team not to take this opportunity to acknowledge and extend thanks to employees for their dedication, support and professionalism as demonstrated throughout the pandemic.

#### **Health & Wellbeing**

We are committed to ensuring that our people are healthy, able to attend work and able to perform while in work. We have a holistic and integrated approach to wellbeing which includes:

- Wellbeing action planning;
- Occupational Health Support
- Absence management;
- Physical Wellness
- Communication;
- Financial Wellness
- Employee services (counselling, physiotherapy);
- Performance management;
- Healthy lifestyles; and
- Work-life balance arrangements.

An employee Health and Wellbeing dashboard containing important information and signposting on a number of health and wellbeing topics is available to access from the homepage on all NIFRS computers and has proved invaluable in providing health and wellbeing support to employees.

#### **Equality, Diversity & Inclusion**

We aim to create an inclusive working environment to maximise the potential of all employees, providing equality of opportunity in all aspects of employment and preventing unlawful discrimination. We are an equal opportunities employer, committed to making good faith efforts to comply with equality legislation and the principles of fairness.

Outreach activities, focused on promoting firefighting as a viable career option for women and other groups, remain a priority and have attracted a more diverse range of applicants.

Whilst there is more to do, NIFRS has set a target to increase its percentage of females in the operational workforce by 0.5% year-on-year. During 2022-23 the percentage of operational females increased to 6.27 % by 31 March 2023, increasing from 5.98% last year.



# **1 Performance Report (continued)**

## **1.2 Performance Analysis (continued)**

### **Strategic Outcome Overview (continued)**

### **Strategic Outcome 3 – People (continued)**

#### **Equality, Diversity & Inclusion (continued)**

We currently hold a Bronze Northern Ireland Diversity Chartermark, a new recognition for local employers, for our progress on gender diversity. We are now eligible to use the Diversity Mark logo and are encouraged to display this as the 'Mark of Progress'. The Chartermark will support us in improving and working towards higher level accreditation.

#### **Learning & Development**

We use our Learning Management System (LMS) 'Ignite', to provides us with an innovative and efficient approach to learning management including the automatic recording of training and flagging of personnel whose training has or is about to expire.

LMS supports learning and offers a range of online learning modules to cover topics such as governance, leadership and management development, performance management, managing projects, and supporting and managing teams. The e-learning content continues to be developed and will include a range of soft skills, supporting the formal classroom based training already in place.

LMS also utilises intuitive technology and is available to employees 24 hours a day, 7 days a week, to support learning & development, along with providing access to materials and media to assist in the transition to a new, more efficient model of training.

#### **Operational Training**

We provide a range of operational training to ensure that we support our people to remain competent in their role. This includes breathing apparatus, road traffic collision, casualty care, compartment firefighting training, working at height, emergency fire appliance driving and operation and incident command.

We have implemented an Operational Competence Framework (OCF) which includes a standardised and Service-wide Training Planner, Simulation & Performance Reference (SPR) booklets, and the National Drill book for standardising the use of procedures and equipment.

In preparation for the move to the new Learning & Development Centre (LDC) Cookstown, we have revised our training curriculum to enable the breathing apparatus and compartment fire (live burn) training to be combined into a new tactical firefighting module. We are also currently reviewing structures, staffing and curriculum in advance of the move to the new Learning & Development facility.



# 1 Performance Report (continued)

## 1.2 Performance Analysis (continued)

### Strategic Outcome Overview (continued)

#### STRATEGIC OUTCOME 4: GOVERNANCE & PERFORMANCE

##### OUTCOME DESCRIPTION

We will have a robust approach to governance, planning and performance management that supports both the effectiveness of the service we deliver and continuous improvement.

##### RELATED STRATEGIC MEASURES

- SPI 14 - Reduction the numbers of outstanding recommendations (Target - 20% reduction year-on-year from baseline as at 1 April 2022 (measured annually)).
- SPI 15 - Achieve full compliance with DoH governance requirements and specified timelines.

##### 2022-23 HIGHLIGHTS

###### Planning Process Review

During 2022-23 we used our Vision, Purpose, Values and Strategic Outcome statements to inform a top-down bottom-up approach which utilised various scanning techniques to determine how we are, or could be, impacted by our environment in terms of political, economic, social and technological influences.

By using our Purpose, Vision, Values and Strategic Outcome as the basis, the resultant Plan ensures organisational focus is on the key areas of work and that we ensure that everything that we do is delivering against legislative, Departmental and organisational requirements.

The final draft Annual Business Plan 2022-23 was presented to and approved by the NIFRS Board and DoH. This Plan was operational throughout 2022-23 and results are now reported on a quarterly basis to the NIFRS Board and other key stakeholders.

Following approval of the Strategic and Directorate Business Plans 2022/23 at the Board meeting on 30 August 2022, the Board, cognisant of the resources required to support the Inspection process and other emergent issues, tasked the ELT with reviewing same and reporting back on priorities.

In response to the Board direction to review the Business Plans, the Executive Leadership Team (ELT) team reviewed the Business Plan under 3 categories:

- Priority 1 Tasks - those tasks which need to be completed in-year to either (i) achieve full statutory compliance; or (ii) achieve priority corporate outcomes;
- Priority 2 Tasks – those tasks which need to be started in-year to either (i) help to fulfil statutory compliance requirements; or (ii) move towards achievement of priority corporate outcomes; or
- Priority 3 Tasks – tasks whose start can be delayed into 2023/24 dependent on emergent pressures.

and reported back to the Board at a workshop on 8 November 2022.

# **1 Performance Report (continued)**

## **1.2 Performance Analysis (continued)**

### **Strategic Outcome Overview (continued)**

#### **Strategic Outcome 4 – Governance & Performance (continued)**

#### **Planning Process Review (continued)**

The original Strategic & Directorate Business Plans put forward 42 strategic and 173 underpinning directorate tasks with 69 tasks due to complete in-year.

On review these 173 tasks were prioritised as follows:

P1 – 65 tasks;  
P2 – 55 tasks;  
P3 – 50 tasks; and  
Completed – 3 tasks.

Priority status has been given to a number of areas including:

- His Majesty's Inspectorate Inspection Process;
- Community Risk Management Plan generation & related supporting tasks;
- Community Risk Analysis Methodology;
- Maintaining Service Delivery;
- Implementation of Safeguarding Plan;
- Learning & Development Centre Cookstown Project;
- Implementation of the Operational Guidance Action Plan National Operating Guidance (NOG)/National Operational Learning (NOL);
- Implementation of the Grenfell Tower Inquiry Action Plan;
- Operational Competency Review;
- Information Management Project;
- Compliance with Department of Health (DoH) requirements and timescales;
- Annual Accounts Preparation;
- Establishment of the Pensions Board;
- Callout and Attendance Payments Systems (CAPS) purchase; and
- Vehicle & Equipment maintenance.

#### **Risk Management Process Review**

During two Board Risk Management Workshop which took place on 24 May and 13 June 2022, Directors provided Members with an overview of the Organisational Risk Profile. Members raised queries regarding risk/issue definitions and the related risk assessment in a number of areas and as a result the Board tasked the newly appointed Interim Chief Fire & Rescue Officer and the Executive Leadership Team (ELT) to review same and report back on outcomes.

In response to this, the Interim Chief Fire & Rescue Officer has added Risk Management as a standing item on the revised ELT Meeting Agenda, therefore putting a bi-monthly focus on risk to ensure it remains live and up-to-date.

Furthermore the Interim Chief Fire & Rescue Officer has also chaired two ELT Risk Workshops during September/October 2022. An update position was presented to the full NIFRS Board on 8 November 2022.

# **1 Performance Report (continued)**

## **1.2 Performance Analysis (continued)**

### **Strategic Outcome Overview (continued)**

#### **Strategic Outcome 4 – Governance & Performance (continued)**

#### **Risk Management Process Review (continued)**

The Strategic Risk Management Policy and Procedure (July 2021) remained live throughout 2022-23. The risk management process and the review process detailed above were subject to internal audit review during 2022-23 and received a satisfactory assurance outcome.

A revised list of 15 organisational risks underpinned by 50 Directorate level risks and issues as at 31 March 2023 were documented. This document is maintained on a live basis via the SharePoint site.

#### **Governance Review**

A Review, conducted by His Majesty's Fire Service Inspectorate (Scotland), which commenced in June 2022 is focused on core service delivery areas and also on governance structures. This Review is due to report during early 2023-24.

In addition, the NIFRS Chairperson initiated a Board Effectiveness survey during 2022-23 with Members assessing effectiveness of Board and Committee meetings; information flows; performance management; and rules of engagement. A small sub-group of the Board led by the Chairperson are currently looking at areas for consideration against a 9-point action plan subject to review following receipt of the HMFSI (Scotland) Review Report.

During late 2022-23 NIFRS working with the Department of Health (DoH) commenced the development of a Partnership Agreement and Fire Framework for Northern Ireland. It is currently anticipated that these documents will be finalised during 2023-24.

#### **Functional Standards Implementation**

During 2022-23 began a review of existing policy/procedures/guidance in line with the suite of functional standards developed by Central Government with a view to supporting:

- Governance, planning, delivery and assurance of functional work;
- Continuous improvement and professional development;
- A reference point that other requirements and guidance need to meet, to support coherent and joined up working; and
- Alignment of the definitions and language used to describe functional work.

As such NIFRS' initial priority is to ensure that the mandatory ('shall') elements of each standard are implemented whilst in parallel, determining how advisory elements of the standards should be applied proportionately reflecting size and complexity. Further development in this areas will continue during subsequent years.

#### **Governance Policy Review**

As part of the overarching Governance Review the suite of Information Governance policies and/or procedures were reviewed without significant change. The documents reviewed covering the following areas:

# **1 Performance Report (continued)**

## **1.2 Performance Analysis (continued)**

### **Strategic Outcome Overview (continued)**

#### **Strategic Outcome 4 – Governance & Performance (continued)**

##### **Governance Policy Review (continued)**

- Information Governance Strategy;
- Information Governance Policy;
- Information Governance Framework;
- Freedom of Information Policy;
- Data Protection Policy;
- Data Quality Policy;
- Data Sharing Protocol;
- Information Risk Management Procedure; and
- Personal Data Breach Procedure

##### **Business Improvement Recommendations**

Throughout 2022-23 we continued to implement the 1 (2020-21: 14) Business Improvement Projects.

These projects covering the following key areas:

- Estates, Capital and Facilities Management;
- Financial Management;
- Fuel, Vehicle & Equipment;
- Governance;
- Human Resources Advisory;
- Independent Review;
- Learning & Development;
- Information Management;
- Information Technology Management;
- Organisational Development;
- Planning & Performance Management;
- Service Delivery; and
- Stock & Inventory Management.

The primary aim of each project is to improve future service delivery whilst also addressing a large number of historical audit recommendations.

Significant progress has been made in terms of internal audit recommendations throughout 2022-23. A review of the implementation of previous priority one and priority 2 Internal Audit recommendations was carried out at mid-year and again at year-end. At year-end, 72% (2020-21: 76%) out of the outstanding recommendations examined were fully implemented, and a further 28% were partially or not yet implemented (2020-21: 24%).

At year-end the only historical recommendations moving into 2023-24 relate to longer term projects; implementation of structural reviews; and/or a requirement for IT or other capital investment.

# 1 Performance Report (continued)

## 1.2 Performance Analysis (continued)

### Strategic Outcome Overview (continued)

#### Strategic Outcome 4 – Governance & Performance (continued)

#### Information Management

We continue to progress the Information Management agenda.

During 2022-23 we implemented the final year of the Information Management Action Plan focused on addressing areas of concern including:

- Strategy and Policy review/update;
- Knowledge, skills & training;
- Surveys;
- Access to SharePoint;
- Reporting, audit & review;
- Records Management; and
- Contract Management.

Significant progress was made in-year and the Information Team recognises the need for continual improvement with a focus on Information Asset Registers and training as business as usual activities going forward.

#### Complaints

NIFRS records Customer Complaints and outcomes. During 2022-23 we received 38 complaints broken down as follows:

|                  | 2021-22 | 2022-23 |
|------------------|---------|---------|
| Complaints Total | 52      | 38      |

During 2022-23 all complaints were investigated under the Customer Complaints Procedure which contains the following escalation protocol:

- If local action does not resolve the complaint, the matter can be referred to NIFRS Complaints Officer.
- Having received a complaint and provided an acknowledgement within 5 working days, NIFRS will normally issue a written response within 15 working days.
- For more complex issues, which may take longer, the complainant will be kept informed of progress with the investigation.
- All complaints are investigated thoroughly, dealt with impartially and in confidence.
- However if the matter has not been dealt with to the satisfaction of the complainant further recourse to the NI Ombudsman is available.

Any complaints which do not meet the threshold of a customer complaint, that is a complaint regarding the direct delivery of our service, will be managed under the most appropriate NIFRS policy and/or procedure.

# **1 Performance Report (continued)**

## **1.2 Performance Analysis (continued)**

### **Strategic Outcome Overview (continued)**

#### **STRATEGIC OUTCOME 5 – FINANCIAL MANAGEMENT**

##### **OUTCOME DESCRIPTION**

We will ensure an effective use of available budget through risk-based financial planning to deliver agreed outcomes and use public money in the best way possible.

##### **RELATED STRATEGIC MEASURES**

- SPI 16 - By 31 March each year, to achieve financial breakeven target of +/- 0.25%.
- SPI 17 - Achieve and maintain prompt payment target of 95% invoices paid within 30 days and 75% within 10 days.

##### **2022-23 HIGHLIGHTS**

###### **Financial Performance**

The opening 2022-23 budget allocations from DoH were £81.04m (2021-22: £80.1m) in respect of revenue and £26.35m (2021-22: £11.5m) for capital. The final budget allocation, excluding non-cash expenditure, was £88.44m (2021-22: £86.2m) in respect of revenue and £26.35m (2021-22: £8.3m) for capital.

During 2022-23 we monitored expenditure against an overall financial key performance breakeven target of 0.25% of revenue allocation and regularly reported on monthly financial outcomes to the NIFRS Board - we achieved break-even 0.00% (£nil under/over spend) (2021-22: 0.00% - £nil under/over spend).

We worked closely with DoH to ensure sound financial management during the year and where appropriate, secured additional resourcing. This collaborative approach ensured we achieved breakeven at year-end.

We are committed to providing the best value Fire and Rescue Service to the public. Our overall costs per head of population increased by 2.7% to £46.51\* for 2022-23 (£45.29\* in 2021-22) (\*calculated using the net expenditure that scores against the annual revenue budget divided by Northern Ireland Statistics and Research Agency 2021 census total of 1.9032 million people) however the need to effectively manage our resources remains a priority.

###### **Long-Term Expenditure Trends (Audited Information)**

All Public Sector Bodies in Northern Ireland receive annual budgets. The expenditure trends over the past 3 years are set out in the table overleaf:

**1 Performance Report (continued)**  
**1.2 Performance Analysis (continued)**  
**Strategic Outcome Overview (continued)**  
**Strategic Outcome 5 – Financial Management (continued)**

**Long-Term Expenditure Trends (Audited Information) (continued)**

|  | <b>2021-22<br/>£000</b> | <b>2021-22<br/>£000</b> | <b>2022-23<br/>£000</b> |
|--|-------------------------|-------------------------|-------------------------|
| <b>Net expenditure</b>                     | 82,848                  | 86,195                  | 88,516                  |
| <b>RRL (excludes non-cash expenditure)</b> | 82,837                  | 86,195                  | 88,516                  |
| <b>Break even position (%)</b>             | -0.01%                  | 0.00%                   | 0.00 %                  |
| <b>Net Capital expenditure</b>             |                         |                         |                         |
|  | 8,301                   | 8,256                   | 24,510                  |
| <b>CRL</b>                                 | 8,326                   | 8,301                   | 24,553                  |
| <b>(Underspend)/overspend against CRL</b>  | (25)                    | (45)                    | (43)                    |
| <b>Firefighter pension liability</b>       |                         |                         |                         |
|  | 1,091,480               | 1,234,290               | 738,520                 |
| <b>Re-measurement gains/losses</b>         | (55,687)                | (117,101)               | 523,734                 |

**Pensions**

In 2015, the Government introduced reforms to Public Sector Pension Schemes. This resulted in the establishment of a number of new reformed schemes across the public sector. In 2018, the Court of Appeal held that the transitional protection, offered to members who were closer to retirement age, gave rise to unlawful discrimination.

In Northern Ireland, the public service pensions consultation to remove the discrimination identified by the Courts in the 2015 pension reforms closed in November 2020 with the Department of Finance (DoF) response published in February 2021. Her Majesty's Treasury's (HMT) consultation response was also published in February 2021.

The result of the public consultation is a decision to allow members to exercise 'deferred choice'. This means that moving forward, at the point benefits are paid, for example, at retirement, eligible members will be able to choose to receive legacy pension scheme benefits or benefits equivalent to those available under the reformed pension scheme for service between 2015 and 2022. Not all members are better off in the legacy schemes, so it is important that individual members can choose which scheme benefits they want to receive.

This means that implementing the remedy is not a straightforward action of returning all pension members to their pre-2015 schemes.

Full and proper implementation of the remedy requires a number of crucial policy decisions to be made and legislated so as to provide direction for the significant technical complexities that arise as a result of the remedy. Legislation came into force on 1 April 2022 which means that all those members who continue in service will do so as members of the reformed

**1 Performance Report (continued)**  
**1.2 Performance Analysis (continued)**  
**Strategic Outcome Overview (continued)**  
**Strategic Outcome 5 – Financial Management (continued)**

**Pensions (continued)**

schemes, regardless of age, meaning all members will be treated equally in terms of which pension scheme they are a member. This is known as the Prospective Remedy. The legislation for Retrospective Remedy which will enact the deferred choice is not expected to come into force until 2023.

A Business Case has been developed to secure funding for software development and additional resources to administer the remedy. NIFRS continues to engage both nationally and locally to understand the implications and requirements for us to comply with the remedy.



# 1 Performance Report (continued)

## 1.2 Performance Analysis (continued)

### Strategic Outcome Overview (continued)

## STRATEGIC OUTCOME 6 – ASSET MANAGEMENT

### OUTCOME DESCRIPTION

We will ensure the effective development and management of all organisational assets in a way that drives efficiency and supports the delivery of our service.

### RELATED STRATEGIC MEASURES

- SPI 18 - % of actual fleet & engineering.
- SPI 19 - % of actual Planned Preventative Maintenance (PPM) inspections versus scheduled PPM inspections (monthly) (Target - 95%).
- SPI 20 - Attainment of a reduction of 30% in energy usage in buildings by 2030 (Target - 3% year-on-year reduction from 2016/17 baseline). Achievements reported at end of September (Q2) and end of March (Q4).

### 2022-23 HIGHLIGHTS

#### Investment in Fleet

Due to the expiration of the Fleet Replacement Business Case there were no vehicle purchases in 2022-23 (2021-22 – 11 pumping appliances; 1 DIM vehicle and 2 MTA appliances). A replacement Business Case has been developed and is currently moving through the approval process.

#### Stock & Asset Management System

During 2022-23 NIFRS continued to embed the new Stock & Asset Management System (SAM) into all aspects of equipment, PPE and vehicle accountability. It is providing a fully encompassing platform that permits all NIFRS personnel to communicate with on a daily basis managing assets for conception to disposal.

Phase 1 went live on 22nd April 2021 and the last features of phase 1 have now been closed.

Phase 2 will encompass recommendations and improvements made following an internal audit in this area.

#### Building for the Future - Capital Investment

In June 2022 work commenced on the £42.6million final phase of our Learning & Development Centre (LDC) outside Cookstown. This final phase investment will include the building of a specialist driving and road traffic collision training area, a training environment for collapsed buildings and below ground rescue, a flood water rescue training facility and a “call out village” which will include a bungalow, a semi-detached dwelling and a detached dwelling. Work on the final phase is anticipated to complete in May 2024.

# 1 Performance Report (continued)

## 1.2 Performance Analysis (continued)

### Strategic Outcome Overview (continued)

#### Strategic Outcome 6 – Asset Management (continued)

#### **Building for the Future - Capital Investment (continued)**

This Northern Ireland Executive flagship project represents the largest capital build ever undertaken by NIFRS and the new facilities will revolutionise how NIFRS trains and develops its people to protect everyone in Northern Ireland and further professionalise the Service.

During 2022-23 the £1.25m refurbishment of Larne Fire Station concluded and on 6 October 2022 the station was re-opened by Minister Swann. Refurbishment works concluded in Ballynahinch and Pomeroy and new refurbishment schemes commence at Carrickfergus; and Carnlough Fire Stations.

#### **Sustainability and Energy Management**

NIFRS is currently reviewing energy management and sustainability protocols in terms of emissions; waste usage and management; biodiversity; climate change and establishment of baselines in terms of carbon.

This review will continue into 2023-24 with a view to:

- a) Embedding sustainability and energy management within overall governance, decision making and assurance processes.
- b) Featuring sustainability and energy management into performance and project management activities, including the monitoring of impact assessments, and the effective use of sound evidence in policy making; and
- c) Ensuring sustainability and energy management commitments feature in programme and project gateway reviews.

Resultant actions will feed into a Climate Action Plan to support the attainment of the NI Assembly Energy Reduction Scheme 2020-24 target of 30% reduction target by 2030. This reduction is baselined against overall consumption in year 2016-17.

In support of this target the Corporate Services Directorate is currently taking a number of actions as follows:

- The Facilities & Assets Department continues to identify opportunities for environmental management across the entire estate with planned retrofits of a centralised Building Management System during planned modernisation projects.
- All new buildings are required to achieve BREEAM Excellence status. BREEAM (Building Research Establishment Environmental Assessment Method) is the leading and most widely used environmental assessment method for buildings and communities. It sets the standard in sustainable design to ensure the best environmental practice is incorporated into a building.
- Ink cartridges and vehicle oils are currently recycled through the supplier network.
- Additionally, during 2023-24 the Fleet & Engineering Services Department will be scoping the ability to add electric vehicles and the supporting estate to the overall fleet with a view to moving to a more sustainable and energy efficient fleet over the coming years.

**1 Performance Report (continued)**  
**1.2 Performance Analysis (continued)**  
**Strategic Outcome Overview (continued)**  
**Strategic Outcome 6 – Asset Management (continued)**

**Replacement Command & Control Mobilisation Project**

During 2022-23 a contractual issue with the replacement Command & Control system supplier resulted in a NIFRS Board decision on 28 February 2023 to terminate the contract.

This decision was actioned by NIFRS management on 13 March 2023, becoming effective from 0900 hours on 14 March 2023.

This decision to terminate will result in an asset impairment (See Note 6) within the 2022-23 Annual Accounts.

NIFRS will continue to provide an emergency response through our current Regional Control Centre mobilising systems and are currently exploring next steps in consultation with relevant procurement specialists.

**Investment in IT**

In order to meet future business needs, a significant transformation of NIFRS IT systems and services was required. IT infrastructure services are now a shared service, provided by the Business Services Organisation (BSO).

BSO is NIFRS' high performance business partner providing information technology and associated services to defined and agreed service levels.

During 2022-23 significant work was undertaken to strengthen and enhance our IT infrastructure, systems and resilience to support projects including:

- Modernised infrastructure & networks;
- Fit-for-purpose Service Level Agreement (SLA);
- Active Directory migration;
- Improved cyber resilience;
- Strategic project support;
- Regularised licensing; and
- Pilot phases of data warehouse.

A service improvement programme of projects, activities and deliverables has been developed and progress is monitored via the Systems & Processes Group chaired by the Director of Corporate Services.



Signed: \_\_\_\_\_  
Accounting Officer

Date: 21 December 2023

## **2 Accountability Report**

### **2.1 Corporate Governance Report**

#### **Directors' Report**

#### **Overview**

The following Directors Report provides a high level overview of how NIFRS have managed and monitored the following key areas during 2022-23:

- Changes in organisational responsibility within the NIFRS Board and its Executive Team;
- Declared interests and how these link to the Related Party Transactions note;
- Personal Data Incidents detected in year;
- Pension Schemes in operation within NIFRS;
- Charitable donations;
- Compliance with Better Payments Practice Code and Government Accounting rules; and
- Auditor relationship, remuneration and reporting.

#### **NIFRS Board**

The strategic direction, performance and scrutiny of NIFRS is overseen by the NIFRS Board, a body which was established under The Fire and Rescue Services (Northern Ireland) Order 2006. It is a non-departmental public body, with the Department of Health (DoH) as its sponsoring Department. The NIFRS Board is appointed by the Health Minister and comprises a non-executive Chairperson and 10 non-executive Members, 4 of whom are District Councillors and the remainder are Lay Members. The Chief Fire & Rescue Officer is also a member of the NIFRS Board.

A number of changes took place within the NIFRS Board during the year:

- Mr Peter O'Reilly left the Board on 11 June 2022 and was replaced by Mr Andy Hearn on 13 June 2022. Post year-end note – Mr Andy Hearn left on 30 November 2023 and was replaced by Mr Aidan Jennings from 1 December 2023;
- Post year-end note - Ms Carmel McKinney left the Board Chairperson role on 30 June 2023. Mr Jay Colville was appointed as Board Chairperson on 1 July 2023 and will be signing off these accounts;
- Mr Kenneth Henning left the Board on 30 September 2022; and
- Mr Paul Kennedy and Mr Jim Lennon joined the Board on 14 November 2022.

Membership of NIFRS Board as at 31 March 2023:

- Ms Carmel McKinney – Chairperson;
- Mr Andy Hearn – Interim Chief Fire & Rescue Officer;
- Ms Bonnie Anley;
- Cllr Jonathan Craig;
- Cllr Cadogan Enright;
- Cllr Robert Irvine;
- Mr Paul Kennedy;
- Mr Jim Lennon;
- Cllr Thomas O'Hanlon;
- Mr Jim Quinn;
- Mrs Hilary Singleton; and
- Ms Lindsey Smith.

# **1 Performance Report (continued)**

## **1.2 Performance Analysis (continued)**

### **Strategic Outcome Overview (continued)**

#### **Strategic Outcome 6 – Asset Management (continued)**

#### **NIFRS Board (continued)**

As part of a Board Governance Review, Standing Orders, Scheme of Delegation and Standing Financial Instructions were last revised during 2021-22.

#### **Executive Leadership Team (ELT)**

ELT is responsible for the overall management and strategic direction of NIFRS and is accountable to the NIFRS Board.

Membership of ELT as at 31 March 2023 comprised of the following:

- Mr Andy Hearn – Interim Chief Fire & Rescue Officer (Accounting Officer);
- Mr Paul Harper, Deputy Chief Fire & Rescue Officer (Director of Planning, Performance, Governance & Improvement);
- Mr Aidan Jennings, Assistant Chief Fire & Rescue Officer (Director of Operations Delivery);
- Mr Mark Deeney, Temporary Assistant Chief Fire & Rescue Officer (Director of Operations Support);
- Ms Paula White, Director of Corporate Services; and
- Mrs Tabitha Ramsay, Director of People & Culture.

A number of changes took place within ELT during the year:

- The Chief Fire & Rescue Officer/Accounting Officer role was held by the following during 2022-23:
  - Mr Peter O'Reilly (1 April to 11 June 2022); and
  - Mr Andy Hearn (13 June 2022 to 30 November 2023).
- Post year-end note - Mr Aidan Jennings was appointed as Chief Fire & Rescue/Accounting Officer from 1 December 2023 and will be signing off these accounts.
- Following NIFRS Board consideration in May 2022 a fourth principal officer role, Director of Operations Support, was temporarily established pending the outcome of the HMFSI (Scotland) Review Report. This role was held by Mr Dermot Rooney (May – November 2022) and Mr Mark Deeney from 1 December 2022 to year end.
- The Director of Human Resources role was held by Mrs Donna O'Connor from 1 April – 26 June 2022. This role was subsequently designated Director of People & Culture and following a competitive recruitment process, Mrs Tabitha Ramsay was appointed effective from 27 June 2022.

#### **Register of Interests**

On appointment, Board Members and members of ELT are required to declare any personal, financial and business interest which may conflict with their role within NIFRS. All are required to declare this information on an annual basis and to amend as necessary if circumstances change during the year. These Declarations of Interests are maintained and monitored by the Business Assurance & Improvement Unit within the Transformation, Performance & Governance Directorate.

**1 Performance Report (continued)**  
**1.2 Performance Analysis (continued)**  
**Strategic Outcome Overview (continued)**  
**Strategic Outcome 6 – Asset Management (continued)**

**Register of Interests (continued)**

No interests were declared which might conflict with Board or ELT responsibilities (2021-22: none).

**Personal Data Related Incidents**

NIFRS is committed to the control, management and security of information in line with the 8 principles of data protection as outlined in the UK General Data Protection Regulation 2016 and Data Protection Act 2018; and to the adherence of guidance set by the Information Commissioner's Office (ICO). There were 10 potential personal data breaches investigated during 2022-23 (2021-22: 13) all of which were investigated and as necessary referred to the ICO. No ICO action was taken in any instance (2021-22: none).

**Pension Obligations**

NIFRS participates in the Northern Ireland Local Government Pension Scheme (NILGOSC) for the majority of Support and Regional Control Centre (RCC) employees. This is a defined benefit pension scheme. The assets are accumulated in the Scheme, which is multi-employer, and are held separately from the assets of NIFRS. Details on the Pension Obligation are set out in Note 3 to the Statement of Accounts and additional information is set out in Accounting Policy.

Details of the NIFRS Firefighters' Pension Schemes are set out in the Pension Accounts.

**Charitable Donations**

No charitable donations were made which resulted in financial expenditure in 2022-23 (2021-22: £Nil).

**Prompt Payment**

DoH requires that NIFRS pays their trade creditors in accordance with the Better Payments Practice Code and Government Accounting rules. In 2022-23 NIFRS paid 99.3% of trade creditors within the 30 day target (2021-22: 97.9%) and 96.4% of trade creditors within the 10 day target (2021-22: 93.6%). Full details are disclosed in Note 14 of the Annual Accounts.

**Disclosure of Information to Auditor**

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that NIFRS Auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the Auditors are unaware.

As Accounting Officer, I confirm that the Annual Report & Statement of Accounts as a whole is fair, balanced and understandable and I take personal responsibility for the Annual Report & Statement of Accounts and the judgements required for determining that it is fair, balanced and understandable.

**1 Performance Report (continued)**  
**1.2 Performance Analysis (continued)**  
**Strategic Outcome Overview (continued)**  
**Strategic Outcome 6 – Asset Management (continued)**

**Auditors' Remuneration**

The Comptroller & Auditor General was appointed statutory auditor from 1 April 2003 following the Audit & Accountability (Northern Ireland) Order 2003. She is the Head of the

Northern Ireland Audit Office (NIAO) and she and her staff are wholly independent of NIFRS, reporting their findings to the NI Assembly.

The cost of the audit for the year ended 31 March 2023, which pertained solely to the audit of the Annual Accounts, was £59.5k (2020-21: £56k).

**Certificate of Accounting Officer**

I certify that the Annual Report & Statement of Accounts and Notes to the Accounts (Operating Accounts, pages 95 - 147; Pension Accounts, pages 153 - 193) of NIFRS have been compiled from, and are in accordance with, the accounts and financial records maintained by NIFRS and with the Accounting Standards and Policies for Non-Departmental Public Bodies approved by DoH.



Signed: \_\_\_\_\_  
Accounting Officer

Date: 21 December 2023



## **2 Accountability Report (continued)**

### **2.1 Corporate Governance Report (continued)**

#### **Statement of Accounting Officer's Responsibilities**

Under Schedule 1, Para 15(2) of The Fire and Rescue Services (Northern Ireland) Order 2006, the Department of Health has directed Northern Ireland Fire & Rescue Service (NIFRS) to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of NIFRS and of its income and expenditure, statement of financial position, changes in taxpayer's equity and cash flows for the financial year.

In preparing the financial statements the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to -

- Observe the Accounts Direction issued by the Department of Health, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in FReM have been followed, and disclose and explain any material departures in the Accounts;
- Prepare the Accounts on a going concern basis, unless it is inappropriate to presume that the HSC body will continue in operation; and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Permanent Secretary of the Department of Health as Principal Accounting Officer for Health and Social Care Resources in Northern Ireland has designated Andy Hearn of NIFRS as the Accounting Officer for NIFRS. The responsibilities of an Accounting Officer, including responsibility for the regularity and propriety of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding NIFRS' assets, are set out in the formal letter of appointment of the Accounting Officer issued by the Department of Health, Chapter 3 of Managing Public Money Northern Ireland (MPMNI) and the HM Treasury Handbook: Regularity and Propriety.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that NIFRS' auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

## **2 Accountability Report (continued)**

### **2.1 Corporate Governance Report (continued)**

#### **Year-End Governance Statement 2022-23**

#### **1 INTRODUCTION/SCOPE OF RESPONSIBILITY**

The Board of the Northern Ireland Fire & Rescue Service (NIFRS) is accountable for internal control. As Accounting Officer of NIFRS, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am responsible in accordance with the responsibilities assigned to me by the Department of Health (DoH).

#### **Accountability Arrangements**

Under The Fire and Rescue Services (Northern Ireland) Order 2006; The Fire Safety Regulations (Northern Ireland) 2010; and The Fire and Rescue Services (Emergencies) Order (Northern Ireland) 2011, NIFRS responds to fires, road traffic collisions and other emergencies including chemical, biological, radiological or nuclear incidents, search and rescue incidents, serious flooding and serious transport incidents.

NIFRS, through its Board and Officers, is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

NIFRS, as a Non-Departmental Public Body, is accountable to DoH for all its actions and specifically the roles and responsibilities laid out in the agreed Management Statement and Financial Memorandum (MSFM) (July 2017). This accountability is managed through day to day interaction with the Public Safety Unit (PSU) and more formally via Ground Clearing and Accountability Meetings scheduled throughout the year. DoH representatives are also invited to all NIFRS Board and Audit, Risk & Governance Committee Meetings.

Throughout 2022-23 the appointed Accounting Officer fully complied with the Accounting Officer Memorandum.

During 2022-23 NIFRS worked closely with the Business Services Organisation (BSO), another Arms-Length Body (ALB), and a Service Level Agreement was in place for the full financial year.

#### **Partnership Working**

Partnership is at the core of how NIFRS delivers its Service Delivery Model across the Service Delivery Directorate encompassing Prevention, Protection, Response, and Resilience functions. With an increased emphasis on partnership working, NIFRS has been actively engaged in shared projects with partners for a number of years. All existing partnerships are fully documented through Memoranda of Understanding and/or agreed Inter-Agency Partnership Agreements and Response Plans.

Within the Prevention and Protection functions NIFRS continues to work in partnership with a wide range of statutory and voluntary organisations to deliver Fire Safety and Road Safety interventions to those most at risk. NIFRS currently have 100 People at Risk Partnerships (2021-22: 114) and 70+ Road Safety Partnerships (2021-22: 70+) agreed and in place.

## **2 Accountability Report (continued)**

### **2.1 Corporate Governance Report (continued)**

#### **Year-End Governance Statement 2022-23 (continued)**

#### **Partnership Working (continued)**

Across the Response and Resilience functions NIFRS continues to work in partnership with a wide range of organisations through the development of a number of Memoranda of Understanding. NIFRS has enhanced its collaboration and effective partnership working with partner emergency services through the combined delivery of the Joint Emergency Services Interoperability Principles (JESIP).

#### **Budget Position and Authority**

Ordinarily authorisation of public spending in Northern Ireland would be taken through the Northern Ireland Assembly by Ministers in the Northern Ireland Executive. However, the devolved institutions have not functioned since February 2022 when the then First Minister of Northern Ireland resigned and the Deputy First Minister ceased to hold office.

The continued absence of a functioning Executive and the failure of the Assembly to elect a speaker following elections held in May 2022 has prevented the Assembly conducting business. It has thus fallen to the UK Parliament to legislate to provide authority for public expenditure in Northern Ireland.

Despite not having passed a Budget Bill for the 2022-23 financial year, public spending in Northern Ireland has continued as a result of provisions in the previous year's Budget Act and the invocation of emergency powers.

The Budget Act (Northern Ireland) 2022 provided authorisations and appropriations for the full 2021-22 financial year. In addition, it provides for a 'vote on account' which allowed access to cash and resources in the 2022-23 financial year approximating 45% of those authorised for 2021-22.

The exhaustion of these 'vote on account' funds and the lack of a Budget Bill for 2022-23 led the Permanent Secretary of the Department of Finance in Northern Ireland to invoke emergency powers. These provide access to funds up to a limit of 95% of the previous year's funding envelope, to ensure public services would continue to be delivered.

The Northern Ireland Budget Bill 2022–23 which received Royal Assent on 8 February 2023 subsequently provided the authorisations and appropriations for the balance for the full 2022-23 financial year.

## **2 COMPLIANCE WITH CORPORATE GOVERNANCE BEST PRACTICE**

NIFRS applies the principles of good practice in Corporate Governance and continues to further strengthen its governance arrangements. NIFRS does this by undertaking continuous assessment of its compliance with corporate governance best practice by:

- Implementing recommendations within internal and external audit reports;
- Self-assessment documents covering Board and Audit, Risk & Governance Committee effectiveness; and
- Completion of self-assessments documents in the areas of Information Governance, Risk Management, Governance, Health & Safety, Security Management, Human Resources and Emergency Planning.

## **2 Accountability Report (continued)**

### **2.1 Corporate Governance Report (continued)**

#### **Year-End Governance Statement 2022-23 (continued)**

#### **Compliance with Corporate Governance Best Practice (continued)**

Good governance best practice requires Boards to carry out a board effectiveness evaluation annually, using the Board Self-Assessment template, with independent input at least once every 3 years.

In June 2022 an Independent Review Team, appointed by the Permanent Secretary of the Department of Health, commenced a Review looking at Governance as one of their key review areas. This Review Report is due to report in June 2023 and any resultant recommendations will form part of an overarching Action Plan.

During 2017-18 BSO Internal Audit carried out an independent review of Board Effectiveness providing satisfactory assurance in relation to Board Effectiveness. A further audit was scheduled to take place during 2022-23 however given the Independent Review this was deferred into 2023-24.

### **3 GOVERNANCE FRAMEWORK**

In discharging this accountability, Board Members and Senior Officers are responsible for putting in place proper arrangements for the governance of NIFRS' affairs and the stewardship of the resources at its disposal. To this end, NIFRS has approved and adopted a Corporate Governance Framework which is consistent with the principles and reflects the requirements of the Good Governance Standard for Public Services.

The Corporate Governance Framework is underpinned by a number of documents including but not limited to:

- NIFRS Standing Orders;
- NIFRS Standing Financial Instructions;
- NIFRS Scheme of Delegation;
- NIFRS Schedule of Matters Reserved for Board Decisions; and
- Accounting Officer Memorandum.

In addition, the NIFRS Assurance Framework outlines roles, responsibilities and reporting requirements with respect to achievement of corporate objectives through planning and management of risk.

NIFRS is committed to fulfilling its responsibilities in accordance with the highest standards of good governance, underpinned by the ethical behaviour of Officers and Members.

NIFRS Corporate Governance Framework has been in place for the duration of the year ended 31 March 2023 and up to the date of approval of the Statement of Accounts.

The key organisational structures which support the delivery of corporate governance in NIFRS comprise:

- NIFRS Board;
- NIFRS Board Committees;
- Chief Fire & Rescue Officer (Accounting Officer); and
- Executive Leadership Team.

## **2 Accountability Report (continued)**

### **2.1 Corporate Governance Report (continued)**

#### **Year-End Governance Statement 2022-23 (continued)**

#### **Corporate Governance Framework (continued)**

##### **NIFRS Board**

The Fire and Rescue Services (Northern Ireland) Order 2006 established the NIFRS Board to replace the Fire Authority for Northern Ireland from 1 July 2006. The full Board complement comprises of a Non-Executive Chairperson, the Chief Fire & Rescue Officer and 10 Non-Executive Members, 4 of whom are District Councilors and the remainder are Lay Members.

The Chairperson and Board Members are appointed by the Minister for a period of no more than 4 years in line with the guidance of the Commissioner for Public Appointments for Northern Ireland.

During 2022-23, 1 Member left the NIFRS Board on 30 September 2022 and there were 2 new appointees to the NIFRS Board commencing on 14 November 2022. One Member was appointed to fill the in-year vacancy; and the second new Member was appointed into the Finance Non-Executive Member (NEM) role which became vacant following a Member resignation on 6 October 2021.

The NIFRS Board provides leadership, vision and strategic direction to the management of NIFRS operations, employees and financial systems. The detailed functions, duties and powers of the NIFRS Board are set out in The Fire and Rescue Services (NI) Order 2006 and the roles of the Chairperson of the Board and its Members are further set out in the Management Statement between DoH and NIFRS which was last updated in July 2017.

Board attendance and performance are reviewed annually as part of the Board Appraisal process. All Board Meetings were quorate. Attendance at each of the 16 Board Meetings during 2022-23 is shown overleaf:

**2 Accountability Report (continued)**  
**2.1 Corporate Governance Report (continued)**  
**Year-End Governance Statement 2022-23 (continued)**

**NIFRS Board (continued)**

| Meeting Date          | Bonnie Anley | Jonathan Craig | Cadogan Enright | Andy Hearn (3) | Ken Henning (4) | Robert Irvine | Paul Kennedy (5) | Jim Lennon (6) | Carmel McKinney | Thomas O'Hanlon | Jim Quinn | Peter O'Reilly (7) | Hilary Singleton | Lindsey Smith |  | Total Attendees | Board Size | % of Total |
|-----------------------|--------------|----------------|-----------------|----------------|-----------------|---------------|------------------|----------------|-----------------|-----------------|-----------|--------------------|------------------|---------------|--|-----------------|------------|------------|
| 26 April 2022 (1)     | ✓            | ✓              | ✓               |                | ✓               | X             |                  |                | ✓               | X               | X         | ✓                  | ✓                | ✓             |  | 8               | 11         | 72.7       |
| 26 April 2022 (1)(2)  | ✓            | ✓              | ✓               |                | ✓               | ✓             |                  |                | ✓               | X               | ✓         | X                  | ✓                | ✓             |  | 9               | 11         | 81.8       |
| 3 May 2022 (1)        | ✓            | ✓              | ✓               |                | ✓               | ✓             |                  |                | ✓               | X               | ✓         | X                  | ✓                | ✓             |  | 9               | 11         | 81.8       |
| 3 May 2022 (1)(2)     | ✓            | X              | ✓               |                | ✓               | ✓             |                  |                | ✓               | X               | ✓         | X                  | ✓                | ✓             |  | 8               | 11         | 72.7       |
| 19 June 2022 (1)(2)   | X            | ✓              | X               | X              | X               | ✓             |                  |                | ✓               | X               | ✓         |                    | ✓                | ✓             |  | 6               | 11         | 54.5       |
| 5 July 2022 (1)       | ✓            | ✓              | X               | ✓              | ✓               | ✓             |                  |                | ✓               | X               | ✓         |                    | ✓                | ✓             |  | 9               | 11         | 81.8       |
| 30 August 2022        | ✓            | ✓              | X               | ✓              | ✓               | ✓             |                  |                | ✓               | X               | ✓         |                    | ✓                | ✓             |  | 9               | 11         | 81.8       |
| 21 September 2022 (1) | X            | X              | X               | X              | ✓               | ✓             |                  |                | ✓               | X               | ✓         |                    | ✓                | ✓             |  | 6               | 11         | 54.5       |
| 27 September 2022     | ✓            | ✓              | ✓               | ✓              | X               | ✓             |                  |                | ✓               | ✓               | ✓         |                    | ✓                | ✓             |  | 10              | 11         | 90.9       |
| 25 November 2022 (1)  | ✓            | ✓              | ✓               | ✓              |                 | ✓             | ✓                | X              | ✓               | ✓               | ✓         |                    | ✓                | ✓             |  | 11              | 12         | 91.7       |
| 6 December 2022       | X            | ✓              | X               | ✓              |                 | X             | ✓                | ✓              | ✓               | ✓               | X         |                    | ✓                | ✓             |  | 8               | 12         | 66.7       |

**2 Accountability Report (continued)**  
**2.1 Corporate Governance Report (continued)**  
**Year-End Governance Statement 2022-23 (continued)**

**NIFRS Board (continued)**

| Meeting Date            | Bonnie Anley | Jonathan Craig | Cadogan Enright | Andy Hearn (3) | Ken Henning (4) | Robert Irvine | Paul Kennedy (5) | Jim Lennon (5) | Carmel McKinney | Thomas O'Hanlon | Jim Quinn | Peter O'Reilly (6) | Hilary Singleton | Lindsey Smith |  | Total Attendees | Board Size | % of Total |
|-------------------------|--------------|----------------|-----------------|----------------|-----------------|---------------|------------------|----------------|-----------------|-----------------|-----------|--------------------|------------------|---------------|--|-----------------|------------|------------|
| 12 January 2023 (1)(2)  | X            | ✓              | ✓               | X              |                 | ✓             | ✓                | X              | ✓               | ✓               | ✓         |                    | ✓                | ✓             |  | 9               | 12         | 75.0       |
| 12 January 2023 (1)     | X            | ✓              | ✓               | ✓              |                 | ✓             | ✓                | ✓              | ✓               | X               | ✓         |                    | ✓                | ✓             |  | 10              | 12         | 83.3       |
| 27 January 2023 (1)(2)  | ✓            | ✓              | ✓               | ✓              |                 | ✓             | ✓                | ✓              | ✓               | ✓               | ✓         |                    | ✓                | ✓             |  | 12              | 12         | 100.0      |
| 13 February 2023 (1)(2) | ✓            | ✓              | ✓               | ✓              |                 | ✓             | ✓                | X              | ✓               | ✓               | ✓         |                    | ✓                | ✓             |  | 11              | 12         | 91.7       |
| 28 February 2023        | ✓            | X              | ✓               | ✓              |                 | ✓             | ✓                | ✓              | ✓               | X               | ✓         |                    | ✓                | ✓             |  | 10              | 12         | 83.3       |

**Notes (1)** Special Board Meeting **(2)** Closed Session **(3)** Joined 13 June 2022 **(4)** Leaver 30 September 2022 **(5)** Joined 14 November 2022 **(6)** Leaver 11 June 2022  
 ✓ Present at meeting X Absent for meeting



## **2 Accountability Report (continued)**

### **2.1 Corporate Governance Report (continued)**

#### **Year-End Governance Statement 2022-23 (continued)**

#### **NIFRS Board (continued)**

All Board Members have received a copy of the Department's Code of Conduct and Code of Accountability. Compliance with this Code is monitored by the Board Chairperson as part of each Non-Executive Board Members' annual appraisal.

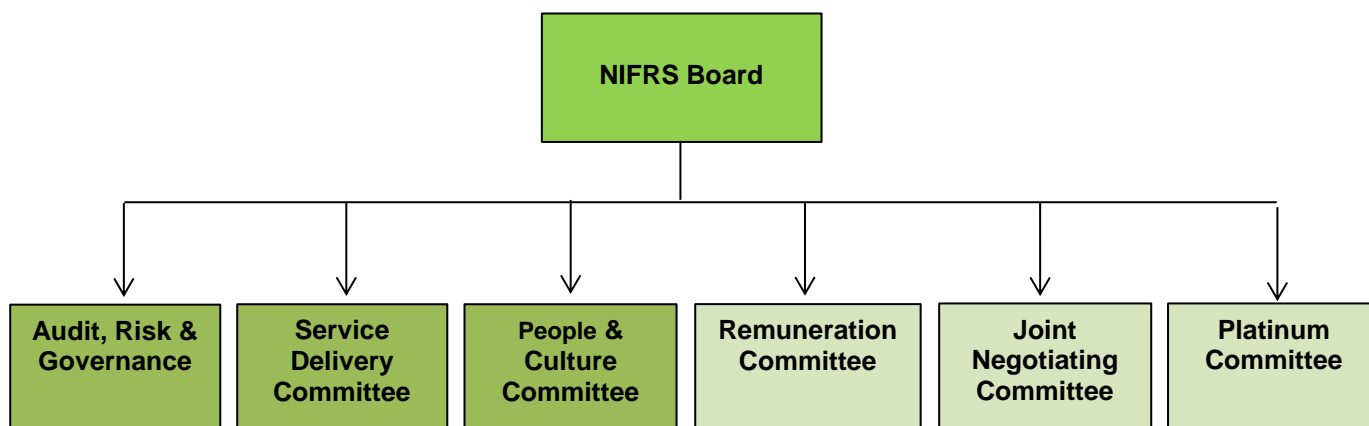
No issues were detected in respect of Board performance during 2022-23.

#### Board Committees (to 31 March 2023)

The NIFRS Board is supported by 3 Primary Standing Committees which meet 6 times per year. All remaining Committees meet on an ad-hoc basis.

All Standing Committees are regulated by Terms of Reference which were last reviewed and approved by the NIFRS Board in September 2020.

The Standing Orders document also provides a framework through which Board and Committee Meetings are conducted and regulated.



#### Audit, Risk & Governance Committee

The Audit, Risk & Governance Committee is responsible for ensuring that all NIFRS financial and operating systems reflect best practice and ensure adequate safeguards against fraud and theft.

The Terms of Reference for the Audit, Risk & Governance Committee (AR&GC) were approved by the NIFRS Board in September 2020.

All Internal and External Audit reports and recommendations are presented to this Committee along with details of any suspected/proven frauds and the quarterly analysis of Corporate and Directorate risk assessments.

The Chairperson of AR&GC provides a verbal update at each Board Meeting following an Audit, Risk & Governance Meeting and the Minutes from Meetings are provided to the full Board Meeting to ensure full disclosure.

## **2 Accountability Report (continued)**

### **2.1 Corporate Governance Report (continued)**

#### **Year-End Governance Statement 2022-23 (continued)**

#### **NIFRS Board (continued)**

##### *Audit, Risk & Governance Committee (continued)*

In 2022-23 AR&GC carried out a self-assessment exercise using the National Audit Office's Audit Committee Self-Assessment Checklist. This exercise highlighted an issue which required addressing, specifically the development and implementation of a revised Assurance Framework.

Plans are in place to address this issue as part of the ongoing governance review which will involve a review of key governance documents and Board information requirements. It is anticipated that the will be completed by 30 September 2023.

##### *Other Standing Committees*

The Service Delivery; People & Culture; Remuneration; and Joint Negotiating Committees are responsible for monitoring and developing policies to ensure that the Board is meeting its statutory obligations in relation to all aspects of operational service delivery; health & safety; service support; human resource and cultural issues and transformation whilst ensuring systems are in place to ensure the delivery of the organisation's strategic outcomes.

As with AR&GC, the Chairpersons of the above Committees provide a verbal update at each Board Meeting following Standing Committee Meetings; the Minutes from these Meetings are also provided to the full Board Meeting to ensure full disclosure.

The Chairperson of the Service Delivery Committee is the Board appointed Champion for Health & Safety.

The Platinum Committee is in place to provide an oversight and challenge function and act as a Board decision-making body in exceptional or emergency circumstances.

#### **NIFRS Pensions Scheme Governance Framework**

The NIFRS Pension Scheme Governance Framework aligns to Code of Practice Number 14 as published by The Pensions Regulator for the Governance and Administration of Public Service Pension Schemes.

DoH is the Regulatory Authority for NIFRS Pension Schemes and they amend regulations as necessary and make the policy decisions in relation to the operation of the Schemes.

The NIFRS Board is the Scheme Manager for the Firefighter Pension Schemes and is responsible for managing and administering the Schemes. In practice, the NIFRS Finance Directorate carries out the routine administration of the Schemes, for example the day to day running of the Schemes, including the collection and allocation of contributions and payment of benefits.

The NIFRS Pensions Board is responsible for assisting the Scheme Manager:

## **2 Accountability Report (continued)**

### **2.1 Corporate Governance Report (continued)**

#### **Year-End Governance Statement 2022-23 (continued)**

#### **NIFRS Pensions Scheme Governance Framework (continued)**

- (a) to secure compliance with regulation and legislation relating to the governance and administration of the Schemes and requirements imposed by The Pensions Regulator; and
- (b) to ensure the effective and efficient governance and administration of the Schemes.

The Scheme Advisory Board is responsible for providing advice to:

- (a) DoH on the desirability of making changes to the Schemes; and
- (b) the Scheme Manager and the Pensions Board in relation to the effective administration and management of the Schemes.

Day to day administration of the NIFRS pension schemes is managed by HSC Pensions. This service is provided via a Service Level Agreement (SLA).

#### **Chief Fire & Rescue Officer (Accounting Officer)**

The Chief Fire & Rescue Officer is the designated Accounting Officer for NIFRS and is also a Member of the NIFRS Board. The Chief Fire & Rescue Officer leads on day to day matters supported by the Executive Leadership Team. There was a change of Accounting Officer during 2022-23. Mr Peter O'Reilly was Accounting Officer 1 April – 11 June 2022 and Mr Andy Hearn was Accounting Officer from 13 June 2022 – 31 March 2023.

#### **Executive Leadership Team**

ELT is responsible for the overall management and strategic direction of NIFRS and is accountable to the NIFRS Board.

Membership of ELT as at 31 March 2023 comprised of the following:

- Mr Andy Hearn, Chief Fire & Rescue Officer – from 13 June 2022;
- Mr Paul Harper, Deputy Chief Fire & Rescue Officer;
- Mr Aidan Jennings, Assistant Chief Fire & Rescue Officer;
- Mr Mark Deeney, Temporary Assistant Chief Fire & Rescue Officer – from 1 December 2022;
- Ms Paula White, Director of Corporate Services; and
- Mrs Tabitha Ramsay, Director of People & Culture – from 27 June 2022.

## **4 FRAMEWORK FOR BUSINESS PLANNING AND RISK MANAGEMENT**

Business planning and risk management is at the heart of governance arrangements to ensure that statutory obligations and ministerial priorities are properly reflected in the management of business at all levels within the organisation.

## **2 Accountability Report (continued)**

### **2.1 Corporate Governance Report (continued)**

#### **Year-End Governance Statement 2022-23 (continued)**

#### **NIFRS' Business Planning Process**

Strategic planning sets the direction for NIFRS over a 5 year period, how it is going to get there and how it measures success.

During 2022-23 NIFRS used a purpose/vision/outcome based method of planning where planning was carried out using a top-down bottom-up approach. This strategic planning process involves:

- Developing the Purpose, Vision and Value Statements;
- Determining the strategic outcomes NIFRS must reach if it is to effectively work towards its purpose and achievement of the pre-defined purpose;
- Identifying specific approaches and action plans that must be implemented to attain each strategic outcome;
- Compiling the vision, purpose, strategic outcomes and action plans into a Strategic Planning document; and
- Monitoring implementation of the Plan and updating the Plan as needed.

Top-level management, including the Board and other relevant internal/external stakeholders, were involved in developing and agreeing the Purpose, Vision, Value and Strategic Outcome statements which were implemented following Ministerial sign off.

NIFRS uses various scanning techniques to determine how it is affected by its environment (internal and external) in terms of political, economic, social and technological influences. These processes look at both operational and organisational drivers to determine priorities.

The combination of outcomes provides a basis for the analysis of business and environmental factors in terms of what we are doing and more importantly, what NIFRS should be doing going forward.

The NIFRS Board and ELT use this information to carry out a risk assessment which clearly highlights key goals for the organisation broken up by theme and actions necessary to alleviate the highest areas of risk to the organisation.

The Strategic Annual Business Plan 2022-23 was generated based on the updated strategic outcomes and included DoH ALB Annual Compliance Targets. The Annual Business Plan 2022-23 was presented to and approved by the NIFRS Board. The plan became operational on 1 April 2022 and was subject to a mid-year prioritisation review on 8 November 2022.

Results against targets and performance measures are reported quarterly to the Board; these would normally be discussed at bi-annual Ground Clearing and Accountability Meetings with DoH; and will be included in the Annual Report at the year end. DoH compliance

#### **NIFRS' Risk Management Process**

NIFRS Assurance Framework and Strategic Risk Management Policy & Procedure state how risks will be identified, evaluated, controlled and escalated. These documents also describe the ways through which risk management activities have become embedded in the activities of NIFRS.

## **2 Accountability Report (continued)**

### **2.1 Corporate Governance Report (continued)**

#### **Year-End Governance Statement 2022-23 (continued)**

#### **NIFRS' Risk Management Process (continued)**

NIFRS is committed to establishing and maintaining a systematic approach to the identification and management of risk.

During 2022-23 NIFRS Board, Executive Leadership Team and Senior Leadership Team carried out a fundamental review of the risk profile via a series of workshops on 24 May, 13 June and 8 November 2022. During these workshops the organisational risks underpinning Directorate level risks and issues were reviewed and challenged.

As at 31 March 2023 NIFRS were reporting on 15 organisational risks and 50 Directorate level risks/issues.

The Risk Management Policy & Procedure, which was in place throughout 2022-23, aims to:

- Clearly define the roles, responsibilities and reporting lines for risk management including Board; Audit, Risk & Governance Committee (AR&GC); and Strategic Risk Management Group levels;
- Include risk management issues when writing reports and considering decisions;
- Continue to demonstrate the application of risk management principles in the activities of NIFRS, its employees and Board Members;
- Reinforce the importance of effective risk management as part of the everyday work of employees and Members;
- Maintain a register of risks linked to NIFRS' Strategic and Directorate outcomes, also those risks linked to working in partnership;
- Maintain documented procedures on the control of risk and provision of suitable information, training and supervision;
- Maintain an appropriate system for recording health and safety incidents and identifying preventative measures against recurrence;
- Prepare contingency plans to secure business continuity where there is a potential for an event to have a major impact upon NIFRS' ability to function; and
- Monitor arrangements continually and seek continuous improvement.

Risk Management within NIFRS does not equate to risk avoidance and may involve taking steps to reduce risk to an acceptable level or transferring risk to a third party.

Organisationally, risk appetite links to the various methods for constraining threats and taking advantage of opportunities. In general NIFRS uses five main ways (Tolerate, Treat, Transfer Terminate or Take the Opportunity) to manage risk, dependent on the nature of the risk and the Board viewpoint on risk.

During the Policy review process the NIFRS Board spent time considering and discussing its risk appetite which included (i) outlining their position with respect to different categories of risk; and (ii) defining tolerance levels in respect to day-to-day management of risk.

The NIFRS Risk Appetite Statement is appended to the Risk Management Policy and is subject to review on an annual basis. The 2022-23 review took place as part of Risk Management Workshops held on 24 May and 13 June 2022. The NIFRS Risk Appetite Statement did not require any amendment.

## **2 Accountability Report (continued)**

### **2.1 Corporate Governance Report (continued)**

#### **Year-End Governance Statement 2022-23 (continued)**

#### **NIFRS' Risk Management Process (continued)**

The NIFRS Board has delegated day to day risk management activities to the Chief Fire & Rescue Officer/Accounting Officer and to ELT and as such we have put appropriate internal controls in place to mitigate detected risks.

Risk Management training is provided as part of the Induction Process for new staff members and further tailored face-to-face training is provided to Board Members, managers, functional leads and senior management via workshops, functional training seminars and one-to-one engagement. An e-learning package has been developed and is currently being rolled-out.

Senior Leaders are responsible for highlighting the areas of risk within their Directorates and functions which may inhibit or prevent the achievement of NIFRS' Purpose, Vision, Values and Strategic Outcomes.

Once recorded, risks are then assessed against likelihood and impact assessment tables to give an indication of overall risk; and all functional risks are then pooled. As overall resources are currently limited, work is prioritised based on Board risk appetite.

Both the Strategic Annual Business Plan and Strategic Risk Register are updated on a quarterly basis and presented to the NIFRS Board or Standing Committees thereof.

During 2022-23 an Internal Audit provided satisfactory assurance, defined 'while there may be some residual risk identified, this should not significantly impact on the achievement of system objectives', for the area of Risk Management.

## **5 INFORMATION RISK**

### **Information Governance including Data Protection and Freedom of Information**

NIFRS holds personal and/or sensitive information both electronically and in hard copy, and this information is controlled and managed in line with the UK General Data Protection Regulations (2016), Data Protection Act (2018) and adherence to the guidance set by the Information Commissioner's Office (ICO).

All requests for personal information are governed by the NIFRS Data Protection Policy and NIFRS Guidance on the Management of Personal Files.

All new NIFRS systems or changes to existing systems are subject to a Data Protection Impact Assessment (DPIA) which will look at data uses; data exchange; and data disposal with an emphasis on personal and sensitive data. Where information is being exchanged with third parties, this will be managed under the auspices of the NIFRS Data Sharing Protocol. In such instances each party to the exchange will document and validate the data exchange process before signing up to a Data Sharing Agreement. In light of EU Exit, NIFRS reviewed existing Data Sharing Agreements with neighbouring Fire & Rescue Services based in the Republic of Ireland. In such instances International Data Sharing Agreements were developed and signed off.



## **2 Accountability Report (continued)**

### **2.1 Corporate Governance Report (continued)**

#### **Year-End Governance Statement 2022-23 (continued)**

#### **Information Governance including Data Protection and Freedom of Information (continued)**

All employees must comply with the NIFRS Code of Conduct (2022) which at paragraph 11.2 requires all employees “to protect official information held in confidence”.

The Senior Information Risk Officer (SIRO) is responsible for ensuring that compliance monitoring and reporting processes are in place.

During 2022-23 NIFRS developed and implemented year 4 of the Information Management Action Plan focused on addressing areas of concern including:

- Strategy & Policy review/update;
- Training;
- Management of Data Breaches;
- Completion of Data Protection Impact Assessments for new systems/processes; and
- Records Management.

There were 10 potential personal data breaches investigated during 2022-23 (2021-22: 13) all of which were investigated and as necessary referred to the ICO. No ICO action was taken in any instance.

#### **ICT Security Risks**

ICT security forms part of the contractual relationship with BSO. A full audit of IT equipment was carried out along with a network security review and a security action plan was subsequently developed with a view to protecting the data contained within the NIFRS network. Work continues on the implementation of this action plan.

The ICT Security Policy is available on all desktops and employees must acknowledge the Policy every time they log onto the system. All new employees are required to read and sign a copy of the Policy as part of their induction process.

Systems access is password controlled, application owners authorise the nature and extent of user access privileges and such privileges are reviewed by application owners to ensure access privileges remain appropriate. The use of data storage devices such as USB drives is prohibited.

Software is in place to monitor email and internet traffic into and out of the organisation (taking into account data protection requirements) with reports generated and reviewed on a daily basis for potential security breaches.

In addition with regard to electronic methods of protecting the network, appropriate physical security measures are in place with regard to the central and backup server rooms.

## **6 FRAUD**

NIFRS takes a zero tolerance approach to fraud in order to protect and support our key public services. We have put in place a Fraud Policy and Fraud Response Plan to outline our



## **2 Accountability Report (continued)**

### **2.1 Corporate Governance Report (continued)**

#### **Year-End Governance Statement 2022-23 (continued)**

#### **Fraud (continued)**

approach to tackling fraud, define staff responsibilities and the actions to be taken in the event of suspected or perpetrated fraud, whether originating internally or externally to the organisation.

The NIFRS Fraud Liaison Officer promotes fraud awareness, co-ordinates investigations in conjunction with the BSO Counter Fraud and Probity Services team and provides advice to personnel on fraud reporting arrangements. All staff are provided with mandatory fraud awareness training in support of the Fraud Policy and Fraud Response Plan, which are kept under review and updated as appropriate.

From 1 February 2023, HSC (F) 33-2022 places responsibility on Counter Fraud Services (CFS) at the Business Services Organisation (BSO) for conducting all investigations of fraud within or against Health and Social Care Bodies (HSC) and NIFRS. The Fraud Policy and Fraud Response Plan are currently being updated to reflect this change. Revised mandatory e-learning training will be rolled-out in early in 2023-24.

At 31 March 2023 there was 1 case under consideration by BSO Counter Fraud Services (2020-21: nil).

## **7 PUBLIC STAKEHOLDER INVOLVEMENT**

NIFRS has established a number of inter-agency partnerships and continues to use mechanisms such as:

- Public consultation exercises;
- Social media interaction; and
- Involvement in Community Safety Partnerships;

to help engage with external stakeholders thus allowing NIFRS to discharge its proactive engagement responsibilities in respect of firefighting, road traffic collisions and other emergencies as laid down in The Fire and Rescue Services (Northern Ireland) Order 2006 and The Fire and Rescue Services (Emergencies) Order (Northern Ireland) 2011.

Stakeholder engagement is used primarily to support service delivery and does not routinely result in the identification and management of risks. If risks are identified during this process they will be recorded and managed through the Strategic Risk Management Policy & Procedure.

## **8 ASSURANCE**

NIFRS' system of internal control is based on ongoing management and review processes introduced to minimise the impact of risks to the achievement of NIFRS' Purpose, Vision, Values and Strategic Outcomes. This system of internal control has been in operation

## **2 Accountability Report (continued)**

### **2.1 Corporate Governance Report (continued)**

#### **Year-End Governance Statement 2022-23 (continued)**

#### **Assurance Processes (continued)**

throughout the financial year ended 31 March 2023 and up to the date of approval of the Annual Report & Accounts.

NIFRS' internal control environment is fundamental to the operation of the Assurance Framework and is designed to manage risk to acceptable levels. NIFRS' internal control environment includes:

- A high level vision/core purpose embedded in the service planning, delivery, risk management and performance management frameworks;
- A hierarchical management structure governed by ELT responsible for overseeing the running of the Fire Service supported by the SLT and a range of Senior Managers responsible for the day to day management of their respective Directorates;
- A comprehensive budget setting and monitoring framework including clearly defined guidelines and responsibilities with frequent reporting of performance to the NIFRS Board;
- A contracted-out Internal Audit service, meeting all professional standards, supports NIFRS in the achievement of its improvement agenda and has responsibility for the continual review of major financial controls and the wider internal control environment;
- A Corporate Governance Framework that is assessed annually by Internal Audit in terms of compliance with the assurance requirements. Progress is reported to ELT and AR&GC;
- An Assurance Framework, Strategic Risk Management Policy & Procedure, and Strategic Risk Register approved and monitored by AR&GC and NIFRS Board. The Assurance Framework (under review) demonstrates that risk management arrangements are robust and embedded within the Service planning and decision-making processes of the Board;
- Regular risk management reports are presented to AR&GC outlining key risks (and their relevant movements);
- Published Raising Concerns and Fraud Policies to ensure correct reporting and investigation of suspected fraudulent activities;
- Environmental scanning including taking cognisance of NIAO Value for Money Reports and related learning;
- An AR&GC to oversee the work of the Internal and External Audit functions and further this committee provides independent assurance of the effectiveness of:
  - the governance arrangements of NIFRS and its services;
  - NIFRS' risk management framework and the associated control environment;
  - NIFRS' financial management framework processes and the way this relates to the performance of individual functions and the Service as a whole; and
- Regular briefings for Members of NIFRS Board/Standing Committees on all significant financial, operational and strategic decisions.

NIFRS is now attending the Arms-Length Bodies (ALB) Forum.

NIFRS have regularly reported to the AR&GC on Raising Concerns activities as detailed in the published Raising Concerns Policy & Procedure. In 2022-23 NIFRS managed 13 raising concern complaints (12 new and 1 prior year) (2021-22: 8 new), 9 of which were managed

**2 Accountability Report (continued)**  
**2.1 Corporate Governance Report (continued)**  
**Year-End Governance Statement 2022-23 (continued)**

**Assurance Processes (continued)**

under the auspices of either the Fraud Policy (4) or a Human Resources Policy (5). NIFRS deem the existing Policy and Procedure, in place throughout 2022-23 and last reviewed in March 2022, as effective.

Following covid suspensions, Ground Clearing and Accountability meetings with DoH were reintroduced during 2022-23.

**9 SOURCES OF INDEPENDENT ASSURANCE**

NIFRS obtains independent assurance from the following sources:

- BSO Internal Audit; and
- Northern Ireland Audit Office.

**Internal Audit**

NIFRS utilises an Internal Audit function which operates to defined standards and whose work is informed by an analysis of risk to which the body is exposed and annual audit plans are based on this analysis.

In 2022-23 Internal Audit reviewed the systems detailed below –

| <b>Audit Area</b>                        | <b>Outcome</b> |
|--|----------------|
| Budgetary Control                        | Satisfactory   |
| Discipline, Grievance & Raising Concerns | Limited        |
| Fleet & Equipment                        | Limited        |
| Health & Safety                          | Limited        |
| Non Pay Expenditure                      | Satisfactory   |
| Performance Management                   | Limited        |
| Recruitment                              | Limited        |
| Risk Critical Information                | Limited        |
| Risk Management                          | Satisfactory   |

Satisfactory - Overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.

Limited - There are significant weaknesses within the governance, risk management and control framework which, if not addressed, could lead to the system objectives not being achieved.

In addition to the above, Internal Audit also carried out mid-year and year-end follow-up exercises.

## 2 Accountability Report (continued)

### 2.1 Corporate Governance Report (continued)

#### Year-End Governance Statement 2022-23 (continued)

#### Internal Audit (continued)

In their annual report, the Internal Auditor reported that NIFRS' system of internal control was Limited. This assessment was based on –

- The outcome of the year end follow up on the implementation of previous Internal Audit recommendations which showed a slight reduction in recommendation implementation rates at 72% (2021-22: 76%); and
- In the context of the high proportion of individual limited assurance opinions provided in 2022-23 in specific assignments.

The Internal Auditor also considered the outcome of recent previous audit assignments in the context of the 3 year internal audit plan.

Significant weaknesses in control were identified in the following areas:

| Audit Title, Assurance Level & Number of Priority 1 Findings                      | Overview of Significant Findings   |
|---|--|
| Discipline, Grievance & Raising Concerns – No priority 1 findings*<br><br>Limited | <ul style="list-style-type: none"> <li>• There is currently no consideration of trends, themes and dissemination of learning arising from various types of investigations and no Group to ensure consistency of approach or to obtain assurance that all concerns being raised at local level are being appropriately captured, reported and investigated.</li> <li>• In relation to performance management of disciplinary and grievances there are no formal Key Performance Indicators (KPI's) in place to performance manage timely review and completion of disciplinary and grievance cases; there are inconsistencies in reference dates; and case trackers needs to record complaint entry point.</li> <li>• A number of instances where staff involved in investigations had not undertaken the required investigative training.</li> </ul> |
| Management of Fleet & Equipment – No priority 1 findings*<br><br>Limited          | <ul style="list-style-type: none"> <li>• Due to resourcing issues significant delays noted in appliance inspections and vehicle servicing.</li> </ul>  |
| Health & Safety - No priority 1 findings*<br><br>Limited                          | <ul style="list-style-type: none"> <li>• In relation to Health and Safety Training issues noted in respect of training records; compliance rate visibility; and speciality role specific training compliance.</li> <li>• Weaknesses noted in terms of governance, oversight and reporting.</li> <li>• Formal reporting mechanisms have not been formally defined within the Assurance Framework.</li> </ul>  |

**2 Accountability Report (continued)**  
**2.1 Corporate Governance Report (continued)**  
**Year-End Governance Statement 2022-23 (continued)**

**Internal Audit (continued)**

| Audit Title, Assurance Level & Number of Priority 1 Findings       | Overview of Significant Findings   |
|--|--|
| Performance Management – 2 x priority 1 findings*<br><br>Limited   | <ul style="list-style-type: none"> <li>• The NIFRS Corporate Plan is outdated, covering the period 2017-21 *</li> <li>• Staff in NIFRS were not required to complete appraisals in 2022-23, setting individual objectives for the year ahead. *</li> <li>• Performance Management in NIFRS is co-ordinated through highly manual, labour intensive systems with downloads and uploads from various legacy source systems.               <ul style="list-style-type: none"> <li>• In relation to performance targets and reporting targets set in performance reports are not outcomes based, are not always SMART and are not always within the gift of NIFRS to achieve; not all business areas have set targets to allow performance to be effectively managed; SPI Report to Board needs to be streamlined to allow the reader to more easily identify what the target is and whether it is being achieved; and there is duplication of reporting against targets at Board level.</li> </ul> </li> </ul>  |
| Recruitment – 1 x priority 1 findings*<br><br>Limited              | <ul style="list-style-type: none"> <li>• In relation to Temporary Promotions:               <ul style="list-style-type: none"> <li>• NIFRS is heavily dependent on temporary promotions – with almost 20% of the existing staff on temporary promotions.</li> <li>• The Temporary Promotion process and agreement within NIFRS needs reviewed and updated and approved by NIFRS Board*</li> </ul> </li> <li>• In relation to secondments:               <ul style="list-style-type: none"> <li>• 80% of staff who were on secondment had a review date which had passed and had not been subject to appropriate review.</li> <li>• The secondment process is not defined in Policy, but rather is included within a Service Circular that has been in place since 2015.</li> </ul> </li> </ul>   |
| Risk Critical Information – No priority 1 findings*<br><br>Limited | <ul style="list-style-type: none"> <li>• The MDTs located in NIFRS vehicles and which are used to provide Risk Critical Information (RCI) in advance of attending an incident are not operating effectively.</li> <li>• Regarding RCI information –               <ul style="list-style-type: none"> <li>• There has been no recent reporting on the status of the completion of the inspection programme at either ELT or Board/Committee level. Central records were not maintained of the number of inspections planned to be conducted and the number of visits that have actually been conducted. There is a lack of clarity on how sites are identified for potential inspection visits to be carried out. There is no visibility of costs incurred versus budget in respect of this programme.</li> <li>• There is a lack of formal clarity as to what training should be provided in respect of RCI and to what staff.</li> <li>• RCI performance reporting requires strengthening, including the development and monitoring of KPIs.</li> </ul> </li> </ul> |

## 2 Accountability Report (continued)

### 2.1 Corporate Governance Report (continued)

#### Year-End Governance Statement 2022-23 (continued)

#### Internal Audit (continued)

| Audit Title, Assurance Level & Number of Priority 1 Findings       | Overview of Significant Findings   |
|--|--|
| Risk Critical Information – No priority 1 findings*<br><br>Limited | <ul style="list-style-type: none"> <li>• In relation to compliance against National Operating Guidance (NOG):               <ul style="list-style-type: none"> <li>• A gap analysis has not yet been conducted in relation to 1 of these 3 components - training specification requirements.</li> <li>• NIFRS has identified 126 areas across NOG relating specifically to RCI. They consider that they are partially compliant in 55 (44%) areas and non-compliant in 19 (15%). This does not include training specification areas, where the gap analysis has not yet been completed.</li> </ul> </li> </ul> |

\* Priority 1 - Failure to implement the recommendation is likely to result in a major failure of a key organisational objective, significant damage to the reputation of the organisation or the misuse of public funds.

Action to address these control weaknesses has been assigned to ELT. Action and progress against outstanding recommendations will be kept under annual review as part of the external audit process.

Throughout 2022-23 NIFRS continued to implement the 13 Business Improvement Projects. Management remained focused on reducing the volume of outstanding recommendations through improved:

- Data Capture & Interrogation;
- Reporting;
- Projects & Internal Support;
- Internal Accountability Mechanisms; and
- Verification Exercises.

The aim of each project is to improve future service delivery whilst also addressing a large number of historical audit recommendations. Significant progress has been made with 72% of the outstanding internal audit recommendations fully implemented and 28% partially implemented. The only historical recommendations moving into 2023-24 relate to longer term projects; implementation of structural reviews; and/or a requirement for IT or other capital investment.

#### External Audit and Other Reviews

NIAO audits NIFRS under statute, with the Comptroller & Auditor General (C&AG) giving an opinion on whether:

- the financial statements are ‘true and fair’;
- the underlying transactions are in accordance with the NI Assembly’s intentions and other relevant authorities;
- that information provided in the Performance and Accountability Report is consistent with the Financial Statements; and
- a number of further matters on which he reports by exception, e.g., adequacy of accounting records and Governance Statement compliance with guidance.

**2 Accountability Report (continued)**  
**2.1 Corporate Governance Report (continued)**  
**Year-End Governance Statement 2022-23 (continued)**

**10 REVIEW OF EFFECTIVENESS OF THE SYSTEM OF INTERNAL GOVERNANCE**

As Accounting Officer, I have responsibility for the review of effectiveness of the system of Internal Governance. My review of the effectiveness of the system of Internal Governance is informed by the work of the Internal Auditors and the Executive Managers within NIFRS who have responsibility for the development and maintenance of the internal control framework and comments made by the External Auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by:

- Board Reports;
- ELT procedures and associated management action;
- Financial Management reporting;
- Performance Management reporting;
- Committee reporting;
- Risk Management;
- Codes of Conduct;
- Operational Assurance; and
- Internal Audit;

and a plan to address weaknesses and ensure continuous improvement to the system is in place.

**11 INTERNAL GOVERNANCE DIVERGENCES**

I confirm that my Organisation meets, and has in place controls to enable it to meet, the requirements of all extant statutory obligations, that it complies with all standards, policies and strategies set by the Department; the conditions and requirements set out in the MSFM, other Departmental guidance and guidelines and all applicable guidance set by other parts of government. Any significant control divergences are reported below.

There was 1 new divergence in 2022-23 (2021-22: 2) and by year end 2 prior year divergences had been closed.



**2 Accountability Report (continued)**  
**2.1 Corporate Governance Report (continued)**  
**Year-End Governance Statement 2022-23 (continued)**

**Internal Control Divergences (continued)**  
**New Issues Arising in 2022-23**

| Year    | Internal Governance Issue |                          | How Issue Arose  | Remedial Action   | Update and Timescales  |
|---------|---------------------------|--------------------------|--|---|--|
| 2022-23 | Payroll                   | Development to Competent | Further to a legal challenge regarding payments due to competent On-Call employees joining the WT service prior to the introduction of a Development to Competent Policy in 2020, NIFRS are currently trying to regularise payments due to eligible personnel. | A Business Case has been generated, approved by the NIFRS Board and submitted to DoH for consideration. | <p><b>Ongoing</b> – NIFRS continue to work with DoH on queries arising from Business Case</p> <p><b>Timescales for Resolution &amp; Closure</b> <del>31 March 2023</del><br/>30 September 2023</p> |

**2 Accountability Report (continued)**  
**2.1 Corporate Governance Report (continued)**  
**Year-End Governance Statement 2022-23 (continued)**

**Internal Control Divergences (continued)**  
**Prior Year Issues – Closed**

| Year    | Internal Governance Issue              |   | How Issue Arose   | Remedial Action  | Update and Timescales   |
|---------|--|---|---|--|---|
| 2014-15 | Asset Management (including Inventory) | Issues with existing asset management systems and processes noted | During an Asset Management Audit 2013-14 significant control weaknesses were noted and recommendations for improvement made. Whilst action is on-going to address these issues, a follow-up audit 2021-22 identified further control weaknesses were detected | <p>To address the issues raised, a new SAM System was scoped and is currently being implemented.</p> <p>Phase 1 completed during Q3 of 2022-23.</p> <p>A report went to Service Delivery Committee and approval has been given that Phase 1 project can close.</p> <p>2021-22 follow-up audit took place during the implementation of Phase1. In total 17 recommendations were made.</p> <p>During 2022-23 NIFRS made considerable progress in this area closing all Priority 1 recommendations and others impacting on this divergence. By year-end only 8 recommendations remained all of which do not directly impact on this divergence.</p> | <p><b>Closed – 31 March 2023</b></p> <p>Phase 1 system now operational. All Priority 1 and other recommendations impacting on this divergence received in the 2021-22 Asset Management Audit have been validated as closed by Internal Audit.</p> |

**2 Accountability Report (continued)**  
**2.1 Corporate Governance Report (continued)**  
**Year-End Governance Statement 2022-23 (continued)**

**Internal Control Divergences (continued)**  
**Prior Year Issues – Closed (continued)**

| Year    | Internal Governance Issue |  | How Issue Arose  | Remedial Action   | Update and Timescales   |
|---------|---------------------------|--|--|---|---|
| 2021-22 | Pensions                  | Pension Board for the Firefighters' Pension Scheme | <p>Under the Public Services Pensions Act (Northern Ireland) 2014), all public sector pension schemes are required to establish a Pension Board. This requirement is specifically written into the Part 2 of the Firefighters' Pension Scheme Regulations (Northern Ireland) 2015.</p> <p>The NIFRS Board established a Pension Board in April 2015. In the absence of a Pension Board Chair, the Chair's role was rotated amongst members until its most recent meeting in March 2019 where the pending retirements of 2 of its members was noted and the inability to be quorate going forward. Meetings have since been placed on hold.</p> <p>In 2021, the NIFRS Board agreed to appoint a new Pension Board and recruit an Independent Chair however to date NIFRS has been unable to attract a suitable candidate. The inability to meet legislative requirements has resulted in limited audit assurance for the pension governance arrangements.</p> | <p>NIFRS have recruited an Independent Chair for the Pension Board.</p> <p>First meeting of the Pensions Board took place in Quarter 4 2022-23.</p> | <p><b>Closed - 31 March 2023</b></p> <p>NIFRS now compliant with the Public Services Pensions Act (Northern Ireland) 2014 and Part 2 of the Firefighters' Pension Scheme Regulations (Northern Ireland) 2015.</p> |

**2 Accountability Report (continued)**  
**2.1 Corporate Governance Report (continued)**  
**Year-End Governance Statement 2022-23 (continued)**

**Internal Control Divergences (continued)**  
**Prior Year Issues – Closed (continued)**

| Year    | Internal Governance Issue |                               | How Issue Arose  | Remedial Action  | Update and Timescales   |
|---------|---------------------------|-------------------------------|--|--|---|
| 2021-22 | Statutory Compliance      | Vehicle inspection compliancy | <p>Under the Road Traffic (Northern Ireland) Order 1995, part 111 Construction and Use of Vehicles and Equipment, all road users have a legal requirement to ensure vehicles are inspected in line with prescriptive inspection schedules. These statutory requirements vary depending on the class of vehicle.</p> <p>Due to a reduction in the number of mechanics in Q3 2021-22 NIFRS can no longer maintain compliance with the prescribed inspection schedules.</p> | <p>An interim plan that addresses the sole issue of compliancy has been implemented. Phase 1 focuses on statutory compliance and includes NIFRS ceasing all servicing and preventative maintenance on all vehicles to focus on statutory requirements.</p> <p>A review of the establishment of mechanics has been completed and an interim increase in mechanic numbers has been authorized.</p> | <p><b>Closed – 31 March 2023</b></p> <p>Vehicle inspection compliance rates now exceeding 95%</p> |

**2 Accountability Report (continued)**  
**2.1 Corporate Governance Report (continued)**  
**Year-End Governance Statement 2022-23 (continued)**

**12 CONCLUSION**

NIFRS has a rigorous system of accountability which I rely on as Accounting Officer to form an opinion on the probity and use of public funds, as detailed in Managing Public Money NI (MPMNI).

Further to the limited assurance provided by the Head of Internal Audit I have considered identified weaknesses against established controls and mitigations, and sought assurance from ELT that action plans are in place to manage internal control issues detected and to improve internal controls going forward.

With this in mind and after considering the accountability framework within NIFRS, I am content that NIFRS has operated a sound system of internal governance during the period 2022-23.



Signed: \_\_\_\_\_  
Accounting Officer

Date: 21 December 2023

## **2 Accountability Report (continued)**

### **2.2 Remuneration and Staff Report Governance Overview**

NIFRS Policy on the remuneration of its directors for current and future years is guided by the work and recommendations of the Senior Salaries Review Body whilst also taking cognisance of nationally negotiated pay scales for uniformed directors.

The Terms of Reference for the Remuneration Committee were last reviewed and approved by the Board in November 2020. These remained operational throughout 2022-23.

The overall purpose of the Remuneration Committee is to offer guidance, support and recommendations to the Board in relation to matters of remuneration, appointments and nominations.

The primary responsibilities of the Remuneration Committee are to:

- effectively scrutinise, challenge and ensure continuous improvement; and
- provide advice and support to the Board and Accounting Officer; in respect of the following:
  - Salaries/Conditions of Service for Principal Officers and Directors;
  - Pay increases at all levels and securing of appropriate approvals;
  - Outcomes of Job Evaluations;
  - Scrutiny of Pay Remits;
  - Senior Management Succession Planning; and
  - Contractual arrangements, including termination payments.

As at 31 March 2023, the membership of the Remuneration Committee was as follows:

- Ms Carmel McKinney - Chairperson;
- Ms Bonnie Anley; and
- Cllr Jonathan Craig.

Mr Kenneth Henning left the Remuneration Committee following completion of his Board tenure on 30 September 2022.

The Committee met on the following occasions during the year ended 31 March 2023:

- 26 April 2022;
- 30 August 2022;
- 28 February 2023; and
- 29 March 2023

The governance arrangements for the NIFRS Board consist of a Chairperson, the Chief Fire & Rescue Officer and 10 non-executive Members, 4 of whom are District Councillors.

NIFRS is managed by the Executive Leadership Team (ELT) which as at 31 March 2023 consisted of a Chief Fire & Rescue Officer, a Deputy Chief Fire & Rescue Officer, 2 Assistant Chief Fire & Rescue Officers one of whom is temporary and 2 Support Directors.

**2 Accountability Report (continued)**  
**2.2 Remuneration and Staff Report (continued)**  
**Governance Overview (continued)**

**Remuneration and Pension Interests for the year ended 31 March 2023**

Details of the Chairperson's, non-executive Members' and ELT's remuneration and pension interests for the year ended 31 March 2023 are set out on pages 71 - 80.

The Payment of Remuneration of Chairmen and Non-Executive Members Determination (Northern Ireland) 2010 introduced remuneration of Non-Executive Members of the Northern Ireland Fire & Rescue Service retrospectively from July 2010. DoH advises NIFRS of the current remuneration of NIFRS Non-Executive Members.



## 2 Accountability Report (continued)

### 2.2 Remuneration and Staff Report (continued)

#### Chairperson, Board Members and Senior Management Remuneration (Audited Information)

The following sections provide details of the remuneration, pension entitlements and taxable benefits-in-kind of the most senior members of NIFRS:

| NAME                             | 2022-23         |   |   |                | 2021-22         |   |   |                |
|----------------------------------|-----------------|---|---|----------------|-----------------|---|---|----------------|
|                                  | Salary<br>£'000 | <sup>1</sup> Benefits in<br>Kind (to nearest<br>£100) | <sup>4</sup> Pension<br>Benefits (to<br>nearest £1,000) | Total<br>£'000 | Salary<br>£'000 | <sup>1</sup> Benefits in<br>Kind (to nearest<br>£100) | <sup>4</sup> Pension<br>Benefits (to<br>nearest £1,000) | Total<br>£'000 |
| <b>Non-Executive Members</b>     |                 |   |   |                |                 |   |   |                |
| <b>C McKinney</b> - Chairperson  | 25-30           | -   | -   | 25-30          | 25-30           | -   | -   | 25-30          |
| <b>B Anley</b>                   | 5-10            | -   | -   | 5-10           | 5-10            | -   | -   | 5-10           |
| <b>J Craig</b>                   | 5-10            | -   | -   | 5-10           | 5-10            | -   | -   | 5-10           |
| <b>C Enright</b>                 | 5-10            | -   | -   | 5-10           | 5-10            | -   | -   | 5-10           |
| <b>R Irvine</b>                  | 5-10            | 800   | -   | 5-10           | 5-10            | -   | -   | 5-10           |
| <b>K Henning</b> (to 30/09/22)   | 0-5<br>FYE 5-10 | 200   | -   | 0-5            | 5-10            | -   | -   | 5-10           |
| <b>P Kennedy</b> (from 14/11/22) | 0-5<br>FYE 5-10 | -   | -   | 0-5            | -               | -   | -   | -              |
| <b>J Lennon</b> (from 14/11/22)  | 0-5<br>FYE 5-10 | -   | -   | 0-5            | -               | -   | -   | -              |
| <b>T O'Hanlon</b>                | 5-10            | -   | -   | 5-10           | 5-10            | -   | -   | 5-10           |
| <b>J Quinn</b>                   | -               | -   | -   | -              | -               | -   | -   | -              |
| <b>H Singleton</b>               | 5-10            | 100   | -   | 5-10           | 5-10            | -   | -   | 5-10           |
| <b>L Smith</b>                   | 5-10            | -   | -   | 5-10           | 5-10            | -   | -   | 5-10           |
| <b>G Smyth</b> (to 31/10/21)     | -               | -   | -   | -              | 0-5<br>FYE 5-10 | -   | -   | 0-5            |

## 2 Accountability Report (continued)

### 2.2 Remuneration and Staff Report (continued)

#### Chairperson, Board Members and Senior Management Remuneration (Audited Information) (continued)

| NAME  | 2022-23                |   |   |             | 2021-22              |   |   |             |
|---|------------------------|---|---|-------------|----------------------|---|---|-------------|
|   | Salary £'000           | <sup>1</sup> Benefits in Kind (to nearest £100) | <sup>4</sup> Pension Benefits (to nearest £1,000) | Total £'000 | Salary £'000         | <sup>1</sup> Benefits in Kind (to nearest £100) | <sup>4</sup> Pension Benefits (to nearest £1,000) | Total £'000 |
| <b>Executive Members</b>  |                        |   |   |             |                      |   |   |             |
| <sup>5</sup> <b>P O'Reilly</b><br>Chief Fire & Rescue Officer from 01/09/21 to 11/06/22                     | 30-35<br>FYE 130-135   | -   | -   | 30-35       | 75-80<br>FYE 130-135 | -   | -   | 75-80       |
| <sup>6</sup> <b>A Hearn</b><br>Chief Fire & Rescue Officer (Interim) from 13/06/22                          | 100-105<br>FYE 130-135 | -   | n/a   | 100-105     | -                    | -   | -   | -           |
| <sup>7</sup> <b>M Graham</b><br>Chief Fire & Rescue Officer (Interim) to 01/09/21                           | 0-5<br>FYE 130-135     | -   | -   | 0-5         | 60-65<br>FYE 125-130 | -   | (40)  | 20-25       |
| <sup>8</sup> <b>M Deeney</b><br>Assistant Chief Fire & Rescue Officer (temporary) from 01/12/22             | 30-35<br>FYE 95-100    | -   | (32)  | (0-5)       | 65-70<br>FYE 95-100  | -   | -   | 65-70       |
| <sup>7</sup> <b>P Gallagher</b><br>Assistant Chief Fire & Rescue Officer (temporary) to 23/03/22            | 10-15<br>FYE 95-100    | -   | 0   | 10-15       | 95-100               | -   | 31  | 125-130     |
| <b>A Jennings</b><br>Assistant Chief Fire & Rescue Officer  | 95-100                 | -   | 147   | 245-250     | 95-100               | -   | 8   | 105-110     |
| <b>P Harper</b><br>Deputy Chief Fire & Rescue Officer from 23/03/22   | 100-105                | -   | 185   | 285-290     | 0-5<br>FYE 100-105   | -   | 9   | 5-10        |
| <sup>9</sup> <b>D Rooney</b><br>Assistant Chief Fire & Rescue Officer (temporary) from 11/05/22 to 01/12/22 | 50-55<br>FYE 95-100    | -   | (25)  | 25-30       | -                    | -   | -   | -           |

## 2 Accountability Report (continued)

### 2.2 Remuneration and Staff Report (continued)

#### Chairperson, Board Members and Senior Management Remuneration (Audited Information) (continued)

| NAME   | 2022-23            |   |   |             | 2021-22      |   |   |             |
|--|--------------------|---|---|-------------|--------------|---|---|-------------|
|  | Salary £'000       | <sup>1</sup> Benefits in Kind (to nearest £100) | <sup>4</sup> Pension Benefits (to nearest £1,000) | Total £'000 | Salary £'000 | <sup>1</sup> Benefits in Kind (to nearest £100) | <sup>4</sup> Pension Benefits (to nearest £1,000) | Total £'000 |
| <b>P White</b><br>Director of Finance (Interim to 28/02/22, Director of Corporate Services permanent thereafter) | 85-90              | -   | 28  | 110-115     | 70-75        | -   | 57  | 125-130     |
| <b>D O'Connor</b><br>Director of Human Resources (Interim) (from 05/01/21 to 26/06/22)                           | 25-30<br>FYE 80-85 | -   | 15  | 40-45       | 80-85        | -   | 24  | 100-105     |
| <b>T Ramsay</b><br>Director of People & Culture (from 27/06/22)  | 60-65<br>FYE 80-85 | -   | 21  | 80-85       | -            | -   | -   | -           |
| <sup>11</sup> <b>E Magee</b><br>Director of Human Resources (Interim) (to 05/01/21)                              | -                  | -   | -   | -           | 0-5          | -   | -   | 0-5         |
| <b>Highest Earner's Total Remuneration (£'000)</b>   | 130-135            |   |   |             | 130-135      |   |   |             |
| <b>Median Total Remuneration (£)</b>   | 33,443             |   |   |             | 32,244       |   |   |             |
| <b>Ratio</b>   | 4.0                |   |   |             | 4.1          |   |   |             |

## 2 Accountability Report (continued)

### 2.2 Remuneration and Staff Report (continued)

#### Disclosure of Highest Paid Director and Median Remuneration (Hutton Fair Pay Review Disclosure) (Audited Information)

|  | 2022-23   |  |                        |                        |                             |
|--|---|--|------------------------|------------------------|-----------------------------|
| NAME   | <sup>2</sup> Accrued pension at age 60/65 as at 31/03/23 and related lump sum £'000 | <sup>3</sup> Real increase in pension at age 60/65 as at 31/03/23 and related lump sum £'000 | CETV at 31/03/23 £'000 | CETV at 31/03/22 £'000 | Real increase in CETV £'000 |
| <b>Executive Members</b>   |   |  |                        |                        |                             |
| <sup>6</sup> <b>A Hearn</b><br>Chief Fire & Rescue Officer (Interim) from 13/06/22                           | n/a   | n/a  | n/a                    | n/a                    | n/a                         |
| <sup>8</sup> <b>M Deeney</b><br>Assistant Chief Fire & Rescue Officer – Operations (temporary) from 01/12/22 | 40-45   | (0-2.5)  | 719                    | 714                    | (19)                        |
| <b>A Jennings</b><br>Assistant Chief Fire & Rescue Officer   | 50-55   | 7.5-10   | 844                    | 633                    | 146                         |
| <b>P Harper</b><br>Deputy Chief Fire & Rescue Officer from 23/03/22  | 50-55   | 7.5-10   | 768                    | 545                    | 168                         |
| <sup>9</sup> <b>D Rooney</b><br>Assistant Chief Fire & Rescue Officer (temporary) from 11/05/22 to 01/12/22  | 25-30   | (0-2.5)  | 482                    | 473                    | (17)                        |
| <sup>10</sup> <b>P White</b><br>Director of Finance  | 0-5   | 0-2.5  | 21                     | 2                      | 12                          |
| <b>D O'Connor</b><br>Director of Human Resources (Interim) (from 05/01/21 to 26/06/22)                       | 5-10  | 0-2.5  | 90                     | 68                     | 8                           |
| <b>T Ramsay</b><br>Director of Human Resources (from 27/06/22)   | 0-5   | 0-2.5  | 17                     | 0                      | 12                          |

#### Notes

There are no entries in respect of pensions for the Chairperson and Board Members as they do not receive pensionable remuneration.

Please note that there are no columns for Bonus/Performance Pay or employer contributions to partnership pension accounts as neither are applicable to NIFRS.

FYE = Full Year Equivalent Salary.

<sup>1</sup> Benefits in Kind relate to expense allowances provided and treated by HM Revenue and Customs as a taxable emolument.

## 2 Accountability Report (continued)

### 2.2 Remuneration and Staff Report (continued)

#### Disclosure of Highest Paid Director and Median Remuneration (Hutton Fair Pay Review Disclosure) (Audited Information)

##### Notes (continued)

- <sup>2</sup> Deferred Pension age 60 for uniformed <sup>Executive</sup> members, and age 65 for Non-Uniformed Executive members. Please note that as the Uniformed Directors do not receive an automatic lump sum, this information has been excluded.
- <sup>3</sup> Real increase in pension assumes a 10.1% increase for 2022-23 (3.1% for 2021-22).
- <sup>4</sup> The value of the pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase / decrease due to the transfer of pension rights.
- <sup>5</sup> Appointed as CFO on 1 September 2021 and resigned on 11 June 2022. There are no entries in respect of pensions as this individual is not a member of the pension schemes.
- <sup>6</sup> This individual was seconded from another Public Sector Body from the 13 June 2022. At time of approving the accounts, the pension information in respect of the benefits accruing to the interim CFRO relating to his service in the London Fire Brigade is not available.
- <sup>7</sup> These members retired in the 2021-22 year, however they received pay arrears in the 2022-23 year, relating to prior years.
- <sup>8</sup> This individual was reappointed on 1 December 2022 so 2021-22 comparative CETV and Pension calculated as at that date as per guidance. In post during the prior year from 1 April 2021 to 21 November 2021
- <sup>9</sup> This individual joined and left Executive Leadership Team during the year so current and comparative CETVs and Pensions calculated as at dates of joining and leaving as per guidance.
- <sup>10</sup> This individual was seconded from another Public Sector Body from the 1 June 2018 and appointed permanently to the post from 1 March 2022. The prior year comparative CETV has been updated to reflect NILGOSC CETV only as at 31 March 2022.
- <sup>11</sup> This individual resigned 4 January 2021 however they received pay arrears of £3,525.58 in the 2021-22 year, relating to prior years.

## 2 Accountability Report (continued)

### 2.2 Remuneration and Staff Report (continued)

#### Disclosure of Highest Paid Director and Median Remuneration (Hutton Fair Pay Review Disclosure) (Audited Information) (continued)

##### Fair Pay Disclosures

##### Pay Ratios

Reporting bodies are required to disclose the relationship between the remuneration of the Highest Paid Director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest paid employee in NIFRS in the financial year 2022-23 was £130,000-£135,000 (2021-22: £130,000-£135,000). The relationship between the mid-point of this band and the remuneration of the workforce is disclosed below

| 2022-23                | 25 <sup>th</sup> percentile | Median | 75 <sup>th</sup> percentile |
|------------------------|-----------------------------|--------|-----------------------------|
| Total Remuneration (£) | 32,244                      | 33,443 | 37,535                      |
| Pay Ratio              | 4.1:1                       | 4.0:1  | 3.5:1                       |

| 2021-22                | 25 <sup>th</sup> percentile | Median | 75 <sup>th</sup> percentile |
|------------------------|-----------------------------|--------|-----------------------------|
| Total Remuneration (£) | 28,973                      | 32,244 | 37,338                      |
| Pay Ratio              | 4.6:1                       | 4.1:1  | 3.5:1                       |

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

For 2022-23, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

In 2022-23, 0 (2021-22, 1) employees received remuneration in excess of the highest-paid director.

In 2022-23, remuneration ranged from the band £10k-£15k to £130k-£135k (2021-22: £5k-£10k to £130k-£135k).

Total remuneration includes salary and benefits-in-kind. It does not include employer pension contributions or the cash equivalent transfer value of pensions.

##### Median Total Remuneration

For the purposes of this calculation only, all staff wages and salaries are adjusted to full time equivalent (FTE) earnings and ranked in order to identify the median point.

##### Percentage Change in Remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

- salary and allowances, and
- performance pay and bonuses of the highest paid director and of their employees as a whole.

## **2 Accountability Report (continued)**

### **2.2 Remuneration and Staff Report (continued)**

#### **Disclosure of Highest Paid Director and Median Remuneration (Hutton Fair Pay Review Disclosure) (Audited Information) (continued)**

##### **Percentage Change in Remuneration (continued)**

The percentage changes in respect of NIFRS are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

|   |                   |
|---|-------------------|
| Percentage change for:                        | 2022-23 v 2021-22 |
| Average employee salary and allowances        | 2.3%              |
| Highest paid director's salary and allowances | 0%                |

No performance pay or bonuses were paid in 2022-23.

##### **Cash Equivalent Transfer Value**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme, or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity because of which the disclosure applies.

The CETV figures include the value of any pensions, including the value of any pension benefits in another scheme or arrangement which the individual has transferred. Also included is any additional pension benefit accruing to the member as a result of purchasing additional years of pension service in the scheme at the member's own expense. CETVs are calculated within guidelines and a framework prescribed by the Institute and Faculty of Actuaries.

The "real increase" reflects the increase in CETV funded by the employee and the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the benefits transferred from another pension scheme or arrangements) and uses common market valuation factors.

##### **Value of Pension Benefits**

The value of pension benefits is calculated as the real increase in pension multiplied by 20, plus the real increase in any lump sum, less contributions made by the member.

The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.



## **2 Accountability Report (continued)**

### **2.2 Remuneration and Staff Report (continued)**

#### **Disclosure of Highest Paid Director and Median Remuneration (Hutton Fair Pay Review Disclosure) (Audited Information) (continued)**

##### **Value of Pension Benefits (continued)**

A negative figure may arise where a member has little or no increase to his/her pension (before making the inflation adjustment), for example, where they have already attained the maximum service for pension benefits. Also if a member has reached the earliest retirement age the pension figure could be lower than previously, as the pension figure is calculated as if they claimed the pension at that date, rather than a deferred benefit payable at normal retirement age.

##### **Support Directors**

###### Pension Scheme Information

The pension benefits of the Support Directors are provided through the NILGOSC Scheme. This is a statutory scheme that provides benefits on a 'career average revalued earnings' basis from 1 April 2015. Prior to that date benefits were built up on a 'final salary' basis. From 1 April 2015, a member builds up retirement pension at the rate of 1/49th pensionable pay for each year. Pension benefits in relation to membership between 1 April 2009 and 31 March 2015 were built up at the rate of 1/60th pensionable pay for each year of membership. There is no automatic lump sum provided in respect of membership after 31 March 2009. Pension benefits in relation to any membership before 1 April 2009 were built up at the rate of 1/80th (pension) and 3/80ths (tax-free lump sum) of pensionable pay for each year of membership up to 31 March 2009.

Employees currently pay contributions of between 5.5% - 8.5% of pensionable earnings. From 1 April 2015, employee contribution rates are determined on the actual rate of pay and not the whole-time equivalent rate of pay. Pensions increase annually in line with the Consumer Prices Index. On death, pensions are payable to the surviving spouse, nominated co-habiting partner or civil partner. On death in service, the Scheme will pay a lump sum benefit of three times pensionable pay and will also provide a service enhancement on computation of the spouse's pension.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the Scheme if they are at or over pension age. Pension age is state pension age or age 65 if higher.

###### Terms and Conditions

The Support Directors are employed under National Joint Council for Local Government Services Terms and Conditions. A 3 month notice period applies. No compensation for early retirement was paid to Support Directors during the year.

###### Mileage Allowances

The Support Directors received mileage allowances in the year of 45p per mile.

## **2 Accountability Report (continued)**

### **2.2 Remuneration and Staff Report (continued)**

#### **Disclosure of Highest Paid Director and Median Remuneration (Hutton Fair Pay Review Disclosure) (Audited Information) (continued)**

##### **Support Directors (continued)**

###### Annual Leave

Support Directors are entitled to 30 days annual leave, 12 days public holiday plus an additional 3 days for long service (>5 years).

###### Sickness

Support Directors are entitled to sickness benefit of 6 months full pay followed by 6 months half pay, after 5 years' service.

##### **Uniformed Directors**

###### Pension Scheme Information

Pension benefits for the Chief Fire & Rescue Officer, Deputy Chief Fire & Rescue Officer and Assistant Chief Fire & Rescue Officers are provided through the Firefighters' Pension Scheme and Firefighters' Pension Scheme 2015 (CARE scheme).

The Firefighters' Pension Scheme is a statutory scheme which provides benefits on a 'final salary' basis. The normal retirement age is 55 but Officers may retire on full pension once they have attained 50 years of age and have 30 years' service. Benefits accrue at the rate of 1/60th of pensionable salary for each year of service up to 20 years and at 2/60ths for each year of service thereafter. The maximum attainable is 40/60ths. Members may commute up to 25% of their pension in return for a lump sum of up to 24 times the commuted amount, dependent on age.

Benefits from the Firefighters' Pension Scheme 2015 (CARE scheme) are on a 'career-average' basis rather than on a 'final salary' basis. Normal retirement for this scheme is also 55 years old. Benefits accrue at the rate of 1/64.8th of actual pay earned for each scheme year. Members may commute a maximum of 25% of their pension under the CARE scheme with the commutation factor of 12 applied to the commuted portion.

Members pay contributions of between 11% - 17% depending on their Pension Scheme and pensionable earnings. Pensions in payment increase in line with the Consumer Price Index.

On death, pensions are payable to the surviving spouse at a rate of half the member's base pension. On death in service, the scheme pays a lump sum benefit of 2 or 3 times pensionable pay depending on the Pension Scheme. Medical retirement is possible in the event of ill-health.

McCloud is detailed in Note 16 of the Operating Accounts and in the "Report of the Managers" in the Pension Accounts.

**2 Accountability Report (continued)**  
**2.2 Remuneration and Staff Report (continued)**  
**Disclosure of Highest Paid Director and Median Remuneration (Hutton Fair Pay Review Disclosure) (Audited Information) (continued)**

**Uniformed Directors (continued)**

Terms and Conditions

The terms and conditions for the Chief Fire & Rescue Officer and Assistant Chief Fire & Rescue Officers are negotiated and regulated through the National Joint Council for Principal Fire Officers. This body sets a minimum salary for Principal Officers and local adjustments are made by the individual Authorities. The Deputy Chief Fire & Rescue Officer and Assistant Chief Fire & Rescue Officer salaries are based on approximately 80% and 75% of the Chief Fire & Rescue Officer's salary respectively.

Mileage Allowances


Uniformed Officers received mileage allowances in the year of 45p per mile when utilising their own vehicle for work purposes.

Annual Leave

Uniformed Officers are entitled to 37 days annual leave, 8 days public holiday plus an additional 3 days for long service (> 5 years).

Sickness

Uniformed Officers are entitled to sickness benefit of 6 months full pay, followed by 6 months half pay.

Signed:   
Accounting Officer

Date: 21 December 2023

## 2 Accountability Report (continued)

### 2.2 Remuneration and Staff Report (continued)

#### Staff Report

#### Off-Payroll Engagements

NIFRS is required to disclose details of 'off-payroll' engagements at a cost of over £58,200 per annum. As per the table below, NIFRS had no 'off-payroll' engagements exceeding this cost threshold during 2022-23.

|  | Number of Employee |
|--|--------------------|
| Off-Payroll Employees as at 1 April 2022                       | 0                  |
| New engagements during the year                                | 0                  |
| Number of engagements transferred to payroll                   | 0                  |
| Number of engagements that have come to an end during the year | 0                  |
| Other  | 0                  |
| Off-Payroll Employees as at 31 March 2023                      | 0                  |

#### Employee Numbers and Related Costs (Audited Information)

| Employee Costs   | 2023  |                |                | 2022           |
|--|---|----------------|----------------|----------------|
|  | Permanently<br>employed<br>employees<br>£'000 | Other<br>£'000 | Total<br>£'000 | Total<br>£'000 |
| Wages and Salaries   | 51,454  | 998            | 52,452         | 50,761         |
| Social Security Costs  | 5,184   | 0              | 5,184          | 4,842          |
| Other Pension Costs  | 14,440  | 0              | 14,440         | 14,823         |
|  |   |                |                |                |
| Total Employee Costs reported in Statement of Comprehensive Net Expenditure                  | 71,078  | 998            | 72,076         | 70,426         |
| Less recoveries in respect of outward secondments  | (109)   | 0              | (109)          | 79             |
| Net Employee Costs   | 70,969  | 998            | 71,967         | 70,347         |
|  |   |                |                |                |
| Employee costs exclude £495,840 charged to capital projects during the year (2022: £79,410)) |   |                |                |                |

## 2 Accountability Report (continued)

### 2.2 Remuneration and Staff Report (continued)

#### Staff Report (continued)

#### Average Number of Persons Employed (Audited Information)

The average number of Wholetime equivalent persons employed during the year was as follows:

|  | 2023                                       |             |             | 2022        |
|--|--|-------------|-------------|-------------|
|  | Permanently<br>employed<br>employees<br>No | Other<br>No | Total<br>No | Total<br>No |
| Chairperson  | 1  | 0           | 1           | 1           |
| Board Members  | 8  | 0           | 8           | 9           |
| Firefighters (Full-time)   | 800  | 0           | 800         | 799         |
| Firefighters (Part-time)   | 905  | 0           | 905         | 916         |
| RCC Personnel  | 56   | 0           | 56          | 59          |
| Administrative/Manual<br>Agency/Temporary                              | 197  | 0           | 197         | 205         |
|  | 0  | 28          | 28          | 39          |
| Total average number of persons employed                               | 1,967                                      | 28          | 1,995       | 2,028       |
| Less average employee number relating to<br>capitalised employee costs | (13)                                       | 0           | (13)        | (1)         |
| Total net average number of persons employed                           | 1,954                                      | 28          | 1,982       | 2,027       |

#### Senior Employees' Remuneration

Please refer to the Remuneration Report on pages 71 - 80 of the Annual Report

#### Employee Benefits

|                   | 2023<br>£'000 | 2022<br>£'000 |
|-------------------|---------------|---------------|
| Employee Benefits | -             | -             |
|                   | -             | -             |

#### Retirements due to Ill-Health

During 2022-23, there were 23 early retirements (2021-22: 29) from NIFRS agreed on the grounds of ill-health. The cost borne by the operating account relating to 23 ill-health retirees was £951k (2021-22: £1,573m) and is in Note 3 Contributions Receivable of the Pension Account.

#### Staff Turnover Percentage

Staff turnover in 2022-23 was 5.8% (2021-22: 4.3%).

## 2 Accountability Report (continued)

### 2.2 Remuneration and Staff Report (continued)

#### Staff Report (continued)

#### NIFRS Employee Composition

As at 31 March 2023, NIFRS directly employed 1,998 people (2021-22: 1,983) in operational and support roles.

|                                     | Total        | Male         | Female     |
|-------------------------------------|--------------|--------------|------------|
| Operational & Support Directors     | 6            | 4            | 2          |
| Wholetime Firefighters              | 837          | 783          | 54         |
| On-Call Firefighters                | 886          | 833          | 53         |
| Regional Control Centre Personnel * | 57           | 20           | 37         |
| Support Employees                   | 212          | 95           | 117        |
| <b>Total</b>                        | <b>1,998</b> | <b>1,735</b> | <b>263</b> |

Note: Agency workers, volunteers, other organisation staff seconded into NIFRS and Board Members composition are not included in the above table

\* Figures show actual headcount as opposed to Full Time Equivalent (FTE)

#### Employee Information

NIFRS employees cover a range of uniform and support roles which combine to facilitate the delivery of an effective fire and rescue service.

In line with statutory and best practice guidelines, NIFRS utilise an equality centered governance process involving key stakeholders looking at the 9 key equality areas as defined Section 75 of the Northern Ireland Act 1998. As such employees and representative bodies, in the development and review of strategy and policy, have an opportunity to be involved in pre-development work and pre-implementation consultation.

NIFRS as an organisation has a strong health & safety ethos developed in accordance to key legislation such as the Health & Safety at Work (Northern Ireland) Order 1978. A suite of health & safety policies and procedures reflecting key legislation are in place to support and protect staff in the execution of their duties, and through an internal health & safety function continuously seeks to minimise potential hazards whilst also reacting to accidents and near misses.

Management actively engage with key Representative Bodies in the development of strategy, policy and procedure, with a focus on co-design where possible. A number of formal and informal engagement mechanisms exist overseen at Director and Board level.

Employees are inducted into the organisation and number of pathways for career management and progression are available. NIFRS acknowledges that people assets are vitally important and therefore significant work continues in the development of this area.

Remuneration of staff is based on National Joint Council (NJC) terms and conditions, with pay rates being agreed at a national level.

#### Expenditure on Consultancy

NIFRS incurred no external consultancy expenditure in 2022-23 (2021-22 – £nil).

## 2 Accountability Report (continued)

### 2.2 Remuneration and Staff Report (continued)

#### Staff Report (continued)

#### Exit Packages (Audited Information)

Reporting of early retirement and other compensation scheme – exit packages

| Exit package cost band                       | Number of compulsory redundancies |       | Number of other departures agreed |       | Total number of exit packages by cost band |       |
|--|-----------------------------------|-------|-----------------------------------|-------|--|-------|
|  | 2023                              | 2022  | 2023                              | 2022  | 2023                                       | 2022  |
| < £10,000                                    | -                                 | -     | -                                 | -     | -  | -     |
| £10,000 - £25,000                            | -                                 | -     | -                                 | -     | -  | -     |
| £25,001 - £50,000                            | -                                 | -     | -                                 | -     | -  | -     |
| £50,001 - £100,000                           | -                                 | -     | -                                 | -     | -  | -     |
| £100,001 - £200,000                          | -                                 | -     | -                                 | -     | -  | -     |
|  |                                   |       |                                   |       |  |       |
| <b>Total number of exit packages by type</b> | -                                 | -     | -                                 | -     | -  | -     |
|  | £'000                             | £'000 | £'000                             | £'000 | £'000                                      | £'000 |
| <b>Total Resource Cost</b>                   | -                                 | -     | -                                 | -     | -  | -     |

#### Voluntary Severance

Voluntary Severance is paid in accordance with the provisions of the Local Government Pension Scheme Regulations (NI) 2002 as amended and NIFRS Organisational Change Policy. Exit costs are accounted for in full in the year in which the exit package is approved and agreed and are included as operating expenses. Where exit packages have been agreed, the additional costs are met by the Public Sector Transformation Fund (ill-health retirement costs are met by the Pension Scheme and are not included in the table).

#### Gifts

During 2022-23 no staff member has received an individual gift exceeding the limits prescribed in Managing Public Money or Managing Public Money Northern Ireland.

#### Staff Policies applied in respect of disabled persons

NIFRS adheres to its responsibilities as an employer under disability discrimination legislation from the beginning of the selection process right through to the ending of employment. NIFRS policies and procedures are in place to ensure support and fair treatment, and where required making reasonable adjustments with regard to the following:

- The selection and recruitment of staff, i.e., application forms; interview arrangements; and aptitude or proficiency tests.
- Promotion, transfer and training opportunities & performance management.
- The way that work is arranged and performed.
- The physical features of the premises.
- Disciplinary and attendance management procedures.
- Ensuring regular Training for all Staff.



## **2 Accountability Report (continued)**

### **2.2 Remuneration and Staff Report (continued)**

#### **Staff Report (continued)**

#### **Attendance Management**

In 2022-23 the number of days/shifts lost per person was 32.86 against a target of 15 for Wholetime, Regional Control Centre & Support staff.

The 3 main reasons for sickness absence were:

#### Long-Term

- Mental Health (38.6%)
- Musculoskeletal (30.4%)
- Respiratory/Viral (5.0%)

#### Short-Term

- Respiratory/Viral (29.1%)
- Musculoskeletal (27.4%)
- Gastro (15.6%)

NIFRS is committed to reducing days/shifts lost due to sickness and will continue to implement the Attendance Management Policy and implement new initiatives to help support employee health and wellbeing.

#### **Equal Opportunities for NIFRS Employees and Applicants to NIFRS**

NIFRS is an equal opportunities employer, committed to making good faith efforts to comply with equality legislation and the principles of fairness.

The following NIFRS Equality & Inclusion Statement has been adopted to emphasise the organisation's commitment to equality of opportunity for all employees and job applicants:

We will promote a good and harmonious working environment in which our employees will be treated with dignity and respect. We will not discriminate unlawfully against or harass any person on the grounds of:

- Gender;
- Age;
- Disability;
- Political Opinion;
- Sexual Orientation;
- Gender reassignment;
- Pregnancy or maternity;
- Marital or Civil Partnership Status;
- Racial Group; or
- Religious or similar philosophical belief.

## **2 Accountability Report (continued)**

### **2.2 Remuneration and Staff Report (continued)**

#### **Staff Report (continued)**

#### **It is our aim to:**

Create an inclusive working environment and culture to maximise the potential of all employees, providing equality of opportunity in all aspects of employment and preventing unlawful discrimination. NIFRS will not tolerate or condone discrimination, harassment, bullying or victimisation of any individual in our workplace.

#### **We will:**

- Implement policies, procedures and actions to ensure that we comply with both the letter and spirit of all existing, amended and proposed fair employment, anti-discrimination and equality legislation.
- Endeavour to have a workplace and employment policies and practices that do not unreasonably exclude or disadvantage our employees, or job applicants, who have disabilities. We will comply with the duty to consider reasonable adjustments for persons with disabilities in our workplace and in recruitment.
- Remain committed to a programme of action to ensure that equality and fairness at work takes place and is respected in the workplace. All employees are required to comply with NIFRS Equality & Inclusion Statement and Equal Opportunities Policy and all other policies supporting equality, inclusion and dignity at work.
- Continue to implement an Equality & Inclusion Statement and Equal Opportunities Policy that applies to all Service users, employees, job applicants, together with anyone working on NIFRS premises including, agency workers, contractors, consultants and suppliers.

#### **NIFRS Employee Policies**

NIFRS has a number of employee policies which have been developed to ensure compliance with legislative requirements, to provide a basis for a consistent approach to all employment matters and to enhance the working experience of all employees. NIFRS employee policies are reviewed on a regular basis and are subject to required consultation.

## **2 Accountability Report (continued)**

### **2.3 Accounting & Audit Report**

#### **Funding**

NIFRS is funded on an ongoing basis by the Department of Health (DoH).

#### **Regularity of Expenditure**

The Management Statement and Financial Memorandum (MSFM) between the DoH and NIFRS, outlines the Framework in which NIFRS will operate and further details a number of financial provisions which NIFRS has to observe. Within NIFRS discharge of these responsibilities is supported by Standing Financial Instructions, financial policies and procedures which are also adjusted as needed to meet specifications in DoH circulars. This overall framework is designed to ensure that NIFRS has assurance that the income and expenditure recorded in the financial statements have been applied to the purposes as intended by the Northern Ireland Assembly and the financial transactions conform to the authorities who govern them.

In addition, Internal Audit conducts a number of financial audits on an annual basis to ensure the achievement of continued probity and regularity of NIFRS' expenditure.

#### **Fees and Charges (Audited Information)**

NIFRS applies a scale of charges for Special Service Calls and incidents attended in the Donegal area. The charges levied are reviewed annually and adjusted in line with the Retail Price Index.

#### **Contingent Liabilities (Audited Information)**

Contingent liabilities are detailed within Note 18 of the Accounts. At the end of 2022-23 there was no contingent liability related to EU Exit (2021-22: £nil).

#### **Remote Contingent Liabilities (Audited Information)**

There was no remote contingent liability during 2022-23 (2021-22: £nil).

#### **Financial Environment**

The financial environment for NIFRS remains challenging, like most public bodies. The challenge is to continue to manage with a reduced budget against growing community expectations and against an ever-changing risk profile.

#### **Long-Term Expenditure (Audited Information)**

Long-Term Expenditure information is detailed on Pages 33 - 34.

#### **Financial Targets**

In terms of financial targets, as illustrated in Note 22 to the Accounts, NIFRS has achieved the financial breakeven target for 2022-23. This was achieved through the establishment of a Breakeven Plan during the 2022-23 year and careful monitoring thereafter to deliver within the allocated budget.

**1 Performance Report (continued)**  
**1.2 Performance Analysis (continued)**  
**Strategic Outcome Overview (continued)**  
**Strategic Outcome 6 – Asset Management (continued)**

**Investment Strategy and Plans**

NIFRS' Investment Strategy and Plans going forward will be focused on areas of weakness and historic under investment, namely Information Technology and estates. Investment in these areas will be progressed over the next number of years as risk assessed capital investment priorities are agreed. Significant progress has been made regarding IT Infrastructure and a systems review has also commenced. Other significant capital projects currently ongoing include Phase 2 of the LDC at Cookstown.

**Charitable Donations**

No charitable donations were made which resulted in financial expenditure in 2022-23 (2021-22: £Nil).

**Losses and Special Payments (Audited Information)**

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NIFRS not been bearing their own risks (with insurance premiums then being excluded as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

**Losses statement**

The total value of losses for the 2022-23 and 2021-22 years did not exceed £250k.

**Special Payments**

The losses and special payments made in the 2022-23 year did not exceed £250k.

Losses and Special Payments in the 2022-23 year are detailed below.

| <b>Special Payments</b>          | <b>2022-23</b>         |              | <b>2021-22</b> |
|----------------------------------|------------------------|--------------|----------------|
|                                  | <b>Number of cases</b> | <b>£'000</b> | <b>£'000</b>   |
| Total number of special payments | 0                      |              | 13             |
| Total value of special payments  |                        | 0            | 718            |

| <b>Details of individual special payments over £250,000</b> | <b>2022-23</b>         |              | <b>2021-22</b> |
|---|------------------------|--------------|----------------|
|   | <b>Number of cases</b> | <b>£'000</b> | <b>£'000</b>   |
| Total number - Special Payment - compensation               | 0                      |              | 1              |
| Total value - Special Payment - compensation                |                        | 0            | 400            |

**1 Performance Report (continued)**  
**1.2 Performance Analysis (continued)**  
**Strategic Outcome Overview (continued)**  
**Strategic Outcome 6 – Asset Management (continued)**

**Other Payments**

There were no other payments made during the year (2022-23: £nil).



Signed: \_\_\_\_\_  
Accounting Officer

Date: 21 December 2023

### **3 Northern Ireland Fire & Rescue Service Operating Accounts The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly**

#### **Opinion on financial statements**

I certify that I have audited the financial statements of the Northern Ireland Fire and Rescue Service for the year ended 31 March 2023 under the Fire and Rescue Services (Northern Ireland) Order 2006. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of Northern Ireland Fire and Rescue Service's affairs as at 31 March 2023 and of the Northern Ireland Fire and Rescue Service's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Fire and Rescue Services (Northern Ireland) Order 2006 and Department of Health directions issued thereunder.

#### **Opinion on regularity**

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

#### **Basis for opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the Northern Ireland Fire and Rescue Service in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

#### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that Northern Ireland Fire and Rescue Service's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

### **3 Northern Ireland Fire & Rescue Service Operating Accounts The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly (continued)**

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Northern Ireland Fire and Rescue Service's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for Northern Ireland Fire and Rescue Service is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Northern Ireland Fire and Rescue Service and the Accounting Officer with respect to going concern are described in the relevant sections of this report.

#### **Other Information**

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Northern Ireland Fire and Rescue Service and the Accounting Officer are responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

#### **Opinion on other matters**

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Health directions made under the Fire and Rescue Services (Northern Ireland) Order 2006; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Northern Ireland Fire and Rescue Service and its environment obtained in the course of the audit, I have not identified material



### **3 Northern Ireland Fire & Rescue Service Operating Accounts The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly (continued)**

misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or the Governance Statement does not reflect compliance with the Department of Finance's guidance.

#### **Responsibilities of the Northern Ireland Fire and Rescue Service and Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer Responsibilities, the Northern Ireland Fire and Rescue Service and the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remunerations and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing the Northern Ireland Fire and Rescue Service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Northern Ireland Fire and Rescue Service will not continue to be provided in the future.

#### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Fire and Rescue Services (Northern Ireland) Order 2006.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

### 3 Northern Ireland Fire & Rescue Service Operating Accounts The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly (continued)

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Northern Ireland Fire and Rescue Service through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included Fire and Rescue Services (Northern Ireland) Order 2006 and Department of Health directions issued thereunder;
- making enquires of management and those charged with governance on Northern Ireland Fire and Rescue Service's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Northern Ireland Fire and Rescue Service's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: management override of controls;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

**3 Northern Ireland Fire & Rescue Service Operating Accounts  
The Certificate and Report of the Comptroller and Auditor General to the  
Northern Ireland Assembly (continued)**

**Report**

I have no observations to make on these financial statements.



**Dorinnia Carville  
Comptroller and Auditor General  
Northern Ireland Audit Office  
106 University Street  
BELFAST  
BT7 1EU  
21 December 2023**

### 3 Financial Statements

#### 3.1 Operating Accounts

#### Statement of Comprehensive Net Expenditure as at 31 March 2023

This Account summarises the expenditure consumed and income generated on an accruals basis. It also includes other comprehensive income and expenditure, which includes changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

|   | Note | 2023<br>Operating<br>£'000 | 2022<br>Operating<br>£'000 |
|---|------|----------------------------|----------------------------|
| <b>Income</b>   |      |                            |                            |
| Revenue from contracts with customers                                   | 4.1  | 138                        | 109                        |
| Other operating income  | 4.2  | 513                        | 550                        |
| <b>Total Operating Income</b>   |      | <b>651</b>                 | <b>659</b>                 |
| <b>Expenditure</b>  |      |                            |                            |
| Staff costs   | 3    | (72,076)                   | (70,426)                   |
| Purchase of goods and services  | 3    | (2,162)                    | (1,918)                    |
| Depreciation, amortisation and impairment charges                       | 3    | (10,635)                   | (7,043)                    |
| Provision expense   | 3    | 43,693                     | 38,013                     |
| Other operating expenditure   | 3    | (17,115)                   | (17,083)                   |
| Interest on Scheme liabilities  | 16   | (518)                      | (611)                      |
| <b>Total Operating Expenditure</b>                                      |      | <b>(58,813)</b>            | <b>(59,068)</b>            |
| <b>Net Operating Expenditure</b>  |      | <b>(58,162)</b>            | <b>(58,409)</b>            |
| Corporation tax   | 23   | (3)                        | (3)                        |
| <b>Net Expenditure for the Year</b>                                     |      | <b>(58,165)</b>            | <b>(58,412)</b>            |
| Adjustment to net expenditure for non-cash items                        |      | <b>(30,351)</b>            | <b>(27,783)</b>            |
| <b>Revenue Resource Limit (RRL)</b>                                     | 22.1 | 88,516                     | 86,195                     |
| <b>Surplus/(Deficit) against RRL</b>                                    | 22.3 | <b>0</b>                   | <b>0</b>                   |
| <b>Other Comprehensive Net Expenditure</b>                              |      |                            |                            |
| <b>Items that will not be reclassified to Net Operating Expenditure</b> |      |                            |                            |
| Net gain on revaluation of property, plant and equipment                |      | 7,087                      | 3,759                      |
| Actuarial loss on pension scheme liabilities                            | 16   | 24,475                     | 13,116                     |
| <b>Sub-total Comprehensive Net Expenditure</b>                          |      | <b>31,562</b>              | <b>16,875</b>              |
| <b>Total Comprehensive Net Expenditure for the year</b>                 |      | <b>(26,603)</b>            | <b>(41,537)</b>            |

The Notes on pages 100 - 147 form part of these Accounts.

**1 Performance Report (continued)**  
**1.2 Performance Analysis (continued)**  
**Strategic Outcome Overview (continued)**  
**Strategic Outcome 6 – Asset Management (continued)**

**Statement of Financial Position as at 31 March 2023**

This Statement presents the financial position of Northern Ireland Fire & Rescue Service (NIFRS).

It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

|  | Note    | 2023<br>Operating | 2022<br>Operating |
|--|---------|-------------------|-------------------|
|  |         | £'000             | £'000             |
| <b>Non-Current Assets</b>                    |         |                   |                   |
| Property, plant and equipment                | 5.1/5.2 | 174,677           | 120,004           |
| Intangible assets                            | 6.1/6.2 | 1,600             | 4,339             |
| <b>Total Non-Current Assets</b>              |         | <b>176,277</b>    | <b>124,343</b>    |
| <b>Current Assets</b>                        |         |                   |                   |
| Inventories                                  | 9       | 1,814             | 2,016             |
| Trade and other receivables                  | 12      | 1,337             | 638               |
| Other current assets                         | 12      | 1,272             | 1,551             |
| Pension assets – NILGOSC                     | 16      | 1,752             | -                 |
| <b>Total Current Assets</b>                  |         | <b>6,175</b>      | <b>4,205</b>      |
| <b>Total Assets</b>                          |         | <b>182,452</b>    | <b>128,548</b>    |
| <b>Current Liabilities</b>                   |         |                   |                   |
| Trade and other payables                     | 13      | (26,286)          | (16,491)          |
| Lease liability                              | 11      | (166)             | -                 |
| Cash and cash equivalents                    | 10      | (551)             | (449)             |
| Provisions (Insurance)                       | 15      | (1,964)           | (2,672)           |
| Provisions (Compensation Scheme)             | 15      | (2,510)           | (2,280)           |
| Provisions (Other)                           | 15      | (1,904)           | (2,482)           |
| <b>Total Current Liabilities</b>             |         | <b>(33,381)</b>   | <b>(24,374)</b>   |
| <b>Total Assets less Current Liabilities</b> |         | <b>149,071</b>    | <b>104,174</b>    |
| <b>Non-Current Liabilities</b>               |         |                   |                   |
| Provisions (Compensation Scheme)             | 15      | (21,020)          | (67,890)          |
| Pension liabilities – NILGOSC                | 16      | -                 | (19,998)          |
| Lease liability                              | 11      | (30,699)          | -                 |
| <b>Total Non-Current Liabilities</b>         |         | <b>(51,719)</b>   | <b>(87,888)</b>   |
| <b>Total Assets less Total Liabilities</b>   |         | <b>97,352</b>     | <b>16,286</b>     |
| <b>Taxpayers' Equity and Other Reserves</b>  |         |                   |                   |
| Revaluation reserve                          |         | 28,444            | 21,359            |
| SoCNE reserve                                |         | 68,908            | (5,073)           |
|  |         | <b>97,352</b>     | <b>16,286</b>     |

The Financial Statements on pages 95 - 147 were approved by the Board on 27 June 2023 and were signed on its behalf by:

**1 Performance Report (continued)**  
**1.2 Performance Analysis (continued)**  
**Strategic Outcome Overview (continued)**  
**Strategic Outcome 6 – Asset Management (continued)**



Signed: \_\_\_\_\_  
Chairperson

Date: 21 December 2023



Signed: \_\_\_\_\_  
Accounting Officer

Date: 21 December 2023

### 3 Financial Statements

#### 3.1 Operating Accounts (continued)

#### Statement of Cash Flows for the Year Ended 31 March 2023

The Statement of Cash Flows shows the changes in cash and cash equivalents of NIFRS during the year. The Statement shows how NIFRS generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by NIFRS. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to NIFRS future public service delivery.

|   | Note    | 2023<br>Operating<br>£'000 | 2022<br>Operating<br>£'000 |
|---|---------|----------------------------|----------------------------|
| <b>Cash Flows from Operating Activities</b>                               |         |                            |                            |
| Net operating expenditure   |         | (58,165)                   | (58,412)                   |
| Adjustments for non-cash items including ROU assets                       | 3       | 10,613                     | 7,018                      |
| Adjustment for lease interest paid  |         | 290                        | -                          |
| Decrease in trade and other receivables                                   | 12      | (420)                      | (86)                       |
| Increase in inventories   | 9       | 202                        | (493)                      |
| Increase/(decrease) in trade and other payables                           | 13      | 9,777                      | 3,066                      |
| <b>Use of provisions:</b>   |         |                            |                            |
| Pension provision utilised (NILGOSC)                                      | 16      | (21,749)                   | (9,905)                    |
| Decrease in provision (insurance)   | 15      | (708)                      | 48                         |
| Provision utilised (compensation)   | 15      | (46,640)                   | (42,840)                   |
| Provision utilised (other)  | 15      | (579)                      | 254                        |
| Pension remeasurements  | 16      | 24,475                     | 13,116                     |
| <b>Net cash outflow from Operating Activities</b>                         |         | <b>(82,904)</b>            | <b>(88,234)</b>            |
| <b>Cash Flows from Investing Activities</b>                               |         |                            |                            |
| Purchase of property, plant & equipment                                   | 5.1/5.2 | (24,706)                   | (7,898)                    |
| Purchase of intangible assets   | 6.1/6.2 | 153                        | (371)                      |
| Proceeds on disposal of assets  |         | 65                         | 38                         |
| <b>Net cash outflow from Investing Activities</b>                         |         | <b>(24,488)</b>            | <b>(8,231)</b>             |
| <b>Cash Flows from Financing Activities</b>                               |         |                            |                            |
| Grant-in-aid  |         | 107,671                    | 96,671                     |
| Principal payment of lease liabilities                                    | 11      | (93)                       | -                          |
| Interest paid on lease liabilities  | 11      | (290)                      | -                          |
| <b>Net Financing</b>  |         | <b>107,288</b>             | <b>96,671</b>              |
| <b>Net (decrease)/increase in Cash &amp; Cash Equivalents in the year</b> | 10      | <b>(102)</b>               | <b>206</b>                 |
| <b>Cash &amp; Cash Equivalents at the beginning of the year</b>           | 10      | <b>(449)</b>               | <b>(655)</b>               |
| <b>Cash &amp; Cash Equivalents at the end of the year</b>                 | 10      | <b>(551)</b>               | <b>(449)</b>               |

The Notes on pages 100 - 147 form part of these Accounts.

### 3 Financial Statements (continued)

#### 3.1 Operating Accounts (continued)

#### Statement of Changes in Taxpayers' Equity for Year Ended 31 March 2023

This Statement shows the movement in the year on the different reserves held by NIFRS, analysed into 'SoCNE reserve', (i.e., the reserve that reflects a contribution from the Department of Health (DoH) and 'Revaluation Reserve'). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The SoCNE reserve represents the total assets less liabilities of NIFRS, to the extent that the total is not represented by other reserves and financing items.

|   | Note | SoCNE<br>Reserve<br>£'000 | Revaluation<br>Reserve<br>£'000 | Total<br>£'000  |
|---|------|---------------------------|---------------------------------|-----------------|
| <b>Balance at 31 March 2021</b>                           |      | <b>(56,448)</b>           | <b>17,600</b>                   | <b>(38,848)</b> |
| Grant from DoH  |      | 96,671                    | -                               | 96,671          |
| Comprehensive net expenditure for the year –<br>Operating |      | (58,356)                  | 3,759                           | (54,597)        |
| Auditors Remuneration                                     |      | (56)                      | -                               | (56)            |
| Actuarial Gain on NILGOSC Pension                         | 16   | 13,116                    | -                               | 13,116)         |
| <b>Balance at 31 March 2022</b>                           |      | <b>(5,073)</b>            | <b>21,359</b>                   | <b>16,286</b>   |
| Grant from DoH  |      | 107,671                   | -                               | 107,671         |
| Other reserve moments including transfers                 |      | -                         | 7,085                           | 7,085           |
| Comprehensive net expenditure for the year -<br>Operating |      | (58,121)                  | -                               | (58,121)        |
| Auditors Remuneration                                     |      | (44)                      | -                               | (44)            |
| Actuarial Loss on NILGOSC Pension                         | 16   | 24,475                    | -                               | 24,475          |
| <b>Balance at 31 March 2023</b>                           |      | <b>68,908</b>             | <b>28,444</b>                   | <b>97,352</b>   |

The Notes on pages 100 - 147 form part of these Accounts.



### **3 Financial Statements (continued)**

#### **3.1 Operating Accounts (continued)**

#### **Notes to the Accounts for the Year Ended 31 March 2023**

##### **NOTE 1 - STATEMENT OF ACCOUNTING POLICIES**

###### **1.0 Authority**

These financial statements have been prepared in a form determined by the Department of Health (DoH) based on guidance from the Department of Finance's (DoF) Government Financial Reporting Manual (FReM) and in accordance with the requirements of Article 3 (15) of The Fire and Rescue Services (Northern Ireland) Order 2006.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) adapted or interpreted for NIFRS. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of NIFRS for the purpose of giving a true and fair view has been selected. The particular policies adopted by NIFRS are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

As illustrated in our Statement of Financial Position, NIFRS is showing a net asset position in relation to the NILGOSC pension scheme. It is anticipated that DoH funding will continue thus ensuring that the preparation of our accounts as a going concern is the correct basis.

Across the HSC sector it is expected that the significant financial challenges faced will intensify and extensive budget planning work to support financial planning is ongoing between NIFRS and DoH. However, as with other financial years NIFRS remains committed to achieving financial break-even.

###### **Budget Position and Authority**

The Northern Ireland Budget (No. 2) Act 2023, which received Royal Assent on 18 September 2023, provides the statutory authority for the 2023-24 Northern Ireland Budget which the Secretary of State for Northern Ireland set in his Written Ministerial Statement on 27 April 2023.

###### **1.1 Accounting Convention**

These Accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and liabilities.

###### **1.2 Currency & Rounding**

The Accounts are presented in UK Pounds sterling, rounded to the nearest £1,000.

## **3 Financial Statements (continued)**

### **3.1 Operating Accounts (continued)**

#### **Notes to the Accounts for the Year Ended 31 March 2023 (continued)**

##### **1.3 Property, Plant and Equipment**

Property, plant and equipment assets comprise land, buildings, transport equipment, plant & machinery, information technology, furniture & fittings and assets under construction.

##### **Recognition**

Property, plant and equipment must be capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to NIFRS;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has a cost of at least £5,000; or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £1,000, where the assets are functionally interdependent, they have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- items form part of the initial equipping and setting-up cost of a new building, or project, irrespective of their individual or collective cost.

On initial recognition, property, plant and equipment are measured at cost including any expenditure such as installation, directly attributable to bringing them into working condition.

Items classified as “assets under construction” are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred.

##### **Valuation of Land and Buildings**

Land and buildings are carried at the last professional valuation, in accordance with the Royal Institution of Chartered Surveyors Global Standards & UK National Supplement in so far as they are consistent with the specific needs of NIFRS.

The last valuation was carried out at 31 January 2023 by Land and Property Services (LPS) which is an independent executive body within the DoF. The valuers are qualified to meet the ‘Member of Royal Institution of Chartered Surveyors’ (MRICS) standard.

Professional revaluations of land and buildings are undertaken at least once in every 5 year period and are revalued annually, between professional valuations, using indices provided by LPS.

NIFRS is of the view that there is a material difference between the ‘exit value’ and book value of its land and buildings (as shown in the Statement of Financial Position). This is because Fire Stations as shown in the Annual Accounts have been valued by LPS on the basis of Current Value in Existing Use, with the method of valuation employed for these specialised assets being depreciated replacement cost (DRC). If NIFRS had to consider the ‘exit value’ of these assets (per IFRS 13) where they were considered to be non-operational properties surplus to requirements or held for sale with no restrictions on access to the market, LPS advises that these ‘exit values’ are

### **3 Financial Statements (continued)**

#### **3.1 Operating Accounts (continued)**

#### **Notes to the Accounts for the Year Ended 31 March 2023 (continued)**

##### **1.3 Property, Plant and Equipment (continued)**

###### **Valuation of Land and Buildings (continued)**

likely to be materially different from their Current Values in Existing Use as specialised assets (depreciated replacement cost).

Land and buildings used for NIFRS services or for administrative purposes are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Fair values are determined as follows:

- Land and non-specialised buildings – open market value for existing use;
- Specialised buildings – depreciated replacement cost; and
- Properties surplus to requirements – the lower of open market value less any material directly attributable selling costs, or book value at date of moving to non-current assets.

###### **Modern Equivalent Asset**

DoF has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. LPS have included this requirement within the latest valuation.

###### **Assets Under Construction (AUC)**

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees as allowed by IAS 23 for assets held at fair value. Assets under Construction are revalued and depreciation commences when they are brought into use.

###### **Short Life Assets**

Short life assets are not indexed. Short life is defined as a useful life of up to and including 5 years. Short life assets are carried at depreciated historic cost as this is not considered to be materially different from fair value and are depreciated over their useful life.

Where estimated life of fixtures and equipment exceeds 5 years, suitable indices will be applied each year and depreciation will be based on the indexed amount.

###### **Revaluation Reserve**

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure.

### 3 Financial Statements (continued)

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for the Year Ended 31 March 2023 (continued)

##### 1.4 Depreciation and Amortisation

No depreciation is provided on freehold land since land has an unlimited or a very long established useful life. Items under construction are not depreciated until they are commissioned. Properties that are surplus to requirements and which meet the definition of “non-current assets held for sale” are also not depreciated.

Otherwise, depreciation is charged on a straight-line basis to write off the costs or valuation of property, plant and equipment and similarly, amortisation is applied on a straight-line basis to intangible non-current assets, less any residual value, over 3 to 5 years, in a manner that reflects the consumption of economic benefits or service potential of the assets. Assets held under finance leases are also depreciated over the lower of their estimated useful lives and the terms of the lease. The estimated useful life of an asset is the period over which NIFRS expects to obtain economic benefits or service potential from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. The following asset lives have been used:

| Asset Type                        | Asset Life (Years) |
|-----------------------------------|--------------------|
| Freehold Buildings                | 25-60              |
| Furniture & Fittings              | 5-20               |
| Plant & Machinery                 | 5-20               |
| IT Assets (including intangibles) | 3-7                |
| Cars & Vans                       | 5                  |
| Water Tenders                     | 12                 |
| Serial/Aerial Appliances          | 15                 |

##### 1.5 Impairment Loss

If there has been an impairment loss due to a general change in price, the asset is written down to its recoverable amount, with the loss charged to the Revaluation Reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure within the Statement of Comprehensive Net Expenditure. If the impairment is due to the consumption of economic benefits the full amount of the impairment is charged to the Statement of Comprehensive Net Expenditure and an amount up to the value of the impairment in the Revaluation Reserve is transferred to the Statement of Comprehensive Net Expenditure Reserve. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited firstly to the Statement of Comprehensive Net Expenditure to the extent of the decrease previously charged there and, thereafter, to the Revaluation Reserve.

### **3 Financial Statements (continued)**

#### **3.1 Operating Accounts (continued)**

#### **Notes to the Accounts for the Year Ended 31 March 2023 (continued)**

##### **1.6 Subsequent Expenditure**

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure which meets the definition of capital restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-off and charged to operating expenses.

The overall useful lives of NIFRS' buildings take account of the fact that different components of those buildings have different useful lives. This ensures that depreciation is charged on those assets at the same rate as if separate components had been identified and depreciated at different rates.

##### **1.7 Intangible Assets**

Intangible assets includes any of the following held - software, licences, trademarks, websites, development expenditure, patents, goodwill and intangible assets under construction.

Software that is integral to the operating of hardware, for example, an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example, application software, is capitalised as an intangible non-current asset. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use it;
- the ability to sell or use the intangible asset;
- how the intangible asset will generate probable future economic benefits or service potential;
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

##### **Recognition**

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of NIFRS' business or which arise from contractual or other legal rights. Intangible assets are considered to have a finite life. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, NIFRS; where the cost of the asset can be measured reliably. All single items over £5,000 in value must be capitalised while intangible assets which fall within the grouped asset definition must be capitalised if their individual value is at least £1,000 each and the group is at least £5,000 in value.

The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date of commencement of the intangible asset, until it is complete and ready for use.

Intangible assets acquired separately are initially recognised at fair value.

### **3 Financial Statements (continued)**

#### **3.1 Operating Accounts (continued)**

#### **Notes to the Accounts for the Year Ended 31 March 2023 (continued)**

##### **1.7 Intangible Assets (continued)**

###### **Measurement**

Following initial recognition, intangible assets are carried at fair value by reference to an active market, and as no active market currently exists amortised replacement cost has been used as fair value.

##### **1.8 Non-current assets Held for Sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. In order to meet this definition IFRS 5 requires that the asset must be immediately available for sale in its current condition and that the sale is highly probable. A sale is regarded as highly probable where an active plan is in place to find a buyer for the asset through appropriate marketing at a reasonable price and the sale is considered likely to be concluded within one year. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value, less any material directly attributable selling costs. Fair value is open market value, where one is available, including alternative uses. Assets classified as held for sale are not depreciated.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount. The profit from sale of land which is a non-depreciating asset is recognised within income. The profit from sale of a depreciating asset is shown as a reduced expense. The loss from sale of land or from any depreciating assets is shown within operating expenses. On disposal, the balance for the asset on the Revaluation Reserve is transferred to the Statement of Comprehensive Net Expenditure Reserve.

Property, plant or equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

##### **1.9 Inventories**

Inventories are valued at the lower of cost and net realisable value and are included exclusive of VAT. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

##### **1.10 Income**

Income is classified between 'Revenue from Contracts with Customers' and 'Other Operating Income' as assessed necessary in line with organisational activity, under the requirements of IFRS 15 and as applicable to the public sector. Judgement is exercised in order to determine whether the five essential criteria within the scope of IFRS 15 are met in order to define income as a contract.

Income relates directly to the operating activities of NIFRS and is recognised on an accruals basis when, and to the extent that a performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. Where the criteria to determine whether a contract is in existence is not met, income is classified as Other Operating Income within the Statement of Comprehensive Net Expenditure and is recognised when the right to receive payment is established. Income is stated net of VAT.

### **3 Financial Statements (continued)**

#### **3.1 Operating Accounts (continued)**

#### **Notes to the Accounts for the Year Ended 31 March 2023 (continued)**

As per IFRS 15 the Income Note is split as follows:

##### **Note 4.1 Revenue from Contracts with Customers**

Categories of Income:

- i. Provision of Fire Cover – Other bodies
- ii. Fire Reports & Certificates
- iii. Sundry Income from Fees and Charges

##### **Note 4.2 Other Operating Income**

Other Operating Income represents NIFRS income which does not fall within the classification of a contract with a customer.

Categories of Income:

- i. Training Course
- ii. Trade Union Deduction Service
- iii. Association of British Insurers
- iv. Insurance Claims
- v. Secondments
- vi. Rents
- vii. Miscellaneous

##### **Grant in Aid**

Funding received from other entities, including DoH, is accounted for as grant in aid and is reflected through the Statement of Comprehensive Net Expenditure Reserve.

##### **1.11 Other Expenses**

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

##### **1.12 Cash and Cash Equivalents**

Cash includes cash-in-hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### **1.13 Leases**

Under IFRS 16 NIFRS has recognised assets and liabilities for all leases except where the term is 12 months or less or the underlying asset has a low value.



### **3 Financial Statements (continued)**

#### **3.1 Operating Accounts (continued)**

#### **Notes to the Accounts for the Year Ended 31 March 2023 (continued)**

##### **1.13 Leases (continued)**

###### **NIFRS as Lessee**

Land and buildings under lease have been recognised as Right-of-Use assets on the Statement of Financial Position. The opening cost value of the assets has been calculated using the NPV of annual lease payments, useful economic life and an incremental borrowing rate of 0.95%

NIFRS holds a finance lease for printers and payments are recognised as an expense on a straight line basis over the lease term.

###### **NIFRS as Lessor**

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

##### **1.14 Financial Instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

NIFRS has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

###### **Financial Assets**

Financial assets are recognised on the Statement of Financial Position when NIFRS becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are de-recognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value. IFRS 9 requires consideration of the expected credit loss model on financial assets. The measurement of the loss allowance depends upon the DoH body's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument, where judged necessary.

Financial assets are classified into the following categories:

- financial assets at fair value through Statement of Comprehensive Net Expenditure;
- held to maturity investments;
- available for sale financial assets; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.



### **3 Financial Statements (continued)**

#### **3.1 Operating Accounts (continued)**

#### **Notes to the Accounts for the Year Ended 31 March 2023 (continued)**

##### **1.14 Financial Instruments (continued)**

###### **Financial Liabilities**

Financial liabilities are recognised on the Statement of Financial Position when NIFRS becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

###### **Financial Risk Management**

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Due to the manner in which it is funded, financial instruments play a more limited role within NIFRS in creating risk than would apply to a non-public sector body of a similar size; therefore NIFRS is not exposed to the same degree of financial risk faced by business entities. NIFRS has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing NIFRS in undertaking activities. As a result, NIFRS is exposed to limited credit, liquidity or market risk.

###### **Currency Risk**

NIFRS is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. There is therefore low exposure to currency rate fluctuations.

###### **Interest Rate Risk**

NIFRS has no powers to borrow and limited powers to invest and therefore has low exposure to interest rate fluctuations.

###### **Credit Risk**

As the majority of NIFRS income comes from contracts with other public sector bodies, NIFRS has low exposure to credit risk.

###### **Liquidity Risk**

As NIFRS receives the majority of its funding through the DoH which is voted through the Assembly, it is not exposed to significant liquidity risks.

##### **1.15 Provisions**

In accordance with IAS 37, provisions are recognised when:

- (a) NIFRS has a present legal or constructive obligation as a result of a past event;
- (b) it is probable that NIFRS will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

### 3 Financial Statements (continued)

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for the Year Ended 31 March 2023 (continued)

##### 1.15 Provisions (continued)

The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account risks and uncertainties.

Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows as at 31 March 2023, using the discount rates issued by the Department of Finance (DoF) below.

| Rate         | Time Period     | Real Rate |
|--------------|-----------------|-----------|
| Nominal      | Short term      | 3.27%     |
|              | Medium term     | 3.20%     |
|              | Long term       | 3.51%     |
|              | Very long term  | 3.00%     |
| Inflationary | Year 1          | 7.40%     |
|              | Year 2          | 0.60%     |
|              | Into perpetuity | 2.00%     |

Note that PES issued a combined nominal and inflation rate table to incorporate the 2 elements – please refer to this table as necessary, as included within issuing e-mail of circular HSC(F) 38-2022.

The discount rate to be applied for employee early departure obligations is 1.70% for 2022-23.

NIFRS has also disclosed the carrying amount at the beginning and end of the year, additional provisions made, amounts used during the period, unused amounts reversed during the period, increases in the discounted amount arising from the passage of time and the effect of any change in the discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where NIFRS has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when NIFRS has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

### **3 Financial Statements (continued)**

#### **3.1 Operating Accounts (continued)**

#### **Notes to the Accounts for the Year Ended 31 March 2023 (continued)**

##### **1.15 Provisions (continued)**

###### **Discount rate**

A discount rate is applied by the courts to a lump sum award of damages for future financial loss in a personal injury case, to take account of the return that can be earned from investment. The current rate is -1.5% as set (with effect from 22 March 2022) by the Government Actuary under the Damages Act 1996, as amended by the Damages (Return on Investment) Act (Northern Ireland) 2022.

##### **1.16 Contingencies**

In addition to contingent liabilities disclosed in accordance with IAS 37, NIFRS discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic activity is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

Where the time value of money is material contingent liabilities are disclosed at their present value using the discount rates issued by DoF as shown in Note 1.15 above.

Under IAS 37, NIFRS discloses contingent liabilities where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of NIFRS; or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of NIFRS. A contingent asset is disclosed where an inflow of economic benefits is probable.

##### **1.17 Employee Benefits**

###### **Short-Term Employee Benefits**

Under the requirements of IAS 19 Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. For NIFRS Support staff the carryover of annual leave has been accrued based on actual calculations. For Wholetime and Regional Control Centre staff the option to carry forward leave is under exceptional circumstances only and requires the approval of the Chief Fire & Rescue Officer. As such there is no material annual leave accrual at 31 March 2023 or at 31 March 2022. Untaken flexi leave is estimated to be immaterial and has therefore not been provided for in these Accounts.

### **3 Financial Statements (continued)**

#### **3.1 Operating Accounts (continued)**

#### **Notes to the Accounts for the Year Ended 31 March 2023 (continued)**

##### **1.17 Employee Benefits (continued)**

##### **Retirement Benefit Costs (continued)**

##### ***Compensation Scheme***

NIFRS operates a Compensation Scheme under The Firefighters' Compensation Scheme Order (Northern Ireland) 2007. This Scheme makes provision for the payment of pensions, allowances and gratuities to and in respect of persons who die or are permanently disabled as the result of an injury sustained or disease contracted during their course of duty.

The Compensation Scheme is valued on an actuarial basis and accounted for in accordance with IAS 19 with re-measurements due to changes in assumptions recognised in other expenditure.

- 1) Current Service Cost is the increase in the present value of the scheme liabilities expected to arise from employee service in the current period.
- 2) Past Service Cost is the change in the present value of defined benefit obligations caused by employee service in prior periods. This cost arises from changes in post-employment benefits or other long-term employee benefits.
- 3) Interest on the defined benefit liability is the change during the period in the defined benefit liability that arises from the passage of time.
- 4) Re-measurements of the defined benefit liability comprise: experience gains and losses arising on pension liability, changes in take-up rate assumptions, changes in financial and demographic assumptions underlying the present value of the pension liabilities.

##### **NI Local Government Officers' Superannuation Committee Scheme (NILGOSC)**

NIFRS also participates in the NILGOSC Scheme for the majority of its Support and Regional Control Centre staff.

The Local Government Pension Scheme is a funded defined benefit plan with benefits earned up to 31 March 2015 being linked to a final salary. Benefits after 31 March 2015 are on a Career Average Revalued Earnings Scheme. Details of the benefits earned over the period covered by this disclosure are set out in the Local Government Pension Scheme Regulations (Northern Ireland) 2014 and the Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014.

### 3 Financial Statements (continued)

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for the Year Ended 31 March 2023 (continued)

##### 1.17 Employee Benefits (continued)

##### Local Government Officers' Superannuation Committee Scheme (NILGOSC) (continued)

Employee contribution rates were fixed from April 2009 depending on the individual's pensionable remuneration. These contribution bands increased from 1 April 2019 and the revised bands and future year bands are set out in the table below:

| FYE Pay 2022/23    | Contribution Rate 2022/23 |               | FYE Pay 2023/24    | Contribution Rate 2023/24 |               |
|--------------------|---------------------------|---------------|--------------------|---------------------------|---------------|
|                    | Main Section              | 50/50 Section |                    | Main Section              | 50/50 Section |
| Up to £15,000      | 5.5%                      | 2.75%         | Up to £15,000      | 5.5%                      | 2.75%         |
| £15,001 to £23,700 | 5.8%                      | 2.9%          | £15,001 to £23,700 | 5.8%                      | 2.9%          |
| £23,701 to £39,500 | 6.5%                      | 3.25%         | £23,701 to £39,500 | 6.5%                      | 3.25%         |
| £39,501 to £48,000 | 6.8%                      | 3.4%          | £39,501 to £48,000 | 6.8%                      | 3.4%          |
| £48,001 to £95,100 | 8.5%                      | 4.25%         | £48,001 to £95,100 | 8.5%                      | 4.25%         |
| More than £95,100  | 10.5%                     | 5.25%         | More than £95,100  | 10.5%                     | 5.25%         |

Employer contribution rates are determined by the Scheme's actuary every 3 years and are shown in the table below:

| SCHEME  | ERS RATE 2022/2023 | ERS RATE 2023/2024 |
|---------|--------------------|--------------------|
| NILGOSC | 19.5%              | 19.5%              |

From 1 April 2017, NIFRS is also now required to pay an annual deficit funding contribution in addition to the pensionable pay contribution rates set out above. No deficit was payable for 2022/23. (2021/22: £nil).

Full actuarial valuations in respect of the NILGOSC Scheme are obtained at least triennially and updated annually thereafter. The latest full valuation of this Scheme was completed as at 31 March 2020.

### **3 Financial Statements (continued)**

#### **3.1 Operating Accounts (continued)**

#### **Notes to the Accounts for the Year Ended 31 March 2023 (continued)**

##### **1.17 Employee Benefits (continued)**

###### **Local Government Officers' Superannuation Committee Scheme (NILGOSC) (continued)**

The IAS 19 pension liability in respect of the NILGOSC Scheme is calculated annually by Aon Hewitt using the projected unit credit method and applying a discount rate selected with reference to the rate of return on high quality corporate bonds of a similar currency and duration to the scheme liabilities (20 years).

The charge to the Statement of Comprehensive Net Expenditure consists of the Current Service Cost, Past Service Cost and Employer Contributions (included within Operating Costs) in addition to Interest Costs on the net defined benefit liability. Re-measurements are recognised in other comprehensive expenditure.

##### **1.18 Reserves**

###### **Statement of Comprehensive Net Expenditure Reserve**

Accumulated amounts are accounted for in the Statement of Comprehensive Net Expenditure Reserve.

###### **Revaluation Reserve**

The Revaluation Reserve reflects the unrealised balance of cumulative indexation and revaluation adjustments to assets.

##### **1.19 Value Added Tax (VAT)**

Where output VAT is charged or input VAT is recoverable, amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

##### **1.20 Losses and Special Payments**

Losses and special payments are items that the Assembly would not have contemplated when it agreed funds for NIFRS or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NIFRS not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). The Note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses. Further details can be found in Section 2.3 of the Accountability and Audit Report.

### **3 Financial Statements (continued)**

#### **3.1 Operating Accounts (continued)**

#### **Notes to the Accounts for the Year Ended 31 March 2023 (continued)**

##### **1.21 Government Grants**

NIFRS is funded by grants from DoH and a cash based grant system is in operation. Under this system, amounts can be drawn down to finance payments made during the year which are properly chargeable against the grant. The grant in aid is taken directly to the Statement of Changes in Taxpayers' Equity.

Government assistance for capital projects whether from the UK, or Europe, are treated as a government grant even where there are no conditions specifically relating to the operating activities of the entity other than the requirement to operate in certain regions or industry sectors.

##### **1.22 Taxation**

NIFRS is liable to mainstream corporation tax, which is accounted for on an accruals basis.

##### **1.23 Foreign Currency Transactions/Translation**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to the Statement of Comprehensive Net Expenditure in the period in which they arise.

##### **1.24 Accounting Estimates and Key Judgements**

In the preparation of the Annual Accounts, NIFRS makes certain accounting estimates and assumptions concerning the future. Estimates and judgments are continually evaluated and are based on historical experience and various other factors, including expectations of future events, which are believed to be reasonable under the circumstances.

The most significant estimates and assumptions relevant to NIFRS are in respect of provisions. Due to the nature of provisions, a considerable part of their determination is based on estimates and/or judgments, including assumptions concerning the future. The timing of outflow of resources to settle these obligations is subject to the same uncertain factors.

##### **1.25 Accounting Standards that have been issued but have not yet been adopted**

The International Accounting Standards Board (IASB) have issued the following new standards but which are either not yet effective or adopted. Under IAS 8 there is a requirement to disclose these standards together with an assessment of their initial impact on application.

The IASB have issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards were effective with EU adoption from 1 January 2014.

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on Office of National Statistics (ONS) control criteria, as designated by Treasury.



### **3 Financial Statements (continued)**

#### **3.1 Operating Accounts (continued)**

#### **Notes to the Accounts for the Year Ended 31 March 2023 (continued)**

##### **1.25 Accounting Standards that have been issued but have not yet been adopted (continued)**

A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2022-23, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of these Standards.

##### **Implementation of Review of Financial Processes (RoFP)**

The Department of Health (DoH) is implementing Review of Financial Process in 2022-23. The aim of RoFP is to align the boundaries of budgets, estimates and accounts, as far as is practicable, including consolidation of Non-Departmental Public Bodies (NDPBs) and other central government bodies in Estimates and accounts. The bodies intended for inclusion within the 2022-23 departmental boundary include NIFRS. When RoFP is fully implemented the total assets and liabilities of NIFRS will be consolidated with the DoH Financial Statements.

IFRS 16 Leases replaces IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 has been implemented, as interpreted and adapted for the public sector, with effect from 1 April 2022.

NIFRS holds one lease for land with a lease asset and liability value of £30.9m and annual depreciation charges of £618k.

NIFRS holds two leases for buildings with a total lease asset and liability value of £75k and annual depreciation charges of £23k.

On initial application the impact of IFRS 16 was as follows: there is a new lease cost of £30.97m and annual depreciation costs of £641k and interest costs of £290k.

IFRS 17 Insurance Contracts will replace IFRS 4 Insurance Contracts and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2025.

##### **NOTE 2 – STATEMENT OF OPERATING EXPENDITURE BY OPERATING SEGMENT**

Within NIFRS the Board represents the Chief Operating Decision Maker function and holds regular meetings where key operational decisions are made based on information that is not segmented.

The strategic objective and core business of NIFRS is the provision of firefighting, rescue and fire safety services therefore there is only one reportable operating segment evident.

NIFRS collate and present information based on internal reporting requirements. The Board reviews and makes decisions on the activity and performance of the organisation as a whole, to deliver firefighting services.



### 3 Financial Statements (continued)

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for the Year Ended 31 March 2023 (continued)

##### NOTE 3 – EXPENDITURE

|   | 2023<br>£'000 | 2022<br>£'000 |
|---|---------------|---------------|
| *Staff costs:   |               |               |
| Wages and salaries  | 52,452        | 50,761        |
| Social security costs   | 5,184         | 4,842         |
| Other pension costs   | 14,440        | 14,823        |
| Communications equipment  | 1,423         | 1,370         |
| Office equipment & running costs  | 1,087         | 1,110         |
| Medical expenses, subsistence & other   | 692           | 738           |
| Transport   | 1,415         | 1,174         |
| Operational equipment & maintenance costs   | 1,587         | 1,407         |
| Premises  | 6,395         | 6,218         |
| Uniforms  | 718           | 535           |
| Contract catering, kitchen equipment & maintenance                                  | 21            | 12            |
| Rentals under operating leases  | 3             | 415           |
| Training  | 900           | 1,103         |
| Fire safety publicity   | 46            | 109           |
| Auditor remuneration  | 44            | 56            |
| Non audit services  | -             | -             |
| Miscellaneous expenditure   | 2,760         | 2,179         |
| Pension Scheme administration   | 2             | -             |
| <b>Non-Cash Items</b>   |               |               |
| (Profit)/Loss on disposal of assets   | (22)          | (25)          |
| Depreciation  | 7,546         | 6,701         |
| Amortisation  | 838           | 804           |
| Impairments   | 2,251         | (462)         |
| Interest on Scheme Liabilities  | 518           | 611           |
| Pension costs (NILGOSC)   | 2,208         | 2,600         |
| Increase/(decrease) in provisions (provision provided for in year less any release) | (44,663)      | (39,381)      |
| Cost of borrowing of provisions (unwinding of discount on provisions)               | 969           | 1,368         |
| <b>Total</b>  | <b>58,814</b> | <b>59,068</b> |

\*Further detailed analysis of staff costs is included in the Staff Report on page 81 - 86 within the Accountability Report.

During the year NIFRS purchased no non audit services from its external auditors (NIAO).

### 3 Financial Statements (continued)

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for the Year Ended 31 March 2023 (continued)

##### NOTE 4 - INCOME

##### 4.1 Revenue from Contracts with Customers

|  | 2023<br>£'000 | 2022<br>£'000 |
|--|---------------|---------------|
| Provision of fire cover - other bodies | 126           | 91            |
| Fire reports/certificates              | 12            | 17            |
| Sundry income from fees and charges    | -             | 1             |
| <b>Total</b>                           | <b>138</b>    | <b>109</b>    |

##### 4.2 Other Operating Income

|                                 | 2023<br>£'000 | 2022<br>£'000 |
|---------------------------------|---------------|---------------|
| Association of British Insurers | 206           | 206           |
| Trade Union Deduction Service   | 21            | 21            |
| Insurance Claims*               | 8             | 35            |
| Other income**                  | 278           | 288           |
| <b>Total</b>                    | <b>513</b>    | <b>550</b>    |

\* Insurance Claims include in current year £7k for recoupment of overpaid wages (2022: £20k) and £1k for repairs through insurance (2022: 15k).

\*\* Other income includes rental income of £56k (2022: £116k), secondment income of £109k (2022:£88k) and disposal of obsolete stock £69k (2022:£33k).

### 3 Financial Statements (continued)

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for the Year Ended 31 March 2023 (continued)

#### NOTE 5 – PROPERTY, PLANT & EQUIPMENT

##### 5.1 Property, Plant & Equipment – Year ended 31 March 2023

|   | Land<br>£'000 | Buildings<br>(excluding<br>dwellings)<br>£'000 | Right of<br>Use<br>Assets<br>(Land and<br>Buildings)<br>£'000 | Assets<br>under<br>Construction<br>£'000 | Plant and<br>Machinery<br>(Equipment)<br>£'000 | Transport<br>(Equipment)<br>£'000 | Information<br>Technology<br>(IT)<br>£'000 | Furniture<br>and<br>Fittings<br>£'000 | Total<br>£'000 |
|---|---------------|--|---|--|--|-----------------------------------|--|---------------------------------------|----------------|
| <b>Cost or Valuation</b>                      |               |  |   |  |  |                                   |  |                                       |                |
| At 1 April 2022                               | 15,881        | 81,769   | -   | 6,168                                    | 17,523   | 53,041                            | 3,543                                      | 1,165                                 | 179,090        |
| Adjustment of transition to IFRS16            | -             | -  | 30,976  | -  | -  | -                                 | -  | -                                     | 30,976         |
| Indexation                                    | -             | 6,367  | -   | -  | 2,184  | 3,070                             | 123  | 11                                    | 11,755         |
| Additions                                     | -             | 3,583  | -   | 20,103                                   | 255  | -                                 | 508  | 258                                   | 24,707         |
| Transfers                                     | -             | 827  | -   | (2,220)                                  | 1,413  | -                                 | 2  | (21)                                  | 0              |
| Revaluation                                   | -             | (12,335)                                       | -   | -  | (60)   | -                                 | -  | (15)                                  | (12,410)       |
| Impairment charged to SoCNE                   | (209)         | (301)  | -   | -  | -  | -                                 | -  | -                                     | (510)          |
| Impairment charged to the Revaluation Reserve | (101)         | 89   | -   | -  | -  | -                                 | -  | -                                     | (12)           |
| Reversal of impairments (indexation)          | -             | -  | -   | -  | -  | -                                 | 5  | -                                     | 5              |
| Disposals                                     | -             | -  | -   | -  | (655)  | (1,350)                           | -  | -                                     | (2,005)        |
| At 31 March 2023                              | <b>15,571</b> | <b>79,999</b>                                  | <b>30,976</b>   | <b>24,051</b>                            | <b>20,659</b>                                  | <b>54,761</b>                     | <b>4,181</b>                               | <b>1,398</b>                          | <b>231,596</b> |
| <b>Depreciation</b>                           |               |  |   |  |  |                                   |  |                                       |                |
| At 1 April 2022                               | -             | 9,951  | -   | -  | 13,622   | 32,138                            | 2,950                                      | 425                                   | 59,086         |
| Indexation                                    | -             | 935  | -   | -  | 1,643  | 1,973                             | 102  | 5                                     | 4,658          |
| Transfers                                     | -             | 7  | -   | -  | -  | -                                 | -  | (7)                                   | -              |
| Revaluation                                   | -             | (12,335)                                       | -   | -  | (60)   | -                                 | -  | (15)                                  | (12,410)       |
| Disposals                                     | -             | -  | -   | -  | (612)  | (1,350)                           | -  | -                                     | (1,962)        |
| Charged in year                               | -             | 2,534  | 641   | -  | 775  | 3,234                             | 268  | 95                                    | 7,547          |
| At 31 March 2023                              | -             | <b>1,092</b>                                   | <b>641</b>  | -  | <b>15,368</b>                                  | <b>35,995</b>                     | <b>3,320</b>                               | <b>503</b>                            | <b>56,919</b>  |
| <b>Carrying Amount</b>                        |               |  |   |  |  |                                   |  |                                       |                |
| At 31 March 2023                              | <b>15,571</b> | <b>78,907</b>                                  | <b>30,335</b>   | <b>24,051</b>                            | <b>5,292</b>                                   | <b>18,766</b>                     | <b>861</b>                                 | <b>895</b>                            | <b>174,677</b> |
| At 31 March 2022                              | <b>15,881</b> | <b>71,819</b>                                  | -   | <b>6,168</b>                             | <b>3,902</b>                                   | <b>20,903</b>                     | <b>593</b>                                 | <b>740</b>                            | <b>120,004</b> |

### 3 Financial Statements (continued)

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for the Year Ended 31 March 2023 (continued)

##### NOTE 5 – PROPERTY, PLANT & EQUIPMENT (continued)

##### Property, Plant & Equipment – Year ended 31 March 2023 (continued)

|                        | Land<br>£'000 | Buildings<br>(excluding<br>dwellings)<br>£'000 | Right of<br>Use<br>Assets<br>(Land and<br>Buildings)<br>£'000 | Assets under<br>Construction<br>£'000 | Plant and<br>Machinery<br>(Equipment)<br>£'000 | Transport<br>(Equipment)<br>£'000 | Information<br>Technology<br>(IT)<br>£'000 | Furniture<br>and<br>Fittings<br>£'000 | Total<br>£'000 |
|------------------------|---------------|--|---|---------------------------------------|--|-----------------------------------|--|---------------------------------------|----------------|
| <b>Asset financing</b> |               |  |   |                                       |  |                                   |  |                                       |                |
| Owned                  | 15,571        | 78,907   | -   | 24,051                                | 5,292  | 18,766                            | 861  | 895                                   | 144,342        |
| Financed Leased        | -             | -  | 30,335  | -                                     | -  | -                                 | -  | -                                     | 30,335         |
| <b>Carrying Amount</b> |               |  |   |                                       |  |                                   |  |                                       |                |
| At 31 March 2023       | <b>15,571</b> | <b>78,907</b>                                  | <b>30,335</b>   | <b>24,051</b>                         | <b>5,292</b>                                   | <b>18,766</b>                     | <b>861</b>                                 | <b>895</b>                            | <b>174,677</b> |

Any fall in value through negative indexation or revaluation is shown as an impairment.

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure in respect of assets held under finance leases and hire purchase contracts is £641k (2022: £NIL).

Land and Buildings Right-Of-Use assets have been valued using an NPV calculation of annual lease payments, useful economic life and an incremental borrowing rate of 0.95% per annum.

### 3 Financial Statements (continued)

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for the Year Ended 31 March 2023 (continued)

#### NOTE 5 – PROPERTY, PLANT & EQUIPMENT (continued)

#### 5.2 Property, Plant & Equipment – Year ended 31 March 2022

|                          | Land<br>£'000 | Buildings<br>(excluding<br>dwellings)<br>£'000 | Assets under<br>Construction<br>£'000 | Plant and<br>Machinery<br>(Equipment)<br>£'000 | Transport<br>Equipment<br>£'000 | Information<br>Technology<br>(IT)<br>£'000 | Furniture<br>and<br>Fittings<br>£'000 | Total<br>£'000 |
|--------------------------|---------------|--|---------------------------------------|--|---------------------------------|--|---------------------------------------|----------------|
| <b>Cost or Valuation</b> |               |  |                                       |  |                                 |  |                                       |                |
| At 1 April 2021          | 15,881        | 75,060   | 6,226                                 | 15,037   | 49,275                          | 3,489                                      | 970                                   | 165,938        |
| Indexation               | -             | 3,875  | -                                     | 1,053  | 1,517                           | (49)                                       | 24                                    | 6,420          |
| Additions                | -             | 778  | 6,541                                 | 286  | 47                              | 103  | 143                                   | 7,898          |
| Transfers                | -             | 2,056  | (6,599)                               | 1,147  | 3,368                           | -  | 28                                    | -              |
| Disposals                | -             | -  | -                                     | -  | (1,166)                         | -  | -                                     | (1,166)        |
| At 31 March 2022         | <b>15,881</b> | <b>81,769</b>                                  | <b>6,168</b>                          | <b>17,523</b>                                  | <b>53,041</b>                   | <b>3,543</b>                               | <b>1,165</b>                          | <b>179,090</b> |
| <b>Depreciation</b>      |               |  |                                       |  |                                 |  |                                       |                |
| At 1 April 2021          | -             | 7,197  | -                                     | 12,034   | 29,122                          | 2,654                                      | 332                                   | 51,339         |
| Indexation               | -             | 454  | -                                     | 819  | 957                             | (40)                                       | 9                                     | 2,199          |
| Disposals                | -             | -  | -                                     | -  | (1,153)                         | -  | -                                     | (1,153)        |
| Charged in year          | -             | 2,300  | -                                     | 769  | 3,212                           | 336  | 84                                    | 6,701          |
| At 31 March 2022         | <b>-</b>      | <b>9,951</b>                                   | <b>-</b>                              | <b>13,622</b>                                  | <b>32,138</b>                   | <b>2,950</b>                               | <b>425</b>                            | <b>59,086</b>  |
| <b>Carrying Amount</b>   |               |  |                                       |  |                                 |  |                                       |                |
| At 31 March 2022         | <b>15,881</b> | <b>71,818</b>                                  | <b>6,168</b>                          | <b>3,901</b>                                   | <b>20,903</b>                   | <b>593</b>                                 | <b>740</b>                            | <b>120,004</b> |
| At 31 March 2021         | <b>15,881</b> | <b>67,863</b>                                  | <b>6,226</b>                          | <b>3,003</b>                                   | <b>20,153</b>                   | <b>835</b>                                 | <b>638</b>                            | <b>114,599</b> |

### 3 Financial Statements (continued)

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for the Year Ended 31 March 2023 (continued)

##### NOTE 5 – PROPERTY, PLANT & EQUIPMENT (continued)

##### 5.2 Property, Plant & Equipment – Year ended 31 March 2022 (continued)

|                        | Land<br>£'000 | Buildings<br>(excluding<br>dwellings)<br>£'000 | Assets under<br>Construction<br>£'000 | Plant and<br>Machinery<br>(Equipment)<br>£'000 | Transport<br>Equipment<br>£'000 | Information<br>Technology<br>(IT)<br>£'000 | Furniture<br>and<br>Fittings<br>£'000 | Total<br>£'000 |
|------------------------|---------------|--|---------------------------------------|--|---------------------------------|--|---------------------------------------|----------------|
| <b>Asset financing</b> |               |  |                                       |  |                                 |  |                                       |                |
| Owned                  | 15,881        | 71,818   | 6,168                                 | 3,901  | 20,903                          | 593  | 740                                   | 120,004        |
| <b>Carrying Amount</b> |               |  |                                       |  |                                 |  |                                       |                |
| At 31 March 2022       | <u>15,881</u> | <u>71,818</u>                                  | <u>6,168</u>                          | <u>3,901</u>                                   | <u>20,903</u>                   | <u>593</u>                                 | <u>740</u>                            | <u>120,004</u> |

Any fall in value through negative indexation or revaluation is shown as an impairment.

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure in respect of assets held under finance leases and hire purchase contracts is £NIL (2021: £NIL).

**3 Financial Statements (continued)**  
**3.1 Operating Accounts (continued)**  
**Notes to the Accounts for the Year Ended 31 March 2023 (continued)**

**NOTE 6 – INTANGIBLE ASSETS**

**6.1 Intangible Assets - Year Ended 31 March 2023**

|                             | Software<br>Licences<br>£'000 | Information<br>Technology<br>£'000 | Assets under<br>Construction<br>£'000 | Total<br>£'000 |
|-----------------------------|-------------------------------|------------------------------------|---------------------------------------|----------------|
| <b>Cost or Valuation</b>    |                               |                                    |                                       |                |
| At 1 April 2022             | 2,956                         | 3,430                              | 2,360                                 | 8,746          |
| Additions                   | 114                           | 166                                | 13                                    | 293            |
| C&C Accrual Reversal        | -                             | -                                  | (447)                                 | (447)          |
| Transfers                   | -                             | 120                                | (120)                                 | -              |
| Impairment charged to SoCNE | -                             | -                                  | (1,746)                               | (1,746)        |
| At 31 March 2023            | <u>3,070</u>                  | <u>3,716</u>                       | <u>60</u>                             | <u>6,846</u>   |
| <b>Amortisation</b>         |                               |                                    |                                       |                |
| At 1 April 2022             | 2,154                         | 2,253                              | -                                     | 4,407          |
| Charged in year             | 531                           | 308                                | -                                     | 839            |
| At 31 March 2023            | <u>2,685</u>                  | <u>2,561</u>                       | <u>-</u>                              | <u>5,246</u>   |
| <b>Carrying Amount</b>      |                               |                                    |                                       |                |
| At 31 March 2023            | <u>385</u>                    | <u>1,155</u>                       | <u>60</u>                             | <u>1,600</u>   |
| At 31 March 2022            | <u>802</u>                    | <u>1,177</u>                       | <u>2,360</u>                          | <u>4,339</u>   |
| <b>Asset Financing</b>      |                               |                                    |                                       |                |
| Owned                       | 385                           | 1,155                              | 60                                    | 1,600          |
| <b>Carrying Amount</b>      |                               |                                    |                                       |                |
| At 31 March 2023            | <u>385</u>                    | <u>1,155</u>                       | <u>60</u>                             | <u>1,600</u>   |

Assets under construction are predominantly software systems and when completed will be used throughout the organisation.

The Command and Control asset was written off in year resulting in an impairment charge of £1,746k.

**3 Financial Statements (continued)**  
**3.1 Operating Accounts (continued)**  
**Notes to the Accounts for the Year Ended 31 March 2023 (continued)**

**NOTE 6 – INTANGIBLE ASSETS (continued)**

**6.1 Intangible Assets - Year Ended 31 March 2022**

|                          | Software<br>Licences<br>£'000 | Information<br>Technology<br>£'000 | Assets under<br>Construction<br>£'000 | Total<br>£'000 |
|--------------------------|-------------------------------|------------------------------------|---------------------------------------|----------------|
| <b>Cost or Valuation</b> |                               |                                    |                                       |                |
| At 1 April 2021          | 2,881                         | 3,339                              | 2,155                                 | 8,375          |
| Additions                | 75                            | 91                                 | 205                                   | 371            |
| At 31 March 2022         | <u>2,956</u>                  | <u>3,430</u>                       | <u>2,360</u>                          | <u>8,746</u>   |
| <b>Amortisation</b>      |                               |                                    |                                       |                |
| At 1 April 2021          | 1,636                         | 1,967                              | -                                     | 3,603          |
| Charged in year          | 518                           | 286                                | -                                     | 804            |
| At 31 March 2022         | <u>2,154</u>                  | <u>2,253</u>                       | <u>-</u>                              | <u>4,407</u>   |
| <b>Carrying Amount</b>   |                               |                                    |                                       |                |
| At 31 March 2022         | <u>802</u>                    | <u>1,177</u>                       | <u>2,360</u>                          | <u>4,339</u>   |
| At 31 March 2021         | <u>1,245</u>                  | <u>1,372</u>                       | <u>2,155</u>                          | <u>4,772</u>   |
| <b>Asset Financing</b>   |                               |                                    |                                       |                |
| Owned                    | 802                           | 1,177                              | 2,360                                 | 4,339          |
| <b>Carrying Amount</b>   |                               |                                    |                                       |                |
| At 31 March 2022         | <u>802</u>                    | <u>1,177</u>                       | <u>2,360</u>                          | <u>4,339</u>   |

Assets under construction are predominantly software systems and when completed will be used throughout the organisation.



### 3 Financial Statements (continued)

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for the Year Ended 31 March 2023 (continued)

#### NOTE 7 - FINANCIAL INSTRUMENTS

As the cash requirements of NIFRS are met through grant in aid provided by DoH, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with NIFRS expected purchase and usage requirements and NIFRS is therefore exposed to little credit, liquidity or market risk.

NIFRS did not have any financial instruments at either 31 March 2023 or 31 March 2022.

#### NOTE 8 - IMPAIRMENTS

|  | 2023                                 |                      |                |
|--|--------------------------------------|----------------------|----------------|
|  | Property, Plant & Equipment<br>£'000 | Intangibles<br>£'000 | Total<br>£'000 |
| Total value of impairments for the year  | 505                                  | 1,746                | 2,251          |
| Impairments which Revaluation Reserve covers<br>(shown in Other Comprehensive Expenditure) | (12)                                 | -                    | (12)           |
| <b>Impairments charged/(credited) to Statement of Comprehensive Net Expenditure</b>        | <b>493</b>                           | <b>1,746</b>         | <b>2,239</b>   |

Following liquidation of a supplier an asset has been written off resulting in an impairment charge of £1,746k. There has also been general impairment on Land and Buildings following the LPS quinquennial valuation in January 2023.

|  | 2022                                 |                      |                |
|--|--------------------------------------|----------------------|----------------|
|  | Property, Plant & Equipment<br>£'000 | Intangibles<br>£'000 | Total<br>£'000 |
| Total value of impairment reversals for the year   | (462)                                | -                    | (462)          |
| Impairments which Revaluation Reserve covers<br>(shown in Other Comprehensive Expenditure) | -                                    | -                    | -              |
| <b>Impairments charged / (credited) to Statement of Comprehensive Net Expenditure</b>      | <b>(462)</b>                         | <b>-</b>             | <b>(462)</b>   |

General impairment of asset base following application of 2021-22 indices

#### NOTE 9 - INVENTORIES

|                        | 2023<br>£'000 | 2022<br>£'000 |
|------------------------|---------------|---------------|
| Uniforms               | 795           | 935           |
| Firefighting Equipment | 639           | 667           |
| Stationery             | 66            | 74            |
| Transport              | 225           | 204           |
| Fuel                   | 80            | 126           |
| Other                  | 9             | 10            |
| <b>Total</b>           | <b>1,814</b>  | <b>2,016</b>  |

### 3 Financial Statements (continued)

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for the Year Ended 31 March 2023 (continued)

##### NOTE 10 - CASH AND CASH EQUIVALENTS

|   | 2023<br>£'000 | 2022<br>£'000 |
|---|---------------|---------------|
| Balance at 1 April                      | (449)         | (655)         |
| Net change in cash and cash equivalents | (102)         | 206           |
| <b>Balance at 31 March</b>              | <b>(551)</b>  | <b>(449)</b>  |

##### The following balances on 31 March were held at:

|                                   |              |              |
|-----------------------------------|--------------|--------------|
| Commercial banks and cash in hand | (551)        | (449)        |
| <b>Balance at 31 March</b>        | <b>(551)</b> | <b>(449)</b> |

NIFRS did not have any liabilities arising from financing activities at 31 March 2023 (2022:nil)

##### NOTE 11 – RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

|  | 2022 | Cashflows    | Non-Cash Changes |               | 2023          |
|--|------|--------------|------------------|---------------|---------------|
|  |      |              | Acquisition      | Other Changes |               |
| Lease Liabilities (Land)                           | -    | (360)        | 30,901           | 290           | 30,831        |
| Lease Liabilities (Land) rent payment accrual      | -    | (18)         | -                | -             | (18)          |
| Lease Liabilities (Buildings)                      |      | (23)         | 75               | 0.49          | 53            |
| <b>Total liabilities from financial activities</b> |      | <b>(401)</b> | <b>30,976</b>    | <b>290</b>    | <b>30,865</b> |

### 3 Financial Statements (continued)

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for the Year Ended 31 March 2023 (continued)

##### NOTE 12 - TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

|  | 2023<br>£'000 | 2022<br>£'000 |
|--|---------------|---------------|
| <b>Amounts falling due within one year</b>                       |               |               |
| Trade receivables  | 275           | 86            |
| VAT receivable   | 1,060         | 545           |
| Other receivables - not relating to fixed assets                 | 2             | 7             |
| <b>Trade and Other Receivables</b>                               | <b>1,337</b>  | <b>638</b>    |
| <br>   |               |               |
| Prepayments  | 1,170         | 1,413         |
| Accrued income   | 102           | 138           |
| <b>Other Current Assets</b>                                      | <b>1,272</b>  | <b>1,551</b>  |
| <br>   |               |               |
| <b>Other Current Assets falling due after more than one year</b> | <b>-</b>      | <b>-</b>      |
| <br>   |               |               |
| <b>Amounts falling due after more than one year</b>              | <b>-</b>      | <b>-</b>      |
| <br>   |               |               |
| <b>Total Trade and Other Receivables</b>                         | <b>1,337</b>  | <b>638</b>    |
| <br>   |               |               |
| <b>Total Other Current Assets</b>                                | <b>1,272</b>  | <b>1,551</b>  |
| <br>   |               |               |
| <b>Total</b>   | <b>2,609</b>  | <b>2,189</b>  |

The balances are net of a provision for bad debts of £nil (2021/22: £nil).

##### NOTE 13 - TRADE PAYABLES, FINANCIAL AND OTHER CURRENT LIABILITIES

|  | 2023<br>£'000 | 2022<br>£'000 |
|--|---------------|---------------|
| <b>Amounts falling due within one year</b>             |               |               |
| Other taxation and social security                     | 1,999         | 982           |
| Trade capital payables - property, plant and equipment | 9,245         | 4,617         |
| Trade revenue payables                                 | 4,579         | 3,920         |
| Lease Liability  | 166           | -             |
| Payroll Payables                                       | 10,463        | 6,972         |
| <b>Trade and other payables</b>                        | <b>26,452</b> | <b>16,491</b> |
| <br>   |               |               |
| <b>Total Payables falling due within 1 year</b>        | <b>26,452</b> | <b>16,491</b> |
| <br>   |               |               |
| <b>Amounts falling due after more than 1 year</b>      | <b>30,699</b> | <b>-</b>      |
| <br>   |               |               |
| <b>Total</b>   | <b>57,151</b> | <b>16,491</b> |

### 3 Financial Statements

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for Year Ended 31 March 2023 (continued)

#### NOTE 14 - PROMPT PAYMENT POLICY

#### 14 Public Sector Payment Policy - Measure of Compliance

DoH requires that NIFRS pay their trade creditors in accordance with the Better Payments Practice Code and Government Accounting Rules. NIFRS payment policy is consistent with the Better Payments Practice Code and Government Accounting rules and its measure of compliance is:

|   | <b>2023<br/>Number</b> | <b>2023<br/>Value<br/>£'000</b> | <b>2022<br/>Number</b> | <b>2022<br/>Value<br/>£'000</b> |
|---|------------------------|---------------------------------|------------------------|---------------------------------|
| Total bills paid  | 7,651                  | 44,464                          | 8,875                  | 31,528                          |
| Total bills paid within 30 day target or under agreed payment terms | 7,198                  | 41,395                          | 8,402                  | 29,187                          |
| % of bills paid within 30 day target or under agreed payment terms  | 94.1%                  | 93.1%                           | 94.7%                  | 92.6%                           |
| Total bills paid within 30 days of receipt of an undisputed invoice | 7,552                  | 44,278                          | 8,685                  | 31,069                          |
| % of bills paid within 30 days of receipt of an undisputed invoice  | 98.7%                  | 99.6%                           | 97.9%                  | 98.5%                           |
| Total bills paid within 10 days of receipt of an undisputed invoice | 7,351                  | 43,972                          | 8,307                  | 30,159                          |
| % of bills paid within 10 days of receipt of an undisputed invoice  | 96.1%                  | 98.9%                           | 93.6%                  | 95.7%                           |

### 3 Financial Statements

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for Year Ended 31 March 2023 (continued)

##### NOTE 15 – PROVISIONS FOR LIABILITIES AND CHARGES

|  | Insurance<br>£'000 | Firefighters'<br>Compensation<br>Scheme<br>£'000 | Other<br>£'000 | 2023<br>Total<br>£'000 |
|--|--------------------|--|----------------|------------------------|
| Balance at 1 April 2022  | 2,672              | 70,170   | 2,482          | 75,324                 |
| Provided in year   | 628                | -  | (578)          | 50                     |
| Provided in year - current service cost                                      | -                  | 650  | -              | 650                    |
| (Provisions not required written back)/<br>changes in underlying assumptions | (639)              | *(44,722)  | -              | (45,361)               |
| Provision utilised in the year   | (606)              | (3,628)  | -              | (4,234)                |
| Borrowing costs (unwinding of discount)                                      | (91)               | 1,060  | -              | 969                    |
| <b>At 31 March 2023</b>  | <b>1,964</b>       | <b>23,530</b>                                    | <b>1,904</b>   | <b>27,398</b>          |

|  | Insurance<br>£'000 | Firefighters'<br>Compensation<br>Scheme<br>£'000 | Other<br>£'000 | 2022<br>Total<br>£'000 |
|--|--------------------|--|----------------|------------------------|
| Balance at 1 April 2021  | 2,624              | 113,010  | 2,228          | 117,862                |
| Provided in year   | 1,202              | -  | 254            | 1,456                  |
| Provided in year - current service cost                                      | -                  | 770  | -              | 770                    |
| (Provisions not required written back)/<br>changes in underlying assumptions | (160)              | *(41,447)  | -              | (41,607)               |
| Provision utilised in the year   | (962)              | (3,563)  | -              | (4,525)                |
| Borrowing costs (unwinding of discount)                                      | (32)               | 1,400  | -              | 1,368                  |
| <b>At 31 March 2022</b>  | <b>2,672</b>       | <b>70,170</b>                                    | <b>2,482</b>   | <b>75,324</b>          |

\*Based on re-measurement of net defined liability by Government Actuary.

### 3 Financial Statements

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for Year Ended 31 March 2023 (continued)

##### NOTE 15 - PROVISION FOR LIABILITIES AND CHARGES (continued)

##### Analysis of Expected Timing of Cash Flows

|   | Insurance<br>£'000 | Firefighters'<br>Compensation<br>Scheme<br>£'000 | Other<br>£'000 | 2023<br>Total<br>£'000 |
|---|--------------------|--|----------------|------------------------|
| Not later than 1 year                           | 1,964              | 2,510  | 1,904          | 6,378                  |
| Later than 1 year and not later<br>than 5 years | -                  | 9,590  | -              | 9,590                  |
| Later than 5 years                              | -                  | 11,430   | -              | 11,430                 |
| <b>At 31 March 2023</b>                         | <b>1,964</b>       | <b>23,530</b>                                    | <b>1,904</b>   | <b>27,398</b>          |

|   | Insurance<br>£'000 | Firefighters'<br>Compensation<br>Scheme<br>£'000 | Other<br>£'000 | 2022<br>Total<br>£'000 |
|---|--------------------|--|----------------|------------------------|
| Not later than 1 year                           | 2,672              | 2,280  | 2,482          | 7,434                  |
| Later than 1 year and not later<br>than 5 years | -                  | 8,990  | -              | 8,990                  |
| Later than 5 years                              | -                  | 58,900   | -              | 58,900                 |
| <b>At 31 March 2022</b>                         | <b>2,672</b>       | <b>70,170</b>                                    | <b>2,482</b>   | <b>75,324</b>          |

##### Comprehensive Net Expenditure Account Charges

|  | 2023<br>£'000   | 2022<br>£'000   |
|--|-----------------|-----------------|
| Provided in year<br>(Provisions not required written back)/changes in underlying assumptions | 700             | 2,226           |
| Cost of borrowing (Unwinding of discount)  | (45,361)        | (41,607)        |
| <b>Total charge within operating charges</b>   | <b>(43,693)</b> | <b>(38,013)</b> |

### 3 Financial Statements

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for Year Ended 31 March 2023 (continued)

#### NOTE 15 - PROVISION FOR LIABILITIES AND CHARGES (continued)

##### Insurance Provision

NIFRS operates a policy of limited self-insurance and has detailed above a provision of £1,964 (2022: £2,672k) in respect of Public Liability, Employer Liability, Vehicle Liability and Breach of Employment Law claims which were unsettled at 31 March 2023. The provision is calculated based on estimates provided by NIFRS.

An Insurance Officer liaises with relevant third parties, with the exception of employment claims where Belfast City Council provides the information directly to the Finance Department. The provision is calculated using DoF's discount rate applied during the year as outlined in breakeven.

##### Firefighters' Compensation Scheme

The Compensation Scheme makes provision for the payment of pensions, allowances and gratuities to and in respect of persons who die or are permanently disabled as the result of an injury sustained or disease contracted while employed by NIFRS. GAD performed a valuation as at 31 March 2023 leading to the provision of £23,520k (2022: £70,170k) as shown above.

The principal financial assumptions applied to the Firefighters' Compensation Scheme valuation are summarised below:

|  | 2023 | 2022 | 2021 | 2020 |
|--|------|------|------|------|
|  | %    | %    | %    | %    |
| Discount rate                            | 4.15 | 1.55 | 1.25 | 1.80 |
| Price inflation (CPI)                    | 2.40 | 2.90 | 2.22 | 2.35 |
| Rate of increase in pensionable salaries | 3.65 | 4.15 | 3.72 | 4.10 |
| Rate of increase in pensions             | 4.15 | 1.55 | 2.22 | 2.35 |

##### Sensitivity of results

##### Firefighters' Compensation Scheme Change in assumption\*

|   | Impact<br>on DBO<br>% | £Million |
|---|-----------------------|----------|
| 0.5% increase in Discount Rate  | (7.5)                 | (2.0)    |
| Life expectancy: each pensioner subject to longevity of an individual 1 further year younger than assumed | 2.5                   | 1.0      |
| 0.5% increase in the Salary Increase Rate   | -                     | -        |
| 0.5% increase in the Pension Increase Rate  | 8.0                   | 2.0      |

### 3 Financial Statements

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for Year Ended 31 March 2023 (continued)

#### NOTE 15 - PROVISION FOR LIABILITIES AND CHARGES (continued)

##### Life expectancies

|  | 2023  |         |
|--|-------|---------|
|  | Males | Females |
| 65 year old current normal health pensioner      | 21.2  | 21.2    |
| 45 year old future normal health pensioner at 65 | 22.9  | 22.9    |

##### History of experience gains/(losses)

|   | 2023   | 2022   |
|---|--------|--------|
|   | £'000  | £'000  |
| Experience gains/(losses) on scheme liabilities | 22,640 | 46,140 |

##### Other

On 1 April 2017, 6 members of staff transferred from NIFRS to the HSC Business Services Organisation under the terms of the Cabinet Office's Statement of Practice for Staff Transfers in the Public Sector. A provision of £190k (2022: £750k) has been recognised in the accounts for the associated shortfall between the relevant pension schemes as part of a bulk transfer arrangement i.e. a shortfall between the bulk transfer value payable from the Loan Government Pension Scheme (Northern Ireland) (LGPS) (NI); and the amount required by the Health & Social Care Pension Scheme (HSCPS) to provide the intended level of benefits in the HSCPS.

Based on a Court of Appeal judgement in June 2019 (PSNI V Agnew) on backdated PSNI holiday pay, the Department of Finance has reviewed implications for each of the major staffing groups across the Public Sector. As a result a provision of £1,713K (2022: £1,732k) relating to the period 31/03/1999 to 31/03/2018 has been recognised in the accounts. From 2019 to date an accrual has been included in the Accounts. Refer to note 20.3 for further details.

#### NOTE 16 – RETIREMENT BENEFIT OBLIGATIONS

The majority of Support Staff and Regional Control Centre staff within NIFRS are members of the NILGOSC scheme, a multi-employer defined benefit scheme in which it is possible for an employer to identify its share of the assets and liabilities on a consistent basis.



### 3 Financial Statements

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for Year Ended 31 March 2023 (continued)

#### NOTE 16 - RETIREMENT BENEFIT OBLIGATIONS (continued)

##### Financial Assumptions

The principal financial assumptions applied to the NILGOSC valuation are summarised below:

|  | 2023 | 2022 | 2021 |
|--|------|------|------|
|  | %    | %    | %    |
| Discount rate                            | 4.7  | 2.7  | 2.1  |
| Price inflation (CPI)                    | 2.7  | 3.0  | 2.7  |
| Rate of increase in pensionable salaries | 4.2  | 4.5  | 4.2  |
| Pension accounts revaluation rate        | 2.7  | 3.0  | 2.7  |
| Pension increases                        | 2.7  | 3.0  | 2.7  |

The future life expectancies at age 65 are summarised below:

|  | 2023  |         | 2022  |         |
|--|-------|---------|-------|---------|
|  | Males | Females | Males | Females |
| 65 year old current pensioner          | 22.1  | 25.0    | 21.8  | 25.0    |
| 45 year old future pensioner at age 65 | 23.2  | 26.0    | 23.2  | 26.4    |

|                                     | Asset Allocation<br>31 March 2023 | Assets at<br>31 March<br>2023 | Asset Allocation<br>31 March 2022 | Assets at<br>31 March<br>2022 |
|-------------------------------------|-----------------------------------|-------------------------------|-----------------------------------|-------------------------------|
|                                     | per annum                         | £'000                         | per annum                         | £'000                         |
| Equities                            | 39.9%                             | 33,332                        | 42.8%                             | 39,236                        |
| Bonds                               | 23.6%                             | 19,715                        | 26.9%                             | 24,660                        |
| Cash/Other                          | 7.1%                              | 5,931                         | 4.0%                              | 3,667                         |
| Unquoted                            | 16.1%                             | 13,450                        | 13.2%                             | 12,101                        |
| Multi Asset Credit                  | 13.3%                             | 11,111                        | 13.1%                             | 12,009                        |
| Fair value of scheme assets         |                                   | 83,539                        |                                   | 91,673                        |
| Present value of funded obligations |                                   | (81,787)                      |                                   | (111,671)                     |
| <b>Net asset</b>                    |                                   | <b>1,752</b>                  |                                   | <b>(19,998)</b>               |

### **3 Financial Statements**

#### **3.1 Operating Accounts (continued)**

#### **Notes to the Accounts for Year Ended 31 March 2023 (continued)**

##### **NOTE 16 - RETIREMENT BENEFIT OBLIGATIONS (continued)**

##### **McCloud Judgment – Impact on NILGOSC Pension Liability**

The scheme net asset includes an amount for the impact of the McCloud judgement and GMP Equalisation and Indexation.

##### **McCloud and 2016 Valuation Cost Control**

Claims of age discrimination were brought in relation to the terms of the transitional protection by groups of firefighters and members of the Judiciary in the McCloud/ Sargeant legal case (referred herein as “McCloud”) and the Court of Appeal handed down its judgement on this claim on 20 December 2018, ruling that the transitional protection arrangements were discriminatory on the basis of age. As a result, the cost control element of the 2016 scheme valuation was paused whilst the Government addressed the need to remedy this discrimination across all public service pension schemes.

In July 2020 HM Treasury consulted on changes to the transitional arrangements to the 2015 schemes as a result of this judgement and, at the same time, an update on the Cost Control Element of the 2016 valuations was published. In this update, the Government announced that the pause should be lifted and the cost control element of the 2016 valuations could be completed. This update also set out that the McCloud costs would fall into the “member cost” category of the control element of the valuations process. It is also noted that by taking into account the increased value as a result of the McCloud remedy, scheme cost control valuation outcomes will show greater costs than otherwise would have been expected.

The reformed public service schemes in Northern Ireland incorporate similar age-based transitional protections. The Department of Finance ran a consultation from 19 August 2020 to 18 November 2020 consulting on proposals to I) remove discrimination in unfunded public service schemes made under the Public Service Pensions Act (Northern Ireland) 2014 for the future; and, II) remedy the effect of any discrimination scheme members may have incurred since April 2015. The Department of Finance issued its consultation response on 25 February 2021. It proposes to proceed with the deferred choice underpin. This approach means all eligible members will receive a choice at the point of retirement whether to take legacy or reformed scheme benefits for the period between 1 April 2015 and 31 March 2022, known as the remedy period.

All public servants who continue in service from 1 April 2022 onwards will do so as members of their respective reformed scheme (alpha pension scheme). These proposals have been developed at the Collective Consultation Working Group, which is the recognised forum for consultation on pension policy for devolved schemes and where both public service employers and employees are represented.

Work is progressing on the legislative steps required to implement the remedy and reformed scheme. The actuarial liability as at 31 March 2023 includes accrual for management’s best estimate of the higher expected costs to implement the remedy and

### **3 Financial Statements**

#### **3.1 Operating Accounts (continued)**

#### **Notes to the Accounts for Year Ended 31 March 2023 (continued)**

##### **NOTE 16 - RETIREMENT BENEFIT OBLIGATIONS (continued)**

###### **McCloud and 2016 Valuation Cost Control (continued)**

reformed scheme under the proposals. Should there be any changes to the proposals, the amounts recognised would need to be revised.

The 2016 Scheme Valuation requires adjustment as a result of the 'McCloud remedy'. The Department of Finance also commissioned a consultation in relation to the Cost Cap element of Scheme Valuations which closed on 25 June 2021. The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. By taking into account the increased value of public service pensions, as a result of the 'McCloud remedy', scheme cost control valuation outcomes will show greater costs than otherwise would have been expected. Following completion of the consultation process the 2016 Valuation has been completed and the final cost cap determined. Further information can be found on the Department of Finance website <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>.

###### **GMP Indexation and Equalisation**

The Government has recently published a further consultation on indexation and equalisation of Guaranteed Minimum Pensions (GMP), with the proposal being to extend the "interim solution" to those members who reach State Pension Age after 5 April 2021 (7 October 2020). A past service cost was included for 2019/20 for extending the equalisation to all future retirees.

There was also a further court ruling on 20 November 2020 regarding GMP equalisation. The court ruled that scheme trustees are required to revisit past Cash Equivalent Transfer Values (CETVs) to ensure GMP equalisation. This may result in additional top-ups where GMP equalisation means that members did not receive their full entitlement.

For public service pension schemes, we expect that this ruling will be taken forward on a cross scheme basis and will need legal input. This may require revisiting CETV cases for members with State Pension age after 5 April 2016 and who took a CETV from the scheme before CETVs were equalised. The scope of any costs are yet to be determined and we do not have data on historic cost CETVs to estimate the potential impact, but we do not consider the quantum of any impact to be material and this issue is limited to a relatively small uplift for a relatively small subset of members (i.e., those who took a CETV and are in scope for a top up).

See note 20 Contingent Liabilities.

The Local Government Pension Scheme elements recognised within the Statement of Comprehensive Net Expenditure and the Statement of Financial Position are set out below.

**3 Financial Statements**  
**3.1 Operating Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**NOTE 16 – RETIREMENT BENEFIT OBLIGATIONS (continued)**

**Amount Charged to Operating Expenditure**

|                               | <b>2023</b>         | <b>2022</b>         |
|-------------------------------|---------------------|---------------------|
|                               | <b>£'000</b>        | <b>£'000</b>        |
| Current Service Cost          | 3,837               | 4,154               |
| Employers contributions       | (1,629)             | (1,563)             |
| Movement*                     | -                   | 9                   |
|                               | <u>(1,629)</u>      | <u>(1,554)</u>      |
| <b>Total Operating Charge</b> | <b><u>2,208</u></b> | <b><u>2,600</u></b> |

**Amount Charged to Interest**

|  | <b>2023</b>       | <b>2022</b>       |
|--|-------------------|-------------------|
|  | <b>£'000</b>      | <b>£'000</b>      |
| Interest income on assets                      | (2,474)           | (1,794)           |
| Interest expense on defined benefit obligation | 2,992             | 2,405             |
|  | <u>518</u>        | <u>611</u>        |
| <b>Net Interest Charge</b>                     | <b><u>518</u></b> | <b><u>611</u></b> |

**Amount Charged to the Statement of Changes in Taxpayers' Equity**

|  | <b>2023</b>            | <b>2022</b>            |
|--|------------------------|------------------------|
|  | <b>£'000</b>           | <b>£'000</b>           |
| Return on plan assets in excess of that recognised in net interest | <u>10,462</u>          | <u>(4,598)</u>         |
| Actuarial loss/(gain) due to liability experience                  | 8,001                  | 269                    |
| Actuarial (gain)/loss due to changes in financial assumptions      | (43,427)               | (7,650)                |
| Actuarial (gain) due to changes in demographic assumptions         | 489                    | (1,128)                |
| Movement*  | -                      | (9)                    |
|  | <u>(34,937)</u>        | <u>(8,518)</u>         |
| <b>Actuarial (gain)/loss</b>                                       | <b><u>(24,475)</u></b> | <b><u>(13,116)</u></b> |

\*The contributions and benefits paid figure within the provision are calculated on an accruals basis thus differing slightly from the figures provided by Aon Hewitt at year end. This accounts for the small movement figures detailed above.

### 3 Financial Statements

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for Year Ended 31 March 2023 (continued)

#### NOTE 16 – RETIREMENT BENEFIT OBLIGATIONS (continued)

##### Change in Pension Assets

|                                      | 2023          | 2022          |
|--------------------------------------|---------------|---------------|
|                                      | £'000         | £'000         |
| Opening fair value of assets         | 91,673        | 85,516        |
| Interest income on assets            | 2,474         | 1,794         |
| Contributions by participants        | 548           | 532           |
| Contributions by employer            | 1,629         | 1,563         |
| Re-measurement gain/(loss) on assets | (10,462)      | 4,598         |
| Net benefits paid out                | (2,324)       | (2,330)       |
| <b>Closing Fair Value of Assets</b>  | <b>83,538</b> | <b>91,673</b> |

##### Change in Benefit Obligations

|   | 2023          | 2022           |
|---|---------------|----------------|
|   | £'000         | £'000          |
| Opening Defined Benefit Obligation                            | 111,671       | 115,419        |
| Current service cost  | 3,837         | 4,154          |
| Interest expense on defined benefit obligation                | 2,992         | 2,405          |
| Contributions by participants                                 | 548           | 532            |
| <i>Re-measurements:</i>                                       |               |                |
| Actuarial loss/(gain) due to liability experience             | 8,001         | 269            |
| Actuarial (gain)/loss due to changes in financial assumptions | (43,427)      | (7,650)        |
| Actuarial gain due to changes in demographic assumptions      | 489           | (1,128)        |
| Net benefits paid out   | (2,324)       | (2,330)        |
| <b>Closing Defined Benefit Obligation</b>                     | <b>81,787</b> | <b>111,671</b> |

### 3 Financial Statements

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for Year Ended 31 March 2023 (continued)

##### NOTE 16 – RETIREMENT BENEFIT OBLIGATIONS (continued)

##### Amounts for the Current and Previous Accounting Periods

|  | 2023<br>£'000   | 2022<br>£'000   | 2021<br>£'000   | 2020<br>£'000   | 2019<br>£'000   |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Fair value of assets   | 83,539          | 91,673          | 85,516          | 70,403          | 77,064          |
| Present value of defined benefit obligation  | (81,787)        | (111,671)       | (115,419)       | (92,865)        | (93,631)        |
| <b>Net deficit</b>   | <b>1,752</b>    | <b>(19,998)</b> | <b>(29,903)</b> | <b>(22,462)</b> | <b>(16,567)</b> |
| Experience gain/(loss) on assets   | (10,462)        | 4,598           | 13,795          | (8,144)         | 3,310           |
| Experience (loss)/gain on liabilities  | (8,001)         | (269)           | 810             | (521)           | (90)            |
|  | <b>(18,463)</b> | <b>4,329</b>    | <b>14,605</b>   | <b>(8,665)</b>  | <b>3,220</b>    |
| Re-measurement gain/(loss) on assets   | (10,462)        | 4,598           | 13,795          | (8,144)         | 3,310           |
| Re-measurement gain/(loss) on obligation   | (34,937)        | 8,509           | (19,255)        | 4,690           | (1,664)         |
| <b>Re-measurement (loss)/gain recognised in other comprehensive expenditure (before adjustment for movement)</b> | <b>24,475</b>   | <b>13,107</b>   | <b>(5,460)</b>  | <b>(3,454)</b>  | <b>1,646</b>    |

The projected pension expense for the year to 31 March 2024 to be charged to the Statement of Comprehensive Net Expenditure in 2024, is shown in the table below.

|   | 31 March 2024<br>£'000 |
|---|------------------------|
| Current service cost                          | 1,897                  |
| Net interest on net defined benefit liability | (121)                  |
| <b>Projected Pension Expense</b>              | <b>1,776</b>           |
|   |                        |
|   | 31 March 2023<br>£'000 |
| Current service cost                          | 3,892                  |
| Net interest on net defined benefit liability | 518                    |
| <b>Projected Pension Expense</b>              | <b>4,410</b>           |

### 3 Financial Statements

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for Year Ended 31 March 2023 (continued)

#### NOTE 16 – RETIREMENT BENEFIT OBLIGATIONS (continued)

##### Sensitivity Analysis

The calculation of the pension liability is sensitive to the assumptions set out above. The following table summarises the impact on the pension liability at 31 March 2023 of changes in key assumptions:

|  | Approximate %<br>increase/(decrease) in<br>liability | Approximate monetary<br>increase/ (decrease) in<br>liability £'000 |
|--|--|--|
| 0.1% decrease in Discount Rate             | 1.7  | 1,390  |
| 1 year increase in Member Life Expectancy  | (2.7)  | (2,208)  |
| 0.1% decrease in the Salary Increase Rate  | (0.3)  | (245)  |
| 0.1% decrease in the Pension Increase Rate | (1.4)  | (1,145)  |

In each case, only the assumption mentioned is altered, all other assumptions remain unchanged.

Whilst the above analysis does not take account of the full distribution of cash flows expected under the Scheme, it does provide an approximation to the sensitivity of the assumptions shown.

#### NOTE 17 - CAPITAL AND OTHER COMMITMENTS

##### 17.1 Off-balance sheet (SoFP) Capital Commitments

Contracted capital commitments at 31 March 2023 not otherwise included in these annual accounts are as follows:

|                               | 2023<br>£'000        | 2022<br>£'000        |
|-------------------------------|----------------------|----------------------|
| Property, plant and equipment | 20,459               | 37,622               |
| <b>Total</b>                  | <b><u>20,459</u></b> | <b><u>37,622</u></b> |

The Learning and Development Centre capital build at Cookstown (LDCC) accounts for £18,595k of Capital Commitments. (2021/22: £34,499k LDCC Phase 2). Other estate building projects account for £1,864k.

The expenditure is committed and has not yet been incurred and as such is off-balance sheet.

### 3 Financial Statements

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for Year Ended 31 March 2023 (continued)

##### NOTE 17 - CAPITAL AND OTHER COMMITMENTS (continued)

###### 17.2 Other Commitments

NIFRS has entered into non-cancellable contracts (which are not leases or PFI contracts). The payments to which NIFRS has committed during 2022/23 analysed by the period during which the commitment expires are as follows:

|   | 2023<br>£'000 | 2022<br>£'000 |
|---|---------------|---------------|
| Expires within 1 year                         | 876           | 1,134         |
| Expiry after 1 year but not more than 5 years |               | -             |
| Expiry thereafter                             |               | -             |
|   | <hr/>         | <hr/>         |
| <b>Total</b>                                  | <b>876</b>    | <b>1,134</b>  |

Payments relate to a number of HR and IT contracts.

##### NOTE 18 - COMMITMENTS UNDER OTHER SERVICE CONCESSION ARRANGEMENTS

###### 18.1 Off-balance sheet (SoFP) Commitments Under Leases

The total amount charge in the Statement of Comprehensive Net Expenditure in respect of off-balance sheet (SoFP) service concession transactions was £50k (2022:£43k)  
The total future minimum lease payments under off-balance sheet service concession arrangements are given in the table below for each of the following periods:

|  | 2023<br>£'000 | 2022<br>£'000 |
|--|---------------|---------------|
| <b>IT Equipment</b>                          |               |               |
| Not later than 1 year                        | 50            | 43            |
| Later than 1 year and not later than 5 years | 87            | 119           |
| Later than 5 years                           | -             | -             |
|  | <hr/>         | <hr/>         |
|  | <b>137</b>    | <b>162</b>    |



### 3 Financial Statements

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for Year Ended 31 March 2023 (continued)

#### NOTE 18 - COMMITMENTS UNDER OTHER SERVICE CONCESSION ARRANGEMENTS (continued)

##### 18.2 On-balance sheet (SoFP) Commitments Under Leases

The total amount charge in the Statement of Comprehensive Net Expenditure in respect of on-balance sheet (SoFP) lease arrangements are interest payments £290k (2022: nil). There is no service element. The total obligations under the on -balance sheet service concession arrangements are given in the table below for each of the following periods and are now charged to the leasing liability:

|  | 2023<br>£'000 | 2022<br>£'000 |
|--|---------------|---------------|
| <b>Land</b>                                  |               |               |
| Not later than 1 year                        | 378           | 360           |
| Later than 1 year and not later than 5 years | 1,728         | 1,440         |
| Later than 5 years                           | 38,700        | 16,470        |
|  | <u>40,806</u> | <u>18,270</u> |
| <b>Buildings</b>                             |               |               |
| Not later than 1 year                        | 23            | 24            |
| Later than 1 year and not later than 5 years | 52            | 74            |
| Later than 5 years                           | <u>75</u>     | <u>98</u>     |

#### NOTE 19 – LEASES

##### 19.1 Qualitative disclosures around Right-Of-Use Property, Plant & Equipment – year ended 31 March 2023

- (i) NIFRS leases several assets including land and buildings.

Leasing affords NIFRS increased flexibility in managing its asset base, providing value for money on behalf of the taxpayer.

NIFRS applies the recognition exemptions in Paragraph 15 of IFRS 16 Leases, not recognising assets or liabilities in relation to short-term assets and leases where the underlying asset is of low value.

Lease payments relating to these types of lease are recognised as an expense on a straight line basis over the lease term

- (ii) Non-current assets, as recorded in the Statement of Financial Position, include the following amounts for Right-Of-Use Assets.

**3 Financial Statements**  
**3.1 Operating Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**NOTE 19 – LEASES (continued)**

**19.1 Qualitative disclosures around Right-Of-Use Property, Plant & Equipment – year ended 31 March 2023 (continued)**

|                                   | 31 March<br>2023 | 31 March<br>2022      |              |
|-----------------------------------|------------------|-----------------------|--------------|
| Property, Plant & Equipment       |                  | -                     |              |
| Heritage Assets                   | -                | -                     |              |
| Intangible Assets                 | -                | -                     |              |
|                                   | <b>LAND ONLY</b> | <b>BUILDINGS ONLY</b> | <b>TOTAL</b> |
|                                   | <b>£'000</b>     | <b>£'000</b>          | <b>£'000</b> |
| <b><u>Right of Use Assets</u></b> |                  |                       |              |
| Balance at 1 April                | 30,901           | 75                    | 30,976       |
| Depreciation charge for the year  | 618              | 23                    | 641          |
| Balance at 31 March               | 30,283           | 52                    | 30,335       |
| Additions                         | -                |                       |              |

The amounts disclosed above constitute extracts from the corresponding line items, as per the Property, Plant & Equipment note 5. The land lease at Boucher Road which houses the Service Support Centre and old Training Centre is valid until the year 2072. The buildings leases will expire in 2026.

**19.2 Qualitative disclosures around Right-Of-Use lease liabilities – year ended 31 March 2023 (continued)**

|   | 2023<br>£'000 | 2022<br>£'000 |
|---|---------------|---------------|
| <b><u>Lease Liabilities – Buildings</u></b> |               |               |
| <b>Undiscounted cashflows due:</b>          |               |               |
| Less than 1 year                            | 23            | -             |
| One to five years                           | 30            | -             |
| More than five years                        | -             | -             |
| Total undiscounted lease liabilities        | <b>53</b>     | <b>-</b>      |

**Amounts recognised in SoCNE**

|                              |     |   |
|------------------------------|-----|---|
| Less Interest element        | (1) | 0 |
| Lease expenses               |     |   |
| Present Value of obligations |     |   |

**Amounts recognised in the statement of cash flows**

|                                |           |          |
|--------------------------------|-----------|----------|
| Repayment of capital           | 23        | -        |
| Finance Charges                | -         | -        |
| Total cash outflows for leases | <b>23</b> | <b>-</b> |

### 3 Financial Statements

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for Year Ended 31 March 2023 (continued)

#### NOTE 19 – LEASES (continued)

| <u>Lease Liabilities - Other – Land</u>                  | 2023          | 2022  |
|--|---------------|-------|
| Undiscounted cashflows due:                              | £'000         | £'000 |
| Less than 1 year   | 143           | -     |
| One to five years  | 439           | -     |
| More than five years                                     | 30,230        | -     |
| Total undiscounted lease liabilities                     | <b>30,812</b> | -     |
| <br>   |               |       |
| <u>Amounts recognised in SoCNE</u>                       |               |       |
| Less Interest element                                    | (290)         | 0     |
| Lease expenses   |               |       |
| Present Value of obligations                             |               |       |
| <br>   |               |       |
| <u>Amounts recognised in the statement of cash flows</u> |               |       |
| Repayment of capital                                     | 88            | -     |
| Finance Charges  | 290           | -     |
| Total cash outflows for leases                           | <b>378</b>    | -     |

Lease expenses recognised in the SoCNE comprise lease rentals paid in relation to short-term and low value leases, as well as variable lease payments not recognised as part of leases liabilities.

Other gains/losses related to leasing activities comprise gains/losses on sale and leaseback transactions and gains/losses on lease modifications.

#### 19.3 Qualitative disclosures around elements in the Statement of Comprehensive Net Expenditure

Total future minimum sublease payments expected to be received under non-cancellable subleases at the end of the reporting period are as follows:

|   | 2023      | 2022       |
|---|-----------|------------|
|   | £'000     | £'000      |
| Sublease payments                                     | 56        | 117        |
|   | <b>56</b> | <b>117</b> |
| <br>  |           |            |
| Lease payments recognised as an expense in the period | -         | 713        |
|   | -         | <b>713</b> |

Lease payments are recognised in Note 3 under Rentals Under Operating Leases.

All NIFRS leases are Lessee/Lessor leases. One is in respect of land, 2 are in respect of buildings and one is in respect of a printer.

### 3 Financial Statements

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for Year Ended 31 March 2023 (continued)

#### NOTE 19 – LEASES (continued)

##### 19.4 Operating Leases – Commitments under Lessor Agreements

Total future minimum lease payments receivable under operating leases are given in the table below.

| Obligations under operating leases issued by NIFRS<br>comprise: | <b>2023</b><br><b>£'000</b> | <b>2022</b><br><b>£'000</b> |
|---|-----------------------------|-----------------------------|
| <b>Land &amp; Buildings</b>                                     |                             |                             |
| Not later than 1 year   | 15                          | 18                          |
| Later than 1 year and not later than 5 years                    | 32                          | 16                          |
| Later than 5 years  | 6                           | -                           |
|   | <u>53</u>                   | <u>34</u>                   |

#### NOTE 20 - CONTINGENT LIABILITIES

Material contingent liabilities are noted in the table below, where there is a 50% or less probability that a payment will be required to settle any possible obligations. The amounts or timing of any outflow will depend on the merits of each case.

|                                | <b>2023</b><br><b>£'000</b> | <b>2022</b><br><b>£'000</b> |
|--------------------------------|-----------------------------|-----------------------------|
| <b>Limited Self Insurance:</b> |                             |                             |
| Public Liability               | 148                         | -                           |
| Employer Liability             | 266                         | 510                         |
| Vehicle Liability              | -                           | 41                          |
|                                | <u>414</u>                  | <u>551</u>                  |

NIFRS has received a legal claim. Given further background information has still to be received and assessed; it is too early to estimate any potential liability, if any, at this time.

##### 20.1 Self-Insurance

NIFRS operates a policy of limited self-insurance and has detailed at Note 15 shows a provision of £1,946k as at 31 March 2023 (2022: £2,672k) in respect of Public Liability, Employer Liability, Vehicle Liability and Breach of Employment Law claims which were unsettled at 31 March 2023. While this is the anticipated sum to meet the liability there is potential for a further liability of £414k (2022: £551k). NIFRS policy is to vigorously defend all cases.

There is a potential contingent liability in respect of an employment law case “Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000”, in relation to retained firefighters who had previously established a successful claim for pension remedy under this regulation, who may now be entitled to a further remedy in respect of any pre 1 July 2000 service. A stay in proceedings has been ordered by the Office of the Industrial Tribunals and the Fair Employment Tribunal and the potential financial impact is unquantifiable at present.

### **3 Financial Statements**

#### **3.1 Operating Accounts (continued)**

#### **Notes to the Accounts for Year Ended 31 March 2023 (continued)**

##### **NOTE 20 – CONTINGENT LIABILITIES (continued)**

###### **20.2 GMP Indexation and Equalisation**

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension prior to 6 April 1997. All of the public service schemes, including the LGPS (NI) were contracted out.

Reforms to the State Pension system on 6 April 2016 removed the facility by which central government paid top-up payments to members with GMP who reached State Pension Age (SPA) after that date. Before 6 April 2016 the LGPS (NI) was not required to pay full CPI increases on GMPs so the top up payments had ensured that both state and scheme pensions, when combined, kept pace with inflation. In March 2016 the government introduced an 'interim solution' which made the LGPS (NI) responsible for paying the full inflationary increases on GMPs for individuals reaching SPA between 6 April 2016 and 5 December 2018. This cost was included in the 2016 valuation of the Fund and was therefore accounted for in 2017. In January 2018 the Government extended the interim solution to individuals reaching SPA on or before 5 April 2021 ('second' interim solution), passing further cost to the LGPS (NI). This additional liability was not accounted for in accounting periods up to 31 March 2019 under advice from Aon, the scheme actuary. However the approach has been changed in 2020 to include a value on our Balance Sheet of the Government's second interim solution together with a further potential liability relating to indexation for all members whose State Pension Age is after April 2021.

Government policy is to fully index and equalise GMP pensions for men and women reaching SPA after 5 April 2021 but has not yet enacted this in legislation. Separately, on 26 October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs". HM Treasury have responded to confirm that public sector schemes already have a method to equalise guaranteed minimum pension benefits (through the interim solutions and commitment to pay full increases on GMPs) and they do not plan to change their method as a result of that judgment.

Aon, as the Fund's actuary, has estimated that the potential IAS 19/FRS102 accounting liability of full GMP indexation (and equalisation) for members reaching State Pension Age from 6 December 2018 to be in the region of 0.3% of the defined benefit obligation. This estimate has been calculated for a typical LGPS Fund (in England and Wales, but this is still comparable to the LGPS (NI)) and is indicative of an additional liability for a typical employer and does not reflect the individual characteristics of NIFRS' membership. Costs could be higher for employers with a membership that is older than average (who predominantly accrued service between 1978 and 1997 when GMPs were being accrued).

### **3 Financial Statements**

#### **3.1 Operating Accounts (continued)**

#### **Notes to the Accounts for Year Ended 31 March 2023 (continued)**

##### **NOTE 20 – CONTINGENT LIABILITIES (continued)**

###### **20.2 GMP Indexation and Equalisation (continued)**

The Fund is a funded arrangement with employers paying contributions based on the results of regular local valuations, the last valuation being at 31st March 2019. That valuation of the Fund includes a liability for all members whose SPA is after 5 April 2016 (not just those covered by the first and second interim solutions). The additional liability is charged through Other Comprehensive Income on the assumption it is immaterial.

###### **20.3 Court of Appeal Judgement on backdated PSNI Holiday Pay**

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can be taken back to 1998. However, the PSNI has appealed the CoA judgment to the Supreme Court. The hearing was held in December 2022 but the Supreme Court judgement has not yet been issued. The 2022/23 Holiday Pay Provision has been estimated by HR and covers the period from November 1998 to 31 March 2020. There are still some significant elements of uncertainty around this estimate for the following reasons:

1. The appeal to the Supreme Court (as detailed above);
2. Lack of accessible data for years prior to 2011; and
3. Ongoing negotiations with Trade Unions.

NIFRS has accrued an amount of £404k in the accounts for 2018-19, 2019-20 and 2020-21 holiday pay liability. A provision of £1,713k for the period 1999-2018 has also been recognised in the accounts. As at 31 March 2020, a possible further obligation existed but due to the very significant elements of uncertainty listed above, a reliable estimate could not be provided at that time. Based on information available, a contingent liability of £1.2m was disclosed.

###### **20.4 Discount rate for special damages**

A discount rate is applied by courts to a lump-sum award of damages for future financial loss in a personal injury case, to take account of the return that can be earned from investment. The rate is currently -1.5% as set (with effect from 22 March 2022) by the Government Actuary under the Damages Act 1996 as amended by the Damages (Return on Investment) Act (Northern Ireland) 2022.

##### **NOTE 21 - RELATED PARTY TRANSACTIONS**

NIFRS is an arm's length body of DoH and as such the Department is a related party with which NIFRS has had various material transactions during the year.

Members and senior management are required to declare any personal, financial and business interest which may conflict with their role within NIFRS.

During the year, no Board Member, member of key management staff or other related party or their close family members undertook any material transactions with NIFRS (2021-22: none).

### 3 Financial Statements

#### 3.1 Operating Accounts (continued)

#### Notes to the Accounts for Year Ended 31 March 2023 (continued)

#### NOTE 22 - FINANCIAL PERFORMANCE TARGETS

##### 22.1 Revenue Resource Limit

NIFRS is given a Revenue Resource Limit which it is not permitted to overspend.

The Revenue Resource Limit (RRL) for NIFRS is calculated as follows:

|                                | 2023<br>£'000        | 2022<br>£'000        |
|--------------------------------|----------------------|----------------------|
| DoH (excludes non cash)        | 88,516               | 86,195               |
| DoH (non cash RRL)             | <u>(30,351)</u>      | <u>(27,783)</u>      |
| <b>RRL to be Accounted For</b> | <b><u>58,165</u></b> | <b><u>58,412</u></b> |

##### 22.2 Capital Resource Limit

NIFRS is given a Capital Resource Limit (CRL) which it is not permitted to overspend.

|                                 | 2023<br>£'000      | 2022<br>£'000      |
|---------------------------------|--------------------|--------------------|
| Gross Capital Expenditure       | 24,553             | 8,269              |
| NBV of fixed asset disposals    | <u>(43)</u>        | <u>(13)</u>        |
| Net capital expenditure         | 24,510             | 8,256              |
| Capital Resource Limit          | <u>(24,553)</u>    | <u>(8,301)</u>     |
| <b>(Underspend) against CRL</b> | <b><u>(43)</u></b> | <b><u>(45)</u></b> |

##### 22.3 Financial Performance Targets

|   | 2023<br>£'000 | 2022<br>£'000 |
|---|---------------|---------------|
| <b>Revenue Resource Limit Expenditure</b> |               |               |
| Net Expenditure per SoCNE                 | 58,165        | 58,412        |
| <b>Adjustments</b>                        |               |               |
| Depreciation/Amortisation/Impairments     | (10,635)      | (7,043)       |
| Movements in Provisions                   | 43,693        | 38,015        |
| Loss on disposal of fixed asset           | 22            | 25            |
| NILGOSC Pension                           | (2,726)       | (3,211)       |
| Corporation Tax                           | <u>(3)</u>    | <u>(3)</u>    |
| Total adjustments                         | <u>30,351</u> | <u>27,784</u> |

**3 Financial Statements**  
**3.1 Operating Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**NOTE 22 - FINANCIAL PERFORMANCE TARGETS**

Net Expenditure Funded from RRL

|  |                   |                   |
|--|-------------------|-------------------|
| RRL Allocation                           | 88,516            | 86,195            |
| Surplus/(Deficit) against RRL            | (0)               | 0                 |
| Break Even cumulative position (opening) | 378               | 378               |
| Break Even Cumulative position (closing) | <u><u>378</u></u> | <u><u>378</u></u> |

**Materiality Test:**

|  | 2023<br>%   | 2022<br>%   |
|--|-------------|-------------|
| Break Even in year position as % of RRL    | <u>0.00</u> | <u>0.00</u> |
| Break Even cumulative position as % of RRL | <u>0.65</u> | <u>0.65</u> |

Following the implementation of review of Financial Process, the format of Note 22.3 has changed as the Department has introduced budget control limits from depreciation, impairments and provisions which NIFRS cannot exceed.

NIFRS has remained within the budget control limit it was issued.

From 2022-23 onwards, the materiality threshold limit excludes non-cash RRL.

**NOTE 23 – CORPORATION TAX**

|                 | 2023            | 2022            |
|-----------------|-----------------|-----------------|
| Corporation Tax | <u>3</u>        | <u>3</u>        |
|                 | <u><u>3</u></u> | <u><u>3</u></u> |

**NOTE 24 – EVENTS AFTER THE REPORTING PERIOD**

There are no events after the reporting period having a material effect on the Annual Accounts.

**Date Authorised for Issue**

The Accounting Officer authorised these Financial Statements for issue on 21 December 2023.



### **3 Northern Ireland Fire & Rescue Service Pension Accounts The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly**

#### **Opinion on financial statements**

I certify that I have audited the financial statements of the Northern Ireland Fire and Rescue Pension Scheme ('the Scheme') for the year ended 31 March 2023 under the Fire and Rescue Services (Northern Ireland) Order 2006. The financial statements comprise: the Combined Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Scheme's affairs as at 31 March 2023 and of its combined net expenditure for the year then ended; and
- have been properly prepared in accordance with the Fire and Rescue Services (Northern Ireland) Order 2006 and Department of Health directions issued thereunder.

#### **Opinion on regularity**

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

#### **Basis for opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of Northern Ireland Fire and Rescue Service in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

### **3 Northern Ireland Fire & Rescue Service Pension Accounts The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly (continued)**

#### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that Northern Ireland Fire and Rescue Service's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Northern Ireland Fire and Rescue Service's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Northern Ireland Fire and Rescue Service and the Accounting Officer with respect to going concern are described in the relevant sections of this report.

#### **Other Information**

The other information comprises information included in the Annual Report, the Report of the Manager and the Report of the Actuary other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Northern Ireland Fire and Rescue Service and the Accounting Officer are responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

#### **Opinion on other matters**

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Health directions made under the Fire and Rescue Services (Northern Ireland) Order 2006; and
- the information given in the Performance Report, Accountability Report, Report of the Manager and the Report of the Actuary for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **3 Northern Ireland Fire & Rescue Service Pension Accounts The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly (continued)**

#### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Northern Ireland Fire and Rescue Service and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report, Accountability Report, Report of the Manager or the Report of the Actuary.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit.

#### **Responsibilities of the Northern Ireland Fire and Rescue Service and Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer Responsibilities, the Northern Ireland Fire and Rescue Service and the Accounting Officer are responsible for

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Scheme will not continue to be provided in the future.

#### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Fire and Rescue Services (Northern Ireland) Order 2006.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud.

### **3 Northern Ireland Fire & Rescue Service Pension Accounts The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly (continued)**

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Northern Ireland Fire and Rescue Service through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included Fire and Rescue Services (Northern Ireland) Order 2006 and Department of Health directions issued thereunder;
- making enquires of management and those charged with governance on Northern Ireland Fire and Rescue Service's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Scheme's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: management override of controls;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business; and

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to

### **3 Northern Ireland Fire & Rescue Service Pension Accounts The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly (continued)**

the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

#### **Report**

I have no observations to make on these financial statements.



**Dorinnia Carville  
Comptroller and Auditor General  
Northern Ireland Audit Office  
106 University Street  
BELFAST  
BT7 1EU**

**21 December 2023**

## **3 Financial Statements**

### **3.2 Pensions Accounts**

#### **Report of the Managers**

##### **INTRODUCTION**

##### **Firefighters' Pension Schemes**

As at 31 March 2023 NIFRS operated 3 Firefighters' Pension Schemes, (collectively, the Schemes):

- The Firefighters' Pension Scheme (NI) 2007 ("FPS");
- The New Firefighters' Pension Scheme (NI) 2007 (The New Firefighters' Pension Scheme (Amendment) 2015 - Modified Scheme) ("NFPS");
- The Firefighters' Pension Scheme (NI) 2015 ("CARE").

These Schemes are governed by the provisions of The Firefighters' Pension Scheme Order (Northern Ireland) 2007, The New Firefighters' Pension Scheme Order (Northern Ireland) 2007, and The Firefighters' Pension Scheme Regulations (Northern Ireland) 2015 respectively, including amendments.

The Schemes are all final salary Schemes with the exception of The Firefighters' Pension Scheme (Northern Ireland) 2015 (CARE) which is a career average scheme. The Schemes are wholly unfunded. The IAS 19 pension liability in respect of the Firefighters' Pension Schemes is calculated annually by the Government Actuary's Department using the projected unit credit method and applying a discount rate selected with reference to the current rate of return on high quality corporate bonds of equivalent currency and term to the scheme liabilities.

Final salary Schemes are closed to new membership. The Firefighters' Pension Scheme (NI) 2015 is the only Scheme available for eligible individuals who are in service to join.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required with sufficient regularity that the amounts recognised in the financial statements do not differ materially from those determined at the reporting period date. FReM provides an interpretation of the IAS 19 standard and this standard requires the present value of defined benefit obligations to be determined with sufficient regularity that the amounts recognised in the financial statements do not differ materially from those determined at the reporting period date. The data used for these disclosures will be used for the funding valuation of the scheme as at 31 March 2020. We are not aware of any reason why this data (together with the cash flow information referred to) is not suitable for the purpose of producing the 2021/22 disclosures required by the Authority.

The 2016 valuation assumptions are retained for demographics whilst financial assumptions are updated to reflect current financial conditions and a change in financial assumption methodology. The 2016 valuation is the most recently completed valuation, since the 2020 valuation is ongoing which is why the demographics assumptions are not updated.

The results of 2016 funding valuations (experience analysis and update of demographics) were first incorporated into the Scheme financial statements for the year ended 31 March 2018.

### **3 Financial Statements (continued)**

#### **3.2 Pensions Accounts (continued)**

##### **Report of the Managers (continued)**

###### **Firefighters' Pension Schemes (continued)**

The charge to the Statement of Comprehensive Net Expenditure consists of the Current Service Cost, the Past Service Cost and Interest on the defined benefit liability.

Actuarial gains/losses are recognised in Other Comprehensive Net Expenditure.

The liabilities under the Schemes have been valued using the standard actuarial technique known as the Projected Unit Credit Method for all groups of staff.

The rationale of preparing separate Pension Accounts is to avoid the detail required by IAS 19 (Employment Benefits) and IAS 26 (Accounting and Reporting for Retirement Benefit Plans) from overshadowing and drawing attention away from the records of NIFRS core financial performance.

The Department of Health (DoH) currently funds the Firefighters' pension deficit. The employer and employee contribution rates for the Pension Schemes are as set out in the table in note 2.23 of the Accounts.

###### **Accounts Direction**

The Annual Report and Accounts for 2022-23 have been prepared in a form determined by the DoH based on guidance from the Department of Finance's (DoF) Government Financial Reporting Manual and in accordance with the requirements of Article 3 (15) of The Fire and Rescue Services (Northern Ireland) Order 2006.

Northern Ireland Fire & Rescue Service (NIFRS) is an executive non-departmental public body of the Department of Health (DoH). As such, NIFRS complies with the corporate governance and accountability framework arrangements (including Managing Public Money Northern Ireland) issued by DoF.

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Report of the Managers (continued)**

The Managers, Advisors and Employers for all Schemes were as follows:

**Managers:**

**Pension Scheme Manager**

Northern Ireland Fire & Rescue Service  
Headquarters  
1 Seymour Street  
Lisburn  
BT27 4SX

**Pension Scheme Administrator**

Northern Ireland Fire & Rescue  
Service Headquarters  
1 Seymour Street  
Lisburn  
BT27 4SX

**Advisors:**

**Accounting Officer & Pension  
Scheme Practitioner**

Chief Fire & Rescue Officer  
Northern Ireland Fire & Rescue Service  
Headquarters  
1 Seymour Street  
Lisburn  
BT27 4SX

**Pension Scheme Actuary**

Government Actuary's Dept  
Finlaison House  
15-17 Furnival Street  
London  
EC4A 1AB

**Auditor:**

Comptroller and Auditor General  
for Northern Ireland  
Northern Ireland Audit Office  
Headquarters  
1 Bradford Court  
Galwally  
Belfast  
BT8 6RB

**Bankers**

Bank of Ireland  
1 Donegall Square South  
Belfast  
BT1 5LR

**Employers:**

**Principal Employer**

Northern Ireland Fire & Rescue Service  
Headquarters  
1 Seymour Street  
Lisburn  
BT27 4SX



### 3 Financial Statements (continued)

#### 3.2 Pensions Accounts (continued)

#### Report of the Managers (continued)

#### Changes to the Schemes

Following the completion of the 2012 Scheme valuation new employee and employer rates were introduced from 1 April 2019.

This has led to members in The Firefighters' Pension Scheme (Northern Ireland) 2007 paying between 11% and 17%, members in The New Firefighters' Pension Scheme (Northern Ireland) 2007 paying between 8.5% and 17.0% and members in The Firefighters' Pension Scheme (Northern Ireland) 2015 (CARE) paying between 11% and 13.5%.

With the introduction of the new Career Average Revalued Earnings (CARE) Scheme the final salary Pension Schemes have closed for new entrants from 1 April 2015. Firefighters will however retain the service that they have accrued in the final salary scheme and depending on their age and service will have:

- *Full protection - experiencing no change to their pension entitlement;*
- *Tapered protection - moving into the new CARE scheme at their own personal date, based on their age and service; and*
- *No protection - moved into the CARE scheme on 1 April 2015*

The current population mortality projections make a short-term allowance for the impact of the Covid-19 pandemic. When deriving ONS 2020-based mortality improvement projections, a panel of mortality experts gave their views on the impact of Covid-19 pandemic on mortality rates in the short term. Based on this, short term adjustments were made to the 2019 to 2024 period to allow for estimated deaths in 2021 and an averaging of the experts' views on estimated improvements by age group over this period. Long term rates of future mortality improvement are not expected to change as a result of Covid-19. A death rate from Covid-19 in excess of that already allowed for in the mortality assumptions would emerge as an experience gain in future accounting periods. As outlined in the Report of the Actuary the projected long term impact of the Covid-19 pandemic on life expectancy will continue to evolve as experience and evidence emerges into the future.

#### Membership Statistics

Details of the current membership of all the Firefighters' Pension Schemes is as follows

|                       | FPS  | NFPS | CARE  | Compensation | Total |
|-----------------------|------|------|-------|--------------|-------|
| <b>Active Members</b> |      |      |       |              |       |
| At 1 April 2022       | 42   | 84   | 1,525 | 0            | 1,651 |
| Retirees              | 0    | 0    | (45)  | 0            | (45)  |
| Joiners               | 0    | 0    | 207   | 0            | 207   |
| Deferred              | 0    | 0    | (42)  | 0            | (42)  |
| Death                 | 0    | 0    | 0     |              |       |
| Transfers in          | 0    | 0    | 8     | 0            | 8     |
| Transfers Out         | (42) | (84) | (2)   | 0            | (128) |
| At 31 March 2023      | 0    | 0    | 1,651 | 0            | 1,651 |

### 3 Financial Statements (continued)

#### 3.2 Pensions Accounts (continued)

#### Report of the Managers (continued)

#### Membership Statistics (continued)

##### Deferred Members

|  |     |      |      |   |      |
|--|-----|------|------|---|------|
| At 1 April 2022                                  | 38  | 134  | 199  | 0 | 371  |
| Members leaving who have deferred pension rights | (2) | (16) | (42) | 0 | (60) |
| Members taking up deferred pension rights        | 1   | 3    | 0    | 0 | 4    |
| At 31 March 2023                                 | 37  | 121  | 157  | 0 | 315  |

##### Pensions in Payment

|                     |       |     |    |     |       |
|---------------------|-------|-----|----|-----|-------|
| At 1 April 2022     | 1,041 | 366 | 8  | 121 | 1,436 |
| Retirees            | 11    | 7   | 41 |     | 59    |
| Deferred            | 1     | 3   | 0  |     | 4     |
| Death               | (20)  | (1) | 0  | (2) | (23)  |
| Survivor Pensioners | 14    | 1   |    |     | 15    |
| At 31 March 2023    | 1,047 | 376 | 49 | 119 | 1,591 |

#### Additional Voluntary Contributions and Stakeholder Pensions

There are no Additional Voluntary Contributions (AVC) or Stakeholder Pensions Schemes available under NIFRS Pension Schemes.

#### Financial Position and Going Concern

The Statement of Financial Position at 31 March 2023 (which includes liabilities belonging to the 3 NIFRS Pension Schemes namely: The Firefighters' Pension Scheme (Northern Ireland) 2007, The New Firefighters' Pension Scheme (Northern Ireland) 2007 and The Firefighters' Pension Scheme (Northern Ireland) 2015 (CARE) shows net liabilities of £738,520k (31 March 2022: £1,228,201k). This reflects the inclusion of liabilities due in future years, to the extent that they are not to be met from NIFRS' other sources of income, and may only be met by future grant or grant-in-aid from NIFRS' sponsoring Department (DoH). This is because the pension fund operates on a pay-as-you-go basis and the shortfall is met through the annual funding regime from the Department.

As illustrated in our Statement of Financial Position, the Schemes operate with a net liability position, largely generated by the manner in which NIFRS is funded and pension liabilities. As a non-departmental public body, NIFRS is mainly funded through DoH. As it is anticipated that DoH funding will continue for the foreseeable future this ensures that the preparation of our Accounts as a going concern is the correct basis.

The Business Services Organisation (BSO) has been contracted to provide Pension Administration Services to NIFRS. Administration is scheduled to hand over to BSO in September 2021. A Service Level Agreement is in place. Under the agreement BSO will provide administrative services only, while NIFRS will retain responsibility for Scheme Management. NIFRS will also retain responsibility for the production and maintenance of the Scheme Annual Accounts, however, BSO will provide input data required for the actuarial valuation.

### **3 Financial Statements (continued)**

#### **3.2 Pensions Accounts (continued)**

#### **Report of the Managers (continued)**

##### **Key Developments**

The Firefighters' Pension Scheme (NI) 2007 (FPS) and the New Firefighters' Pension Schemes (NI) 2007 and 2015 (NFPS) have been closed to new entrants since 1 April 2015. All firefighters are eligible to become members of the CARE scheme when they join NIFRS.

There have been no significant changes to pension contributions or benefits during the financial year 2022/23.

FPS employee contribution rates have remained in the range of 11% to 17% and employer rates have remained at 39.6%.

NFPS employee contribution rates have remained in the range of 8.5% to 17% and employer rates have remained at 23.6%.

CARE employee contribution rates have remained in the range of 11% to 13.5% and employer rates have remained at 31.1%.

##### **McCloud Judgement**

In December 2018, the Court of Appeal ruled that transitional protection provisions contained in reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, amounted to direct age discrimination and were therefore unlawful.

In June 2019, the Supreme Court refused permission for any further appeal of that ruling and the judicial and firefighter cases in question were remitted to the Employment Tribunal to determine a remedy to members who suffered discrimination.

In July 2019, the Westminster Government confirmed that, as transitional protection was offered to members of all the main public service pension schemes, the government intends to address the difference in treatment across all schemes.

The reformed public service schemes in Northern Ireland, including the Local Government Pension Scheme (NI), incorporate similar age-based transitional protections. The Department of Finance ran a consultation from 19 August 2020 to 18 November 2020 consulting on proposals to I) remove discrimination in unfunded public service schemes made under the Public Service Pensions Act (Northern Ireland) 2014 for the future; and, II) remedy the effect of any discrimination scheme members may have incurred since April 2015.

The Department of Finance issued its consultation response on 25 February 2021. It proposes to proceed with the deferred choice underpin. This approach means all eligible members will receive a choice at the point of retirement whether to take legacy or reformed scheme benefits for the period between 1 April 2015 and 31 March 2022, known as the remedy period. All public servants, including members of the Local Government Pension Scheme (NI), who continue in service from 1 April 2022 onwards will do so as members of their respective reformed scheme (alpha pension scheme).

### **3 Financial Statements (continued)**

#### **3.2 Pensions Accounts (continued)**

##### **Report of the Managers (continued)**

###### **McCloud Judgement (continued)**

These proposals have been developed at the Collective Consultation Working Group, which is the recognised forum for consultation on pension policy for devolved schemes and where both public service employers and employees are represented.

Now that the McCloud remedy window is closed all related liabilities for eligible members for the period 2019 to 2022 have been moved to the associated legacy schemes. This means all McCloud liabilities are held within the legacy schemes we expect benefits to be paid from. This has led to a past service cost of £11m added to the FPS 2007 and a past service cost of £2m in the NFPS 2007 Scheme. As these liabilities are no longer held within the 2015 Scheme we have a past service gain of £12m.

###### **Events after the Reporting Period**

There were no events after the Reporting Period.

###### **Audit Services**

The Financial Statements for 2022-23 are audited by the Comptroller and Auditor General for Northern Ireland (C&AG) who heads the Northern Ireland Audit Office (NIAO) and is appointed by statute and reports to the Northern Ireland Assembly. Her Certificate is on pages 148 - 152.

So far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditors are unaware and the Accounting Officer has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

The audit fee for the work performed relating solely to the audit of these Accounts is £14k (2021-22: £14k). These costs are borne by NIFRS Operational Accounts and are excluded from these Statements.

The C&AG may also undertake other statutory activities that are not related to the audit of the body's Accounts such as Value for Money reports. No such activity relating to the NIFRS Pension Accounts took place during the year.

###### **Further Information**

A full certified copy of the NIFRS Annual Report and Pension Accounts will be available on the NIFRS website [www.nifrs.org](http://www.nifrs.org)

Any enquiries regarding The Firefighters' Pension Scheme (Northern Ireland) 2007, The New Firefighters' Pension Scheme (Northern Ireland) 2007 or The Firefighters' Pension Scheme (Amendment) 2015 should be addressed to the Pensions Manager, NIFRS.

### 3 Financial Statements (continued)

#### 3.2 Pensions Accounts (continued)

##### Report of the Actuary

###### A. Liabilities

The present value as at 31 March 2023 of expected future benefit payments under the NIFRS Pension Schemes, for benefits accrued in respect of employment (or former employment) prior to 31 March 2023, has been assessed using the methodology and assumptions set out in Sections C and D below. The results are broken down, between the various categories of members, as follows:

|                                       | <b>Firefighters'<br/>Pension Scheme<br/>2007<br/>£'000</b> | <b>New Firefighters'<br/>Pension Scheme<br/>2007<br/>£'000</b> | <b>Firefighters'<br/>Pension Scheme<br/>CARE 2015<br/>£'000</b> |
|---------------------------------------|--|--|---|
| Actives (past service)                | 220,610  | 32,040   | 68,480  |
| Deferred Pensioners                   | 7,160  | 1,950  | 760   |
| Current Pensioners (excluding injury) | 356,130  | 2,320  | 1,320   |
| Retained Settlement                   | -  | 47,750   | -   |
| <b>Total</b>                          | <b>583,900</b>   | <b>84,060</b>  | <b>70,560</b>   |

###### B. Accruing Costs

The cost of benefits accruing for each year is met partly by contributions from members, with the employer meeting the balance of the cost. The cost of benefits accruing in the year ended 31 March 2023 is based on a standard contribution rate as determined at the start of the year.

|                      | <b>Firefighters'<br/>Pension Scheme<br/>2007</b> | <b>% of Pensionable Pay<br/>New Firefighters'<br/>Pension Scheme<br/>2007</b> | <b>Firefighters'<br/>Pension Scheme<br/>CARE 2015</b> |
|----------------------|--|---|---|
| Current Service Cost | 0.0%   | 0.0%  | 26.6%   |

For the avoidance of doubt the employer's share of the Current Service Cost determined for the purposes of this exercise is not the same as the actual rate of contributions payable by employers, currently 18.1% to 31.3% of pensionable pay, which was determined based on the methodology and the financial and demographic assumptions adopted for the funding of the Scheme.

The pensionable payroll figure for the financial year 2022-23 was £36,000k (2021-22: £36,300k) derived from contributions payable by employers over the year. In relation to the pensionable payroll for the financial year, the Current Service Costs are shown overleaf:

### 3 Financial Statements Continued)

#### 3.2 Pensions Accounts (continued)

##### Report of the Actuary (continued)

#### B. Accruing Costs (continued)

|                      | Firefighters'<br>Pension Scheme<br>(NI) 2007<br>£'000 | New Firefighters'<br>Pension Scheme<br>(NI) 2007<br>£'000 | Firefighters'<br>Pension Scheme<br>(NI) 2015 CARE<br>£'000 |
|----------------------|---|---|--|
| Current Service Cost | 2,620   | 1,010   | 35,710   |
| Past Service Cost    | 10,530  | 1,580   | (12,110)   |

#### C. Methodology

The present value of the liabilities has been determined using the Projected Unit Credit Method (PUCM). Under PUCM, the actuarial liability represents the present value of future benefit payments arising in respect of service prior to the valuation date. In respect of active members, the actuarial liability includes allowance for expected future pay increases up to the assumed date of retirement or exit, and for subsequent pension increases. In respect of pensions in payment and deferred members, the actuarial liability includes allowance for future pension increases (and revaluation in deferment). The liability is calculated based on the principal financial assumptions applying to the 2022-23 Pension Accounts.

The cost of benefits accruing in the period 1 April 2022 to 31 March 2023 was determined using the Projected Unit Credit Method with a one year control period and based on the principal financial assumptions applying to the previous year Pension Disclosures. This rate represents the present value of benefits accruing to active members over the year, with allowance for any pay increases to the assumed date of retirement or exit, expressed as a level percentage of the expected pensionable payroll over the control period.

#### **GMP Equalisation and Indexation**

The Government has recently published a further consultation on indexation and equalisation of Guaranteed Minimum Pensions (GMP), with the proposal being to extend the "interim solution" to those members who reach State Pension Age after 5 April 2021 (7 October 2020). A past service cost was included in for 2019/20 for extending the equalisation to all future retirees.

There was also a further court ruling on 20 November 2020 regarding GMP equalisation. The court ruled that scheme trustees are required to revisit past Cash Equivalent Transfer Values (CETVs) to ensure GMP equalisation. This may result in additional top-ups where GMP equalisation means that members did not receive their full entitlement.



### **3 Financial Statements Continued)**

#### **3.2 Pensions Accounts (continued)**

##### **Report of the Actuary (continued)**

##### **GMP Equalisation and Indexation (continued)**

For public service pension schemes, we expect that this ruling will be taken forward on a cross scheme basis and will need legal input. This may require revisiting past CETV cases for members with State Pension age after 5 April 2016 and who took a CETV from the scheme before CETVs were equalised. The scope of any costs are yet to be determined and we do not have data on historic CETVs on to estimate the potential impact, but we expect it will be a relatively small uplift for a relatively small subset of members (i.e., those who took a CETV and are in scope for a top up).

No additional costs were recognised for GMP equalisation and indexation in 2021/22, nor are they expected for 2022/23. In the absence of any further developments, no additional costs are recognised for 2023/24.

##### **Survivor benefits legal challenges**

In 2020 a legal challenge was brought against the Teachers' Pension Scheme regarding the provision of survivor benefits to a male spouse of a female member. In that scheme, dependant benefits for a male spouse of a female member are based on service from 1988 and do not include service before 1988.

Department of Health have advised us that due to the historic equal benefit structure in the FPS 2007 Scheme they do not believe there is a similar situation in the Fire Pension Scheme Northern Ireland and therefore there is no requirement to allow for this legal challenge in the 2022/23 accounting disclosures.

An additional legal challenge has been brought against the Police Pension Scheme (Northern Ireland) in regard to historic provision of survivors benefits for unmarried partners. This is an ongoing claim but the ruling in the case could have a read across to all public sector schemes. At this stage we have made no allowance for this case in these 2022/23 disclosures.

##### **Covid-19 Implications**

The current population mortality projections make a short-term allowance for the impact of the Covid-19 pandemic. When deriving the ONS 2020-based mortality improvement projections, a panel of mortality experts gave their views on the impact of the Covid-19 pandemic on mortality rates in the short-term. Based on this, short-term adjustments were made to the 2019 to 2024 period to allow for estimated deaths in 2021 and an averaging of the experts' views on estimated improvements by age group over this period. Long-term rates of future mortality improvement are not projected to change as a result of Covid-19. A death rate from Covid-19 in excess of that already allowed for in the mortality assumptions would emerge as an experience gain in future accounting periods. According to the Government Actuary Department (GAD) report it is expected that the projected long-term impact of the Covid-19 pandemic on life expectancy will continue to evolve as experience and evidence emerges into the future.

### 3 Financial Statements Continued)

#### 3.2 Pensions Accounts (continued)

##### Report of the Actuary (continued)

#### D. Assumptions

The assessments have been prepared in accordance with the Financial Reporting Manual (FReM) issued by HM Treasury. The main financial assumptions are set in accordance with FReM. The assumptions proposed by the Government Actuary's Department and agreed with NIFRS in nominal terms are:

|   |       |
|---|-------|
| Rate of discounting scheme liabilities  | 4.55% |
| A rate of CPI                           | 2.40% |
| A rate of increase in pensions          | 2.40% |
| A rate of CARE revaluation              | 3.65% |
| Long term rate of increase in salaries  | 3.65% |
| Short term rate of increase in salaries | 3.65% |

#### E. Sensitivity Analysis

The indicative effects on the total liability as at 31 March 2023 of changes to the key financial and demographic assumptions are as follows:

##### The Firefighters' Pension Scheme (Northern Ireland) 2007

| Change in assumption*   | Impact on DBO |           |
|---|---------------|-----------|
|   | %             | £ Million |
| Rate of discounting scheme liabilities 0.5% a year  | (7.0)         | (39.0)    |
| Long term rate of increase in salaries 0.5% a year  | 0.5           | 4.0       |
| Rate of increase in pensions / deferred revaluation 0.5% a year   | 6.5           | 39.0      |
| Life expectancy: each pensioner subject to longevity of an individual 1 further year younger than assumed | 2.5           | 15.0      |

##### The New Firefighters' Pension Scheme (Northern Ireland) 2007

| Change in assumption*   | Impact on DBO |           |
|---|---------------|-----------|
|   | %             | £ Million |
| Rate of discounting scheme liabilities 0.5% a year  | (10.5)        | (9.0)     |
| Long term rate of increase in salaries 0.5% a year  | 3.5           | 3.0       |
| Rate of increase in pensions / deferred revaluation 0.5% a year   | 7.0           | 6.0       |
| Life expectancy: each pensioner subject to longevity of an individual 1 further year younger than assumed | 2.5           | 2.0       |



### 3 Financial Statements Continued)

#### 3.2 Pensions Accounts (continued)

##### Report of the Actuary (continued)

#### E. Sensitivity Analysis (continued)

##### The Firefighters' Pension Scheme (Northern Ireland) 2015 (CARE)

| Change in assumption*   | Impact on DBO |           |
|---|---------------|-----------|
|   | %             | £ Million |
| Rate of discounting scheme liabilities 0.5% a year  | (12.5)        | (9.0)     |
| Long term rate of increase in salaries 0.5% a year  | 5.5           | 4.0       |
| Rate of increase in pensions / deferred revaluation 0.5% a year   | 9.0           | 6.0       |
| Life expectancy: each pensioner subject to longevity of an individual 1 further year younger than assumed | 2.0           | 1.0       |

\* Opposite changes in the assumptions will produce approximately equal and opposite changes in the Defined Benefit Obligation (DBO). Doubling the changes in assumptions will produce approximately double the change in the DBO. The sensitivities show the change in assumption in isolation. In practice such assumptions rarely change in isolation and given the interdependencies between the assumptions the actual impact may be different from simply combining the changes above.

#### F. Notes

The Report of the Actuary has been compiled by the Government's Actuary Department on 28 April 2023. The report together with other relevant correspondence, in aggregate comply with the following Technical Actuarial Standards issued by the Financial Reporting Council:

R: Reporting Actuarial Information (TAS R)

D: Data (TAS D)

M: Modelling (TAS M)

P: Pensions (Pensions TAS)

Name of Actuary:

Rob Fornear

Fellow of the Institute and Faculty of Actuaries

Government Actuary's Department

28 April 2023

### 3 Financial Statements (continued)

#### 3.2 Pensions Accounts (continued)

#### Combined Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2023

|  | Note | 2023<br>£'000   | 2022<br>£'000    |
|--|------|-----------------|------------------|
| <b>Income</b>  |      |                 |                  |
| Contributions receivable   | 3    | 17,632          | 18,359           |
| Transfers in   | 4    | 1,296           | 196              |
| <b>Combined income</b>   |      | <b>18,928</b>   | <b>18,555</b>    |
| <b>Expenditure</b>   |      |                 |                  |
| Pension Cost – Current Service Costs/Past Service Costs            | 6    | (62,360)        | (39,340)         |
| Transfers in   | 8    | (1,296)         | (196)            |
| Interest on Scheme Liabilities                                     | 9    | (19,190)        | (13,710)         |
| Other expenditure  | 10   | -               | -                |
| <b>Gross expenditure</b>   |      | <b>(82,846)</b> | <b>(53,246)</b>  |
| <b>Combined Net Expenditure</b>                                    |      | <b>(63,918)</b> | <b>(34,691)</b>  |
| <b>Other Comprehensive Net Income (Expenditure)</b>                |      |                 |                  |
| Recognised gains and losses for the financial year:                |      | <b>£'000</b>    | <b>£'000</b>     |
| Actuarial gain   | 15.7 | 523,734         | (117,101)        |
| <b>Total Comprehensive Expenditure for the year ended 31 March</b> |      | <b>459,816</b>  | <b>(151,792)</b> |

The Notes on pages 169 - 193 form part of these Accounts.


**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Combined Statement of Financial Position for Year Ended 31 March 2023**

|  | Note | 2023<br>£'000    | 2022<br>£'000      |
|--|------|------------------|--------------------|
| <b>Current Assets</b>                                    |      |                  |                    |
| Receivables  | 11   | 7,251            | 5,743              |
| Cash and cash equivalents                                | 12   | 2                | 433                |
| <b>Total Current Assets</b>                              |      | <b>7,253</b>     | <b>6,176</b>       |
| <b>Current Liabilities</b>                               |      |                  |                    |
| Payables (within 12 months)                              | 13   | (40)             | (80)               |
| Provisions (Revised Commutation Factors)                 | 14   | (30,008)         | (8)                |
| <b>Total Current Liabilities</b>                         |      | <b>(30,048)</b>  | <b>(88)</b>        |
| <b>Net Current Assets, excluding Pension Liabilities</b> |      | <b>(22,794)</b>  | <b>6,088</b>       |
| <b>Pension Liability:</b>                                |      |                  |                    |
| Firefighters' Pension Scheme (NI) 2007                   | 15.2 | (583,900)        | (902,040)          |
| New Firefighters' Pension Scheme (NI) 2007               | 15.3 | (84,060)         | (163,250)          |
| Firefighters' Pension Scheme (NI) 2015 (CARE)            | 15.4 | (70,560)         | (169,000)          |
| <b>Total Pension Liabilities</b>                         |      | <b>(738,520)</b> | <b>(1,234,290)</b> |
| <b>Net Liabilities, including Pension Liabilities</b>    |      | <b>(761,314)</b> | <b>(1,228,201)</b> |
| <b>Taxpayers' Equity:</b>                                |      |                  |                    |
| General Fund   |      | (761,314)        | (1,228,201)        |
|  |      | <b>(761,314)</b> | <b>(1,228,201)</b> |

The Accounts on pages 153 - 193 were approved by the Board on 27 June 2023 and were signed on its behalf by:

Signed:   
 \_\_\_\_\_  
 Chairperson

Date: 21 December 2023

Signed:   
 \_\_\_\_\_  
 Accounting Officer

Date: 21 December 2023

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Combined Statement of Cash Flows for Year Ended 31 March 2023**

|   | Note | 2023<br>£'000          | 2022<br>£'000            |
|---|------|------------------------|--------------------------|
| <b>Cash Flows from Operating Activities</b>   |      |                        |                          |
| Combined Net Expenditure for the year less movement and payables relating to items not passing through the Statement of Comprehensive Net Expenditure |      | (63,918)               | (34,691)                 |
| (Increase)/decrease in receivables  | 11   | (1,508)                | (1,082)                  |
| Increase in payables  | 13   | (40)                   | 40                       |
| <b>Increase in Pension Provision – Firefighters’ Pension Scheme</b>   |      |                        |                          |
| Firefighters’ Pension Scheme (NI) 2007  | 15.2 | (318,140)              | 91,130                   |
| New Firefighters’ Pension Scheme (NI) 2007  | 15.3 | (79,190)               | 16,520                   |
| Firefighters’ Pension Scheme (NI) 2015 (CARE)   | 15.4 | (98,440)               | 35,160                   |
| Increase in Matthews Provision  | 14   | 30,000                 | -                        |
| <b>Pension Re-measurements</b>  |      |                        |                          |
| Firefighters’ Pension Scheme (NI) 2007  | 15.2 | 320,272                | (104,037)                |
| New Firefighters’ Pension Scheme (NI) 2007  | 15.3 | 81,886                 | (15,211)                 |
| Firefighters’ Pension Scheme (NI) 2015 (CARE)   | 15.4 | 121,575                | 2,147                    |
| <b>Net Cash Outflow from Operating Activities</b>   |      | <u><b>(7,503)</b></u>  | <u><b>(10,024)</b></u>   |
| <b>Cash Flows from Financing Activities</b>   |      |                        |                          |
| Grant in aid  |      | 7,072                  | 9,956                    |
| <b>Net Financing</b>  |      | <u><b>7,072</b></u>    | <u><b>9,956</b></u>      |
| <b>Net (Decrease)/increase in Cash &amp; Cash Equivalents in the year</b>   | 12   | <u><b>(431)</b></u>    | <u><b>(68)</b></u>       |
| <b>Cash &amp; Cash Equivalents at the beginning of the year</b>   | 12   | <u><b>433</b></u>      | <u><b>501</b></u>        |
| <b>Cash &amp; Cash Equivalents at the end of the year</b>   | 12   | <u><u><b>2</b></u></u> | <u><u><b>433</b></u></u> |

The Notes on pages 169 - 193 form part of these Accounts.

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Combined Statement of Changes in taxpayers' Equity for Year Ended**  
**31 March 2023**

|  | <b>2022</b><br><b>£'000</b> |
|--|-----------------------------|
| <b>Balance at 1 April 2021</b>             | <b>(1,086,366)</b>          |
| Grant from Parent Department               | 9,956                       |
| Comprehensive Net Expenditure for the year | (34,691)                    |
| Actuarial loss                             | (117,101)                   |
| <b>Net change in Taxpayers' Equity</b>     | <b>(141,836)</b>            |
| <b>Balance at 31 March 2022</b>            | <b>(1,228,201)</b>          |
|  | <b>2023</b><br><b>£'000</b> |
| <b>Balance at 1 April 2022</b>             | <b>(1,228,201)</b>          |
| Grant from Parent Department               | 7,072                       |
| Comprehensive Net Expenditure for the year | (63,918)                    |
| Actuarial loss                             | 523,734                     |
| <b>Net change in Taxpayers' Equity</b>     | <b>466,887</b>              |
| <b>Balance at 31 March 2023</b>            | <b>(761,314)</b>            |

The Notes on pages 169 – 193 form part of these Accounts.

### **3 Financial Statements (continued)**

#### **3.2 Pensions Accounts (continued)**

#### **Notes to the Accounts for Year Ended 31 March 2023 (continued)**

## **1 BASIS OF PREPARATION OF THE PENSION ACCOUNTS**

NIFRS Firefighters' Pension Accounts have been prepared in a form determined by DoH based on guidance from DoF's Government Financial Reporting Manual (FReM) and in accordance with the requirements of Article 3 (15) of The Fire and Rescue Services (Northern Ireland) Order 2006. The accounting policies contained in FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector. IAS 19 Employee Benefits and IAS 26 Accounting and Reporting by Retirement Benefit Plans are of particular relevance to these statements. These accounts show the unfunded pension liabilities and movements in those liabilities during the year. The Accounts also have regard to the recommendations of the Statement of Recommended Practice (SORP) Financial Reports of Pension Schemes to the extent that these are appropriate together with Accounts Direction from DoH.

The NIFRS Pension Schemes ("the Schemes") are contracted out, unfunded, defined benefit pay-as-you-go occupational pension schemes operated by the NIFRS on the behalf of members of the NIFRS who satisfy the membership criteria.

Contributions to the Schemes by employers and employees are set at rates determined by the Schemes' Actuary and approved by DoH. The contributions partially fund payments made by the Schemes, the balance of funding being provided by DoH through the annual Supply Estimates process. The administration expenses associated with the operation of the Scheme are borne by NIFRS and reported in the NIFRS Operational Accounts.

The Financial Statements summarise the transactions of The Firefighters' Pension Scheme (Northern Ireland) 2007; The New Firefighters' Pension Scheme (Northern Ireland) 2007 and The Firefighters' Pension Scheme (Northern Ireland) 2015 CARE. The Statement of Financial Position shows the deficits on each Scheme; the Statement of Comprehensive Net Expenditure shows the total movements in each Scheme liability analysed between the pension cost, enhancements and transfers in, and the interest on the Scheme liability. The actuarial position of each Pension Scheme is dealt with in the Report of the Actuary, and the Pension Accounts should be read in conjunction with that report.

## **2 STATEMENT OF ACCOUNTING POLICIES**

The Accounting policies contained in FReM follow International Financial Reporting Standards to the extent that it is meaningful and appropriate to the public sector context.

Where FReM permits a choice of Accounting Policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Scheme for the purpose of giving a true and fair view has been selected. The accounting policies adopted have been applied consistently in dealing with the items considered material in relation to the accounts.

### **3 Financial Statements (continued)**

#### **3.2 Pensions Accounts (continued)**

#### **Notes to the Accounts for Year Ended 31 March 2023 (continued)**

## **2 STATEMENT OF ACCOUNTING POLICIES (continued)**

### **2.1 Accounting Convention**

These Accounts have been prepared under the historical cost convention.

The Combined Statement of Financial Position at 31 March 2023 shows a liability of £761,314k (2022:£1,228,201K). This reflects the inclusion of liabilities falling due in future years which are to be financed by drawings from the Northern Ireland Consolidated Fund. Such drawings will be from grants in aid approved annually by the Northern Ireland Assembly, to meet the Net Cash Requirement of DoH which funds NIFRS Pension Schemes.

Under the Government Resources and Accounts Act NI 2001, no money may be drawn from the Fund by the DoH other than required for the service of the specified year or retained in excess of that need. There is no reason to believe that future approvals will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of the NIFRS Pension Accounts for 2022-23.

### **2.2 Contributions Receivable**

Employers' normal pension contributions are accounted for on an accruals basis.

Employers' special contributions are accounted for in accordance with the agreement under which they are paid for and in the absence of such an agreement, on a cash basis.

Employee's pension contributions which exclude amounts in respect of the purchase of added years and Additional Voluntary Contributions are accounted for on an accruals basis.

Employee's contributions paid in respect of the purchase of added years are accounted for on an accruals basis. The associated increase in the scheme liability is recognised as expenditure.

### **2.3 Early Retirement**

Contributions received from the employer in relation to the early retirement of NIFRS personnel on ill health grounds were £951k (2021-22: £1,573k) see Note 3.

### **2.4 Transfers In and Out**

Transfers are normally accounted for as income and expenditure (representing the associated increase in the Scheme liability) on a cash basis, although group transfers-in may be accounted for on an accruals basis where the Scheme has formally accepted or transferred a liability.

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**2 STATEMENT OF ACCOUNTING POLICIES (continued)**

**2.5 Other Income**

Other income, including refunds of gratuities and overpayments recovered other than by deduction from future benefits are accounted for on an accruals basis. To the extent that this income also represents an increase in the Scheme liability, it is also reflected in the expenditure.

**2.6 Current Service Costs**

The current service cost is the increase in the present value of the Schemes' liabilities arising from the current member's service in the current period and is recognised in the Combined Statement of Comprehensive Net Expenditure. From 1 April 2022 all accruals in the Firefighters' Pension Schemes will be in the 2015 CARE Scheme. For the year 2023/24 only a standard contribution s rate for the 2015 Scheme has been calculated. Standard contribution rates for the year ending 31 March 2024 have been assessed as 26.6% pensionable pay in The Firefighters' Pension CARE Scheme 2015.

**2.7 Past Service Costs**

Past service costs are increases in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits. Where improvements to pension benefits result in the backdating of commutation awards, these costs are measured and reflected immediately in the Combined Statement of Comprehensive Net Expenditure.

**2.8 Enhancements**

Any enhancements to pensions, including on departure or retirement, are measured and reflected immediately in the Combined Statement of Comprehensive Net Expenditure. There have been no enhancements to Firefighters' Pension in 2022-23.

**2.9 Interest on Scheme Liabilities**

The interest cost is the increase during the period in the present value of the Scheme liabilities because the benefits are one period closer to settlement and is recognised in the Combined Statement of Comprehensive Net Expenditure. The interest cost is based on the discount rate applicable at 1 April 2023 of 4.15%.

**2.10 Other Payments**

Other payments are accounted for on an accruals basis.



**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**2 STATEMENT OF ACCOUNTING POLICIES (continued)**

**2.11 Scheme Liabilities**

Provision is made for liabilities to pay pensions and other benefits in the future. The Scheme liability is measured on an actuarial basis using the projected unit method and is discounted at a rate of 4.15% real (i.e., 2.40% including CPI inflation).

The Schemes apply assumptions for the discount rate and the rate of inflation as prescribed by HM Treasury.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required with sufficient regularity that the amounts recognised in the financial statements do not differ materially from those determined at the reporting period date. FReM provides an interpretation of the IAS 19 standard and this standard requires the present value of defined benefit obligations to be determined with sufficient regularity that the amounts recognised in the financial statements do not differ materially from those determined at the reporting period date. The 2022-23 accounts are based on membership data as at 31 March 2020. The value of the liabilities as at 31 March 2023 has been calculated by rolling forward the data as at 31 March 2020. The 2020 valuation is the most recently completed valuation and an allowance has been made for service accrued between 1 April 2020 and 31 March 2023 and known pension salary increases that would have applied.

**2.12 Pension Benefits Payable**

Pension benefits payable are accounted for as a decrease in the Scheme liability on an accruals basis.

**2.13 Pension Payments to those Retiring at their Normal Retirement Age**

When a retiring member of either Pension Scheme has no choice over the allocation of benefits receivable between the value of the lump sum and the annual pension, the transaction is accounted for as a decrease in the scheme liability on an accruals basis.

**2.14 Pension Payments to and on account of Leavers before their Normal Retirement Age**

Where a member of any Pension Scheme is entitled to only a refund of contributions, the transaction is accounted for as a decrease in the Scheme liability on an accruals basis.

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**2 STATEMENT OF ACCOUNTING POLICIES (continued)**

**2.14 Pension Payments to and on account of Leavers before their Normal Retirement Age (continued)**

Where a member of any Pension Scheme has the option of receiving a refund of contributions or a deferred pension, the transaction is accounted for as a decrease in the Scheme liability on a cash basis.

**2.15 Injury Benefits**

Injury benefits are accounted for in the NIFRS Operating Accounts.

**2.16 Lump Sums Payable on Death in Service**

Lump sum payments payable on death in service are accounted for on an accruals basis. They are funded through the normal pension contributions and are a charge on the pension provision.

**2.17 Actuarial Gains and Losses**

Actuarial gains and losses arising from any new valuations and from updating the latest actuarial valuation to reflect conditions at the Combined Statement of Financial Position date are recognised in the Combined Statement of Comprehensive Net Expenditure for the year.

**2.18 Additional Voluntary Contributions**

There are no Additional Voluntary Contributions made to NIFRS Pension Schemes.

**2.19 Administration Expenses**

Administration expenses are borne by the NIFRS Operating Accounts and are excluded from these Pension Accounts.

**2.20 Receivables and Payables**

Total Receivables and Payables have been re-analysed into 2 additional categories to add clarity. The additional categories are Non-Current Assets and Non-Current Liabilities (payables after 12 months). Non-Current Assets relate to pension overpayments being recouped over an agreed re-payment plan.

**2.21 Accounting Standards, Interpretations and Amendments to published Standards adopted during the year ended 31 March 2023**

NIFRS has reviewed the accounting standards, interpretations and amendments to published standards that became effective during 2022-23 and which are relevant to its operations. The adoption of these standards has not had a significant impact on the financial position or results of the Schemes.

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**2 STATEMENT OF ACCOUNTING POLICIES (continued)**

**2.22 Accounting Standards, Interpretations and Amendments to published Standards not yet effective**

The Schemes have reviewed:

- (i) accounting standards, interpretations and amendments to published standards and FReM;
- (ii) accounting standards, interpretations and amendments to published standards not yet effective; and
- (iii) financial reporting - future developments.

The Schemes consider that these are not relevant or material to the operation of the schemes.

**2.23 Pension Contribution Rates**

**Retirement Benefit Costs**

**Firefighters' Pension Schemes**

The Schemes are all final salary Schemes with the exception of The Firefighters' Pension Scheme (Northern Ireland) 2015 (CARE) which is a career average scheme. The Schemes are wholly unfunded. The IAS 19 pension liability in respect of the Firefighters' Pension Schemes is calculated annually by GAD using the projected unit credit method and applying a discount rate and rate of inflation as prescribed by HM Treasury.

DoH currently funds the Firefighters' pension deficit. The employer and employee contribution rates for the Pension Schemes are as set out in the table below. From 1 April 2022 all members will join the CARE Scheme and the other schemes will no longer be operational.

| <b>SCHEME</b>   | <b>ERS RATE<br/>2022/2023</b> | <b>ERS RATE<br/>2023/2024</b> |
|---|-------------------------------|-------------------------------|
| The Firefighters' Pension Scheme (NI) 2007            | n/a                           | n/a                           |
| The New Firefighters' Pension Scheme (NI) 2007        | n/a                           | n/a                           |
| The New Firefighters' Pension Scheme (Amendment) 2015 | n/a                           | n/a                           |
| The Firefighters' Pension Scheme (NI) 2015 (CARE)     | 31.1%                         | 31.1%                         |

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**2 STATEMENT OF ACCOUNTING POLICIES (continued)**

**2.23 Pension Contribution Rates (continued)**

| <b>The Firefighters' Pension Scheme (NI) 2015 (CARE)</b> |                           |                              |                           |
|--|---------------------------|------------------------------|---------------------------|
| <b>Salary Band 2022-2023</b>                             | <b>EES RATE 2022/2023</b> | <b>Salary Band 2023-2024</b> | <b>EES RATE 2023/2024</b> |
| Up to £27,818  | 11.0%                     | Up to £27,818                | 11.0%                     |
| £27,819 to £51,515                                       | 12.9%                     | £27,819 to £51,515           | 12.9%                     |
| £51,516 to £142,501                                      | 13.5%                     | £51,516 to £142,501          | 13.5%                     |
| More than £142,501                                       | N/A                       | More than £142,501           | N/A                       |

In addition, NIFRS makes one off payments in respect of ill-health retirements which effectively increase the employers' contributions.

| <b>SCHEME</b>   | <b>ERS RATE incl ill health 2022/2023</b> | <b>ERS RATE incl ill health 2023/2024</b> |
|---|---|---|
| The Firefighters' Pension Scheme (NI) 2007            | 45.6%                                     | 45.6%                                     |
| The New Firefighters' Pension Scheme (NI) 2007        | 31.5%                                     | 31.5%                                     |
| The New Firefighters' Pension Scheme (Amendment) 2015 | 45.6%                                     | 45.6%                                     |
| The Firefighters' Pension Scheme (NI) 2015 (CARE)     | N/A                                       | N/A                                       |

**2.24 Critical Accounting Estimates and Key Judgements**

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Scheme's accounting policies. The Scheme continually evaluates its estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions relating to the pension liability have the most significant risk of causing a material adjustment to the carrying amounts. Further information including the assumptions underpinning the pension liability, calculation approach for the McCloud legal judgment and a sensitivity analysis is set out in Notes 15 and 18.

**2.25 Going Concern**

As illustrated in our Statement of Financial Position, NIFRS Firefighters' Pension Schemes are showing a net liability position. The Pension Schemes are funded by contributions and any shortfalls required to meet pension payments are funded by DoH. It is anticipated that DoH funding will continue ensuring that preparation of the Pension Accounts as a going concern is the correct basis.

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**NOTE 3 – CONTRIBUTIONS RECEIVABLE**

|   | <b>2023</b>          | <b>2022</b>          |
|---|----------------------|----------------------|
|   | <b>£'000</b>         | <b>£'000</b>         |
| Employer  | 11,860               | 11,705               |
| Employer contributions – ill health retirements | 951                  | 1,573                |
| Employee  | 4,821                | 5,081                |
|   | <u><b>17,632</b></u> | <u><b>18,359</b></u> |

**NOTE 4 – PENSION TRANSFERS IN (see also Note 8)**

|   | <b>Note</b> | <b>2023</b>         | <b>2022</b>       |
|---|-------------|---------------------|-------------------|
|   |             | <b>£'000</b>        | <b>£'000</b>      |
| Firefighters' Pension Scheme (NI) 2007        | 15.2        | 652                 | -                 |
| New Firefighters' Pension Scheme (NI) 2007    | 15.3        | 229                 | 80                |
| Firefighters' Pension Scheme (NI) 2015 (CARE) | 15.4        | 415                 | 116               |
|   |             | <u><b>1,296</b></u> | <u><b>196</b></u> |

**NOTE 5 - OTHER PENSION INCOME**

This Note is not applicable to NIFRS.

**NOTE 6 - PENSION COST**

| <b>Current Service Cost</b>                   | <b>Note</b> | <b>2023</b>          | <b>2022</b>          |
|---|-------------|----------------------|----------------------|
|   |             | <b>£'000</b>         | <b>£'000</b>         |
| Firefighters' Pension Scheme (NI) 2007        | 15.2        | -                    | 2,620                |
| New Firefighters' Pension Scheme (NI) 2007    | 15.3        | -                    | 1,010                |
| Firefighters' Pension Scheme (NI) 2015 (CARE) | 15.4        | 32,360               | 35,710               |
|   |             | <u><b>32,360</b></u> | <u><b>39,340</b></u> |
| <b>Past Service Cost</b>                      | <b>Note</b> | <b>2023</b>          | <b>2022</b>          |
|   |             | <b>£'000</b>         | <b>£'000</b>         |
| Firefighters' Pension Scheme (NI) 2007        | 15.2        | 10,530               | -                    |
| New Firefighters' Pension Scheme (NI) 2007    | 15.3        | 1,580                | -                    |
| Firefighters' Pension Scheme (NI) 2015 (CARE) | 15.4        | (12,110)             | -                    |
| Matthews Provision                            | 14          | 30,000               | -                    |
|   |             | <u><b>30,000</b></u> | <u><b>-</b></u>      |
| Total current and past service costs          |             | <u><b>62,360</b></u> | <u><b>39,340</b></u> |

**NOTE 7 - ENHANCEMENTS**

This Note is not applicable to NIFRS.

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**NOTE 8 - TRANSFERS IN – ADDITIONAL LIABILITY (see also Note 4)**

| <b>Individual transfers in from other Schemes</b> | <b>Note</b> | <b>2023<br/>£'000</b> | <b>2022<br/>£'000</b> |
|---|-------------|-----------------------|-----------------------|
| Firefighters' Pension Scheme (NI) 2007            | 15.2        | 652                   | -                     |
| New Firefighters' Pension Scheme (NI) 2007        | 15.3        | 229                   | 80                    |
| Firefighters' Pension Scheme (NI) 2015 (CARE)     | 15.4        | 415                   | 116                   |
|   |             | <u><b>1,296</b></u>   | <u><b>196</b></u>     |

**NOTE 9 - PENSION FINANCING COST**

| <b>Net Interest on Defined Liability</b>      | <b>Note</b> | <b>2023<br/>£'000</b> | <b>2022<br/>£'000</b> |
|---|-------------|-----------------------|-----------------------|
| Firefighters' Pension Scheme (NI) 2007        | 15.2        | 13,890                | 9,990                 |
| New Firefighters' Pension Scheme (NI) 2007    | 15.3        | 2,530                 | 1,830                 |
| Firefighters' Pension Scheme (NI) 2015 (CARE) | 15.4        | 2,770                 | 1,890                 |
|   |             | <u><b>19,190</b></u>  | <u><b>13,710</b></u>  |

**NOTE 10 – OTHER PENSION EXPENDITURE**

|                           | <b>2023<br/>£'000</b> | <b>2022<br/>£'000</b> |
|---------------------------|-----------------------|-----------------------|
| GMP overpayment write-off | -                     | -                     |
|                           | <u><b>-</b></u>       | <u><b>-</b></u>       |

**NOTE 11 - RECEIVABLES – CONTRIBUTIONS DUE IN RESPECT OF PENSIONS**

|                                      | <b>2023<br/>£'000</b> | <b>2022<br/>£'000</b> |
|--------------------------------------|-----------------------|-----------------------|
| Amounts falling due within 1 year:   |                       |                       |
| Pension prepayments                  | 7,251                 | 5,743                 |
| <b>Total receivables at 31 March</b> | <u><b>7,251</b></u>   | <u><b>5,743</b></u>   |

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**NOTE 12 - CASH AND CASH EQUIVALENTS**

|                             | <b>2023</b><br><b>£'000</b> | <b>2022</b><br><b>£'000</b> |
|-----------------------------|-----------------------------|-----------------------------|
| Balance at 1 April          | 433                         | 501                         |
| Net change in cash balances | (431)                       | (68)                        |
| <b>Balance at 31 March</b>  | <u><u>2</u></u>             | <u><u>433</u></u>           |

The following balances at 31 March were held at:

|                                   |                 |                   |
|-----------------------------------|-----------------|-------------------|
| Commercial banks and cash in hand | 2               | 433               |
| <b>Balance at 31 March</b>        | <u><u>2</u></u> | <u><u>433</u></u> |

**NOTE 13 - PAYABLES – PAYMENTS DUE IN RESPECT OF PENSIONS**

|                                    | <b>2023</b><br><b>£'000</b> | <b>2022</b><br><b>£'000</b> |
|------------------------------------|-----------------------------|-----------------------------|
| Amounts falling due within 1 year: |                             |                             |
| Other payables                     | 40                          | 80                          |
| <b>Total payables at 31 March</b>  | <u><u>40</u></u>            | <u><u>80</u></u>            |

**NOTE 14 - PROVISIONS FOR LIABILITIES AND CHARGES**

|                                | <b>Pension<br/>Commutation<br/>Factors and<br/>Matthews<br/>2023<br/>£'000</b> | <b>Pension<br/>Commutation<br/>Factors and<br/>Matthews<br/>2022<br/>£'000</b> |
|--------------------------------|--|--|
| Balance at 1 April             | 8  | 8  |
| Increase in Matthews Provision | 30,000   | -  |
| <b>At 31 March</b>             | <u><u>30,008</u></u>   | <u><u>8</u></u>  |

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**NOTE 14 - PROVISIONS FOR LIABILITIES AND CHARGES (continued)**

**Analysis of expected timing of Cash Flows**

|  | <b>Pension<br/>Commutation<br/>Factors and<br/>Matthews<br/>2023<br/>£'000</b> | <b>Pension<br/>Commutation<br/>Factors and<br/>Matthews<br/>2022<br/>£'000</b> |
|--|--|--|
| Not later than 1 year                        | 30,008   | 8  |
| Later than 1 year and not later than 5 years | -  | -  |
| Later than 5 years                           | -  | -  |
| <b>At 31 March</b>                           | <b><u>30,008</u></b>   | <b><u>8</u></b>  |

**Commutation Factors**

Prior to 2006 The Firefighters' Pension Scheme paid lump sum retirement benefits were based on fluctuating rather than fixed commutation factors. These factors were not re-assessed by GAD during the period 1998 to 2006. Had the commutation factors been re-assessed in this period, the lump sums paid to retirees would have been greater than those originally paid out. A test case was brought to the Pensions Ombudsman from a Firefighter who retired in 2005 and claimed that his lump sum had not been uplifted appropriately. The Ombudsman's final ruling found in favour of the Firefighter. A provision of £1,973k was provided for in 2014/15 and the majority of payments have now been made, with one case outstanding. No provision has been made for unauthorised payment or scheme sanction charges which, if applicable, will be met by HM Treasury.

**Matthews Provision**

In November 2018 a ruling on the legal case involving part-time judges (O'Brien v MoJ) had a direct impact on the equivalent case for retained firefighters (Matthews). DoH Ministers agreed to extend the pension entitlement to eligible retained firefighters to cover service pre-July 2000. The Memorandum of Understanding signed in March 2022 sets out the intended scope and operation of the options exercise required to enact remedy in this case. It is expected that the option exercise will open sometime during or shortly after 2023/24.

The options exercise will increase the pension entitlement for some current special retained members and also allow access to the scheme for additional historic retained firefighters. A provision of £30m has been made for potential additional liabilities which could arise following the options exercise.



**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**NOTE 15 – PENSION LIABILITIES**

**15.1 Assumptions underpinning the pension liability**

**LIABILITIES**

The capitalised value as at 31 March 2023 of expected future benefit payments under the NIFRS Pension Schemes, for benefits accrued in respect of employment (or former employment) prior to 31 March 2023, has been assessed using the methodology and assumptions set out in Sections C and D below. The results are broken down, between the various categories of members, as follows:

|                                       | <b>Firefighters' Pension<br/>Scheme 2007<br/>£'000</b> | <b>New Firefighters'<br/>Pension Scheme<br/>2007<br/>£'000</b> | <b>Firefighters'<br/>Pension Scheme<br/>CARE 2015<br/>£'000</b> |
|---------------------------------------|--|--|---|
| Actives (past service)                | 222,610  | 32,040   | 68,480  |
| Deferred Pensioners                   | 7,160  | 1,950  | 760   |
| Current Pensioners (excluding injury) | 356,130  | 2,320  | 1,320   |
| Retained Settlement                   | -  | 47,750   | -   |
| <b>Total</b>                          | <b>583,900</b>   | <b>84,060</b>  | <b>70,560</b>   |

Pension scheme liabilities accrue over members' periods of service and are discharged over the period of retirement and, where applicable, the period for which a spouse or eligible partner survives the pensioner. In valuing the Schemes' liabilities, the Actuary must estimate the impact of several inherently uncertain variables into the future. The variables include not only the key financial assumptions noted in the table below, but also assumptions about the changes that will occur in the future, in the mortality rate, the age of retirement and age from which a pension becomes payable. The value of the liabilities on the Combined Statement of Financial Position may be significantly affected by even small changes in assumptions. For example, if at a subsequent valuation it is considered appropriate to increase or decrease the assumed rates of inflation or increase in salaries, the value of the pension will increase or decrease. The Schemes' manager accepts that as a consequence, the valuation provided by the Actuary is inherently uncertain. The increases or decreases in future liability charged or credited for the year resulting from changes in assumptions is disclosed in Note 15.8 The note also discloses experience gains or losses from the year, showing the amount charged or credited for the year because events have not coincided with assumptions made for the last valuation.

### 3 Financial Statements (continued)

#### 3.2 Pensions Accounts (continued)

#### Notes to the Accounts for Year Ended 31 March 2023 (continued)

#### NOTE 15 - PENSION LIABILITIES (continued)

##### Assumptions

The NIFRS Pension Schemes are unfunded defined benefit schemes. The Government Actuarial Department (GAD) carried out an assessment of the Schemes' liabilities as at 31 March 2023. The Report of the Actuary on pages 160 - 164 sets out the scope, methodology and results of the work the actuary has carried out.

The Schemes' Manager is responsible for providing the Actuary with the information the Actuary needs to carry out the valuation. The information includes, but is not limited to, details of:

- scheme membership, including age and gender profiles, active membership, deferred pensioners and pensioners;
- benefit structure, including details of any discretionary benefits and any proposals to amend the Schemes;
- income and expenditure, including details of expected bulk transfers into or out of the Schemes; and
- following consultation with the actuary, the key assumptions that should be used to value the Schemes' liabilities, ensuring that the assumptions are mutually compatible and reflect a best estimate of future experience.

The key assumptions used by the actuary were:

|   | At 31<br>March<br>2023 | At 31<br>March<br>2022 | At 31<br>March<br>2021 | At 31<br>March<br>2020 | At 31<br>March<br>2019 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| Rate of increase in salaries                                    | 3.65%                  | 4.15%                  | 3.72%                  | 4.10%                  | 4.10%                  |
| A rate of increase in pensions in payment and deferred pensions | 2.4%                   | 2.90%                  | 2.22%                  | 2.35%                  | 2.60%                  |
| Inflation Assumption (CPI)                                      | 2.4%                   | 2.90%                  | 2.22%                  | 2.35%                  | 2.60%                  |
| Nominal discount rate   | 4.15%                  | 1.55%                  | 1.25%                  | 1.80%                  | 2.90%                  |
| Discount rate net of price inflation                            | 1.75%                  | (1.35%)                | (0.97%)                | (0.55%)                | 0.30%                  |
| Mortality rates at age 65                                       |                        |                        |                        |                        |                        |
| Current retirements   |                        |                        |                        |                        |                        |
| Females   | 21.2                   | 21.5                   | 21.4                   | 21.3                   | 22.0                   |
| Males   | 21.2                   | 21.5                   | 21.4                   | 21.3                   | 22.0                   |
| Retirements in 20 years' time                                   |                        |                        |                        |                        |                        |
| Females   | 22.9                   | 23.2                   | 23.1                   | 23.0                   | 23.9                   |
| Males   | 22.9                   | 23.2                   | 23.1                   | 23.0                   | 23.9                   |

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**NOTE 15 - PENSION LIABILITIES (continued)**

These key assumptions are inherently uncertain, since it is impossible to predict with any accuracy future changes in the rate of salary increases, inflation, longevity or the return on corporate bonds. The Actuary uses professional expertise in arriving at a view of the most appropriate rates to use in the annual valuation of the Schemes' liabilities. However, the Schemes' managers acknowledge that the valuation reported in these accounts is not certain, since a change in any one of these assumptions will either increase or reduce the liability. For example, on its own, even a small rise in the assumed rate of inflation will result in an increase in the pension liability.

The assumption that has the biggest impact on the amount of the reported liabilities is the discount rate net of price inflation. As set out in the FReM, and as required by IAS 19, the discount rate net of price inflation is based on yields on high quality corporate bonds. The rates are set out in the above table. Any decrease in the discount rate net of price inflation leads to a significant increase in the reported liability.

In accordance with IAS 19 the Schemes' Manager is required to undertake a sensitivity analysis for each significant actuarial assumption as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at that date. This analysis, including details of the methods of assumptions used in preparing the sensitivity analyses, the limitations of these methods, and the reasons for any changes in methods and assumptions used in preparing the sensitivity analyses of the pension liability below.

**Sensitivity Analysis**

A sensitivity analysis for each significant actuarial assumption as of the end of the reporting period is included below.

The calculation of the pension liability is sensitive to the assumptions set out below. The following table summarises the impact on the pension liability at 31 March 2023 of changes in these key assumptions.

**The Firefighters' Pension Scheme (NI) 2007**

| Change in assumption*   | Impact on DBO |           |
|---|---------------|-----------|
|   | %             | £ Million |
| 0.5% increase in Discount Rate  | (7.5)         | (39.0)    |
| Life expectancy: each pensioner subject to longevity of an individual 1 year younger than assumed | 2.5           | 15.0      |
| 0.5% increase in the Salary Increase Rate   | 0.5           | 4.0       |
| 0.5% increase in the Pension Increase Rate  | 6.5           | 39.0      |

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**NOTE 15 - PENSION LIABILITIES (continued)**

**The New Firefighters' Pension Scheme (NI) 2007**

| Change in assumption*   | Impact on DBO |           |
|---|---------------|-----------|
|   | %             | £ Million |
| 0.5% increase in Discount Rate  | (10.5)        | (9.0)     |
| Life expectancy: each pensioner subject to longevity of an individual 1 year younger than assumed | 2.5           | 2.0       |
| 0.5% increase in the Salary Increase Rate   | 3.5           | 3.0       |
| 0.5% increase in the Pension Increase Rate  | 7.0           | 6.0       |

**The Firefighters' Pension Scheme 2015**

| Change in assumption*   | Impact on DBO |           |
|---|---------------|-----------|
|   | %             | £ Million |
| 0.5% increase in Discount Rate  | (12.5)        | (9.0)     |
| Life expectancy: each pensioner subject to longevity of an individual 1 year younger than assumed | 2.0           | 1.0       |
| 0.5% increase in the Salary Increase Rate   | 5.5           | 4.0       |
| 0.5% increase in the Pension Increase Rate  | 9.0           | 6.0       |

\* Opposite changes in the assumptions will produce approximately equal and opposite changes in the Defined Benefit Obligation (DBO). Doubling the changes in assumptions will produce approximately double the change in the DBO. The sensitivities show the change in assumption in isolation. In practice such assumptions rarely change in isolation and given the interdependencies between assumptions the impacts may offset to some extent.

**15.2 Analysis of Movement in Firefighters' Pension Scheme (NI) 2007 Liability**

|   | Note | 2023<br>£'000         | 2022<br>£'000         |
|---|------|-----------------------|-----------------------|
| Scheme Liability at 1 April                   |      | <b>902,040</b>        | <b>810,910</b>        |
| Current Service Cost                          |      | -                     | 2,620                 |
| Past Service Cost                             |      | 10,530                | -                     |
| Pension financing cost                        |      | 13,890                | 9,990                 |
|   |      | <u>24,420</u>         | <u>12,610</u>         |
| Pension transfers in                          |      | 652                   | -                     |
| Pension Payments                              | 15.5 | (22,785)              | (25,517)              |
| Pension payments to and on account of leavers | 15.6 | (155)                 | -                     |
| Actuarial loss/(gain)                         | 15.7 | (320,272)             | 104,037               |
| <b>Scheme Liability at 31 March</b>           |      | <b><u>583,900</u></b> | <b><u>902,040</u></b> |

### 3 Financial Statements (continued)

#### 3.2 Pensions Accounts (continued)

#### Notes to the Accounts for Year Ended 31 March 2023 (continued)

#### NOTE 15 - PENSION LIABILITIES (continued)

During the year ended 31 March 2023 employee contributions ranged from 11% to 17% of pensionable pay (11% to 17%: 2021-22). Employer contributions represented an average of 39.6% of pensionable pay (39.6%: 2021-22).

Past service costs are increases in the present value of the Scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits. Where improvements to pension benefits result in the backdating of commutation awards, these costs are measured and reflected immediately in the Combined Statement of Comprehensive Net Expenditure.

#### McCloud and 2016 valuation cost control

Claims of age discrimination were brought in relation to the terms of transitional protection by groups of firefighters and members of the Judiciary in the McCloud/Sargeant legal case (referred herein as "McCloud") and the Court of Appeal handed down its judgement on this claim on 20 December 2018, ruling that transitional protection arrangements were discriminatory on the basis of age. As a result, the cost control element of the 2016 valuation was paused whilst the Government addressed the need to remedy this discrimination across all public service pension schemes. The cost cap mechanism for the 2016 valuation has since been un-paused and the calculations complete, with the outcome being no changes to benefits or contributions.

The treatment of the deferred choice underpin as a member cost for cost cap purposes, along with the 4 year spreading period, was challenged in a Judicial Review which was heard in early 2023. The claims made in the Judicial Review were dismissed by the High Court, in a judgement handed down on Friday 10 March 2023. No allowance has therefore been made in accounting disclosures as at 31 March 2023.

#### 15.3 Analysis of Movement in New Firefighters' Pension Scheme (NI) 2007 Liability

|                                     | Note | 2023<br>£'000        | 2022<br>£'000         |
|-------------------------------------|------|----------------------|-----------------------|
| Scheme Liability at 1 April         |      | 163,250              | 146,730               |
| Current Service Cost                |      | -                    | 1,010                 |
| Past Service Cost                   |      | 1,580                | -                     |
| Pension financing cost              |      | 2,530                | 1,830                 |
|                                     |      | <u>4,110</u>         | <u>2,840</u>          |
| Pension transfers in                |      | 229                  | 80                    |
| Pension Payments                    | 15.5 | (1,643)              | (1,610)               |
| Actuarial loss/(gain)               | 15.7 | (81,886)             | 15,211                |
| <b>Scheme Liability at 31 March</b> |      | <u><b>84,060</b></u> | <u><b>163,250</b></u> |

### 3 Financial Statements (continued)

#### 3.2 Pensions Accounts (continued)

#### Notes to the Accounts for Year Ended 31 March 2023 (continued)

#### NOTE 15 - PENSION LIABILITIES (continued)

During the year ended 31 March 2023 employee contributions ranged from 8.5% to 17% of pensionable pay (8.5% to 17%: 2021-22). Employer contributions are at either 23.6% or 39.6% of pensionable pay (23.6% or 39.6%: 2021-22).

Past service costs are increases in the present value of the Scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits. Where improvements to pension benefits result in the backdating of commutation awards, these costs are measured and reflected immediately in the Combined Statement of Comprehensive Net Expenditure.

#### McCloud and 2016 valuation cost control

Claims of age discrimination were brought in relation to the terms of transitional protection by groups of firefighters and members of the Judiciary in the McCloud/Sargeant legal case (referred herein as "McCloud") and the Court of Appeal handed down its judgement on this claim on 20 December 2018, ruling that transitional protection arrangements were discriminatory on the basis of age. As a result, the cost control element of the 2016 valuation was paused whilst the Government addressed the need to remedy this discrimination across all public service pension schemes. The cost cap mechanism for the 2016 valuation has since been un-paused and the calculations complete, with the outcome being no changes to benefits or contributions.

The treatment of the deferred choice underpin as a member cost for cost cap purposes, along with the 4 year spreading period, was challenged in a Judicial Review which was heard in early 2023. The claims made in the Judicial Review were dismissed by the High Court, in a judgement handed down on Friday 10 March 2023. No allowance has therefore been made in accounting disclosures as at 31 March 2023.

#### 15.4 Analysis of Movement in Firefighters' Pension Scheme (NI) 2015 (CARE) Liability

|   | Note | 2023<br>£'000        | 2022<br>£'000         |
|---|------|----------------------|-----------------------|
| Scheme Liability at 1 April                   |      | 169,000              | 133,840               |
| Current Service Cost                          |      | 32,360               | 35,710                |
| Past Service Cost                             |      | (12,110)             | -                     |
| Pension financing cost                        |      | 2,770                | 1,890                 |
|   |      | <u>23,020</u>        | <u>37,600</u>         |
| Pension transfers in                          |      | 415                  | 116                   |
| Pension Payments                              | 15.5 | (237)                | (409)                 |
| Pension payments to and on account of leavers | 15.6 | (63)                 | -                     |
| Actuarial (gain)/loss                         | 15.7 | (121,575)            | (2,147)               |
| <b>Scheme Liability at 31 March</b>           |      | <u><b>70,560</b></u> | <u><b>169,000</b></u> |

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**NOTE 15 - PENSION LIABILITIES (continued)**

**15.4 Analysis of Movement in Firefighters' Pension Scheme (NI) 2015 (CARE) Liability (continued)**

During the year ended 31 March 2023 employee contributions ranged from 11% to 13.5% of pensionable pay (11% to 13.5%: 2021-22). Employer contributions represented an average of 31.1% of pensionable pay (31.1%: 2021-22).

Past service costs are increases in the present value of the Scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits. Where improvements to pension benefits result in the backdating of commutation awards, these costs are measured and reflected immediately in the Combined Statement of Comprehensive Net Expenditure.

**McCloud and 2016 valuation cost control**

Claims of age discrimination were brought in relation to the terms of transitional protection by groups of firefighters and members of the Judiciary in the McCloud/Sargeant legal case (referred herein as "McCloud") and the Court of Appeal handed down its judgement on this claim on 20 December 2018, ruling that transitional protection arrangements were discriminatory on the basis of age. As a result, the cost control element of the 2016 valuation was paused whilst the Government addressed the need to remedy this discrimination across all public service pension schemes. The cost cap mechanism for the 2016 valuation has since been un-paused and the calculations complete, with the outcome being no changes to benefits or contributions.

The treatment of the deferred choice underpin as a member cost for cost cap purposes, along with the 4 year spreading period, was challenged in a Judicial Review which was heard in early 2023. The claims made in the Judicial Review were dismissed by the High Court, in a judgement handed down on Friday 10 March 2023. No allowance has therefore been made in accounting disclosures as at 31 March 2023.

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**NOTE 15 - PENSION LIABILITIES (continued)**

**15.5 Analysis of Benefits Paid**

|   | <b>2023</b>          | <b>2022</b>          |
|---|----------------------|----------------------|
|   | <b>£'000</b>         | <b>£'000</b>         |
| <b>Firefighters' Pension Scheme (NI) 2007</b>                 |                      |                      |
| Pension Payments  | 19,668               | 18,822               |
| Gratuities / Commutations and lump sum benefits on retirement | 3,117                | 6,695                |
|   | <u><b>22,785</b></u> | <u><b>25,517</b></u> |
| <b>New Firefighters' Pension Scheme (NI) 2007</b>             |                      |                      |
| Pension Payments  | 1,068                | 920                  |
| Gratuities / Commutations and lump sum benefits on retirement | 575                  | 690                  |
|   | <u><b>1,643</b></u>  | <u><b>1,610</b></u>  |
| <b>Firefighters' Pension Scheme (NI) 2015 CARE Scheme</b>     |                      |                      |
| Pension Payments  | 135                  | 284                  |
| Gratuities/Commutations and lump sum benefits on retirement   | 102                  | 126                  |
|   | <u><b>237</b></u>    | <u><b>410</b></u>    |

**15.6 Analysis of Payments to and on account of Leavers**

|   | <b>2023</b>         | <b>2022</b>     |
|---|---------------------|-----------------|
|   | <b>£'000</b>        | <b>£'000</b>    |
| <b>Firefighters' Pension Scheme (NI) 2007</b>             |                     |                 |
| Individual transfers to other schemes                     | (155)               | -               |
|   | <u><b>(155)</b></u> | <u><b>-</b></u> |
| <b>New Firefighters' Pension Scheme (NI) 2007</b>         |                     |                 |
| Individual transfers to other schemes                     | -                   | -               |
|   | <u><b>-</b></u>     | <u><b>-</b></u> |
| <b>Firefighters' Pension Scheme (NI) 2015 CARE Scheme</b> |                     |                 |
| Individual transfers to other schemes                     | (63)                | -               |
|   | <u><b>(63)</b></u>  | <u><b>-</b></u> |



**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**NOTE 15 - PENSION LIABILITIES (continued)**

**15.7 Analysis of Actuarial (Loss)/Gain**

|   | <b>2023</b>           | <b>2022</b>             |
|---|-----------------------|-------------------------|
|   | <b>£'000</b>          | <b>£'000</b>            |
| <b>Firefighters Pension Scheme (NI) 2007</b>  |                       |                         |
| Experience (losses)/gains arising on scheme liabilities                                   | (14,878)              | (52,357)                |
| Changes in financial assumptions underlying the present value of the scheme liabilities   | 322,510               | (51,680)                |
| Changes in demographic assumptions underlying the present value of the scheme liabilities | 12,640                | -                       |
|   | <u><b>320,272</b></u> | <u><b>(104,037)</b></u> |
| <b>New Firefighters' Pension Scheme (NI) 2007</b>   |                       |                         |
| Experience (losses)/gains arising on scheme liabilities                                   | 887                   | (4,001)                 |
| Changes in financial assumptions underlying the present value of the scheme liabilities   | 72,760                | (11,210)                |
| Changes in demographic assumptions underlying the present value of the scheme liabilities | 8,240                 | -                       |
|   | <u><b>81,887</b></u>  | <u><b>(15,211)</b></u>  |
| <b>Firefighters' Pension Scheme (NI) 2015 CARE Scheme</b>                                 |                       |                         |
| Experience gains arising on scheme liabilities  | 7,395                 | 14,997                  |
| Changes in financial assumptions underlying the present value of the scheme liabilities   | 92,340                | (12,850)                |
| Changes in demographic assumptions underlying the present value of the scheme liabilities | 21,840                | -                       |
|   | <u><b>121,575</b></u> | <u><b>2,147</b></u>     |
| <b>Per Statement of Changes in Taxpayers' Equity</b>                                      | <u><b>523,734</b></u> | <u><b>(117,101)</b></u> |

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**NOTE 15 - PENSION LIABILITIES (continued)**

**15.8 History of Experience Gains/(Losses)**

|  | <b>2023</b>  | <b>2022</b>  | <b>2021</b>  | <b>2020</b>  | <b>2019</b>  |
|--|--------------|--------------|--------------|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> |
| <b>Firefighters' Pension Scheme (NI) 2007</b>                        |              |              |              |              |              |
| Experience (losses)/gains on scheme liabilities                      | (14,878)     | (52,357)     | 13,422       | 19,471       | 2,067        |
| Percentage of the present value of the scheme liabilities            | (2.55%)      | (5.80%)      | 1.66%        | 2.50%        | 0.29%        |
| Total amount recognised in statement of changes in Taxpayers' Equity | 320,272      | (104,037)    | (40,898)     | (59,579)     | 28,477       |
| Percentage of the present value of the scheme liabilities            | 54.85%       | (11.53%)     | (5.04%)      | (7.66%)      | 3.99%        |
| <b>New Firefighters' Pension Scheme (NI) 2007</b>                    |              |              |              |              |              |
| Experience (losses)/gains on scheme liabilities                      | 887          | (4,001)      | 2,550        | (446)        | 1,618        |
| Percentage of the present value of the scheme liabilities            | 1.06%        | (2.45%)      | 1.74%        | (0.33%)      | 1.46%        |
| Total amount recognised in statement of changes in Taxpayers' Equity | 81,887       | (15,211)     | (9,920)      | (24,226)     | 7,548        |
| Percentage of the present value of the scheme liabilities            | 97.41%       | (9.32%)      | (6.76%)      | (17.99%)     | 6.83%        |
| <b>Firefighters' Pension Scheme (NI) 2015 (CARE)</b>                 |              |              |              |              |              |
| Experience gains/(losses) on scheme liabilities                      | 7,395        | 14,997       | 7,271        | (380)        | (97)         |
| Percentage of the present value of the scheme liabilities            | 10.5%        | 8.9%         | 5.43%        | (0.39%)      | (0.20%)      |
| Total amount recognised in statement of changes in Taxpayers' Equity | 121,575      | 2,147        | (4,869)      | (24,220)     | 3,213        |
| Percentage of the present value of the scheme liabilities            | 172.30%      | 1.27%        | (3.64%)      | (25.16%)     | 6.56%        |
| <b>Combined history of experience (loss)/gain</b>                    |              |              |              |              |              |
| Experience (losses)/gains on scheme liabilities                      | (6,596)      | (41,361)     | 23,243       | 18,645       | 3,588        |
| Re-measurements in respect of scheme liabilities                     | 523,734      | (117,101)    | (55,687)     | (108,025)    | 39,238       |

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**NOTE 16 - FINANCIAL INSTRUMENTS**

Accounting standards require disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the non-trading nature of its activities and the way in which NIFRS is funded from the Department of Health (DoH), the NIFRS Pension Accounts are not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a more limited role in creating or changing risk than would be typical of listed companies.

The NIFRS Pension Accounts rely primarily on departmental funding for its revenue resource requirements, and is therefore not exposed to liquidity risks. It also has no material deposits, and all assets and liabilities are determined in sterling, so it is not exposed to interest rate or currency risk.

**NOTE 17 - LOSSES AND SPECIAL PAYMENTS**

No losses or special payments occurred during the year. (2021-22: nil)

**NOTE 18 - CONTINGENT LIABILITIES**

**McCloud Judgement**

Claims of age discrimination were brought in relation to the terms of transitional protection by groups of firefighters and members of the Judiciary in the McCloud/Sargeant legal case (referred herein as “McCloud”) and the Court of Appeal handed down its judgment on this claim on 20 December 2018, ruling that the transitional protection arrangements were discriminatory on the basis of age. As a result, the cost control element of the 2016 valuation was paused whilst the Government addressed the need to remedy this discrimination across all public service pension schemes.

In July 2020 HM Treasury consulted on changes to the transitional arrangements to the 2015 schemes as a result of this judgment and, at the same time, an update on the Cost Control Element of the 2016 valuations was published. In this update, the Government announced that the pause should be lifted and the cost control element of the 2016 valuations could be completed. This update also set out that the McCloud costs would fall into the ‘member cost’ category of the cost control element of the valuations process. It is also noted that by taking into account the increased value as a result of the McCloud remedy, scheme cost control valuation outcomes will show greater costs than otherwise would have been expected.

### **3 Financial Statements (continued)**

#### **3.2 Pensions Accounts (continued)**

#### **Notes to the Accounts for Year Ended 31 March 2023 (continued)**

#### **NOTE 18 - CONTINGENT LIABILITIES (continued)**

##### **McCloud Judgement (continued)**

The reformed public service schemes in Northern Ireland incorporate similar age-based transitional protections. The Department of Finance ran a consultation from 19 August 2020 to 18 November 2020 consulting on proposals to i) remove age discrimination in unfunded public service schemes made under the Public Service Pensions Act (Northern Ireland) 2014 for the future; and, ii) remedy the effect of any discrimination scheme members may have incurred since April 2015. The Department of Finance issued its consultation response on 25 February 2021. It proposes to proceed with the deferred choice underpin. This approach means all eligible members will receive a choice at the point of retirement whether to take legacy or reformed scheme benefits for the period between 1 April 2015 and 31 March 2022, known as the remedy period.

All public servants who continue in service from April 2023 onwards will do so as members of their respective reformed scheme (alpha pension scheme). These proposals have been developed at the Collective Consultation Working Group, which is the recognised forum for consultation on pension policy for developed schemes and where both public service employers and employees are represented.

Work is progressing on the legislative steps required to implement the remedy and reformed scheme. The actuarial liability as at 31 March 2022 includes accrual for management's best estimate of the higher expected costs to implement the remedy and reformed scheme under the proposals. An allowance for McCloud remedy was first included in the 2018/19 disclosures as a past service cost for four years remedy service from 2015-2019. This past service cost was attributed proportionally to the FPS 2007 and NFPS 2007 schemes. For subsequent years to 2021/22 an allowance was made in the 2015 service costs for the annual accrual of additional remedy service.

Now that the remedy window is closed all McCloud related liabilities for eligible members for the period 2019 to 2022 have been moved to the associated legacy schemes. This means all McCloud liabilities are held within the legacy scheme from which benefits are expected to be paid. This has led to a past service cost of £11m added to the FPS 2007 Scheme and a past service cost of £2m in the NFPS 2007 Scheme. As these liabilities are no longer held within the 2015 Scheme we have a past service gain of £12m.

##### **GMP Indexation and Equalisation**

The Government has published a consultation on indexation and equalisation of Guaranteed Minimum Pensions (GMP), with the proposal being to extend the "interim solution" to those members who reach State Pension Age after 5 April 2021 (7 October 2020). A past service cost was included in for 2019/20 for extending the equalisation to all future retirees.

There was also a further court ruling on 20 November 2020 regarding GMP equalisation. The court ruled that scheme trustees are required to revisit past Cash Equivalent Transfer Values (CETVs) to ensure GMP equalisation. This may result in additional top-

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**NOTE 18 - CONTINGENT LIABILITIES (continued)**

ups where GMP equalisation means that members did not receive their full entitlement.

For public service pension schemes, we expect that this ruling will be taken forward on a cross scheme basis and will need legal input. This may require revisiting past CETV cases for members with State Pension age after 5 April 2016 and who took a CETV from the scheme before CETV were equalised. The scope of any costs are yet to be determined and we do not have data on historic CETVs on to estimate the potential impact, but we expect it will be a relatively small uplift for a relatively small subset of members (i.e. those who took a CETV and are in scope for a top up).

No additional costs were recognised for GMP equalisation and indexation in 2021/22, nor are they expected for 2022/23. In the absence of any further developments, it is proposed that no additional costs are recognised for 2023/24.

**Survivor benefits legal challenges**

In 2020 a legal challenge was brought against the Teachers' Pension Scheme regarding the provision of survivor benefits to a male spouse of a female member. In that scheme, dependant benefits for a male spouse of a female member are based on service from 1988 and do not include service before 1988.

Department of Health (DoH) have advised us that due to the historic equal benefit structure in the 1992 Scheme they do not believe there is a similar situation in the Fire Pension Scheme Northern Ireland and therefore there is no requirement to allow for this legal challenge in year 2022/23 accounting disclosures.

An additional legal challenge has been brought against the Police Pension Scheme (Northern Ireland) in regard to historic provision of survivors benefits for unmarried partners. This is an ongoing claim but the ruling in the case could have a read across to all public sector schemes. At this stage we have made no allowance for this case in these 2022/23 disclosures.

**NOTE 19 - RELATED PARTY TRANSACTIONS**

NIFRS is an arm's length body of the DoH and as such the Department is a related party with which NIFRS has had material transactions during the year. These transactions concerning the NIFRS Pension accounts related to the funding provided to cover the shortfall of scheme payments over contributions.

In addition, the Schemes have had material transactions with other government departments.

None of the managers of the Schemes, key managerial staff or other related parties has undertaken any material transactions with either Scheme during the year.

**3 Financial Statements (continued)**  
**3.2 Pensions Accounts (continued)**  
**Notes to the Accounts for Year Ended 31 March 2023 (continued)**

**NOTE 20 - EVENTS AFTER THE REPORTING PERIOD**

There were no events after the reporting period.

**NOTE 21 – DATE AUTHORISED FOR ISSUE**

The Accounting Officer authorised these Financial Statements for issue on 21 December 2023.

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