

2024/25 Annual Statement of Accounts



West Yorkshire Fire & Rescue Service

Headquarters, Bradford Road, Birkenshaw, West
Yorkshire, BD11 2DY

Contents

Contents	1
Narrative Report	2
Annual Governance Statement	31
Statement of Responsibilities	51
Audit Opinion.....	52
Main Financial Statements.....	56
Comprehensive Income and Expenditure Statement for the year ended 31 st March 2025	56
Movement in Reserves Statement	57
Balance Sheet as at 31 st March 2025	59
Cash Flow Statement	61
Notes to the Main Financial Statements	62
Note 1. Accounting Policies	62
Note 2. Accounting Standards that have been issued but not yet applied	78
Note 3. Critical Judgements in Applying Accounting Policies.....	79
Note 4. Assumptions made about the future and other major sources of estimation uncertainty	79
Note 5. Material Items of Income and Expense.....	80
Note 6. Events after the Balance Sheet Date.....	81
Note 7. Expenditure and Funding Analysis.....	81
Note 7a. Note to the Expenditure and Funding Analysis	83
Note 8. Expenditure and Income Analysed by Nature.....	85
Note 9. Adjustments between Funding and Accounting Basis	86
Note 10. Other Operating Expenditure	89
Note 11. Financing and Investment Income & Expenditure.....	89
Note 12. Taxation and Non-Specific Grant Income.....	89
Note 13. Property, Plant and Equipment	90
Note 14. Revaluations and Impairments.....	93
Note 15. Intangible Assets.....	94
Note 16. Assets Held for Sale	95
Note 17. Financial Instruments.....	95
Note 18. Nature and Extent of Risks arising from Financial Instruments	100
Note 19. Inventories	104
Note 20. Short Term Debtors	105
Note 21. Cash and Cash Equivalents.....	105
Note 22. Cash Flow Statement – Operating Activities.....	106

Note 23. Cash Flow Statement – Investing Activities	107
Note 24. Cash Flow Statement – Financing Activities.....	107
Note 25. Short Term Creditors.....	107
Note 26. Provisions	108
Note 27. Usable Reserves	109
Note 28. Transfers to/from Earmarked Reserves.....	110
Note 29. Unusable Reserves.....	113
Note 30. Members’ Allowances	117
Note 31. Officers’ Remunerations	118
Note 32. External Audit Costs	119
Note 33. Grant Income	120
Note 34. Related Parties.....	120
Note 35. Capital Expenditure and Financing.....	122
Note 36. Leases	122
Note 37. Termination Benefits	126
Note 38. Defined Benefit Pension Schemes.....	127
Note 39. Contingent Liabilities	144
Note 40. Contingent Assets	147
West Yorkshire Fire and Rescue Authority Pension Fund	148
Glossary of Terms	152

Narrative Report

Purpose

The purpose of this statement is to present a picture of the performance of West Yorkshire Fire and Rescue Authority for 2024/25. The statement fulfils two main purposes; firstly, it demonstrates how the Authority continues to provide value for money by comparing its operational performance with its financial performance through performance management and secondly it provides an explanation of the key financial statements with a view to making them easier to understand.

Background

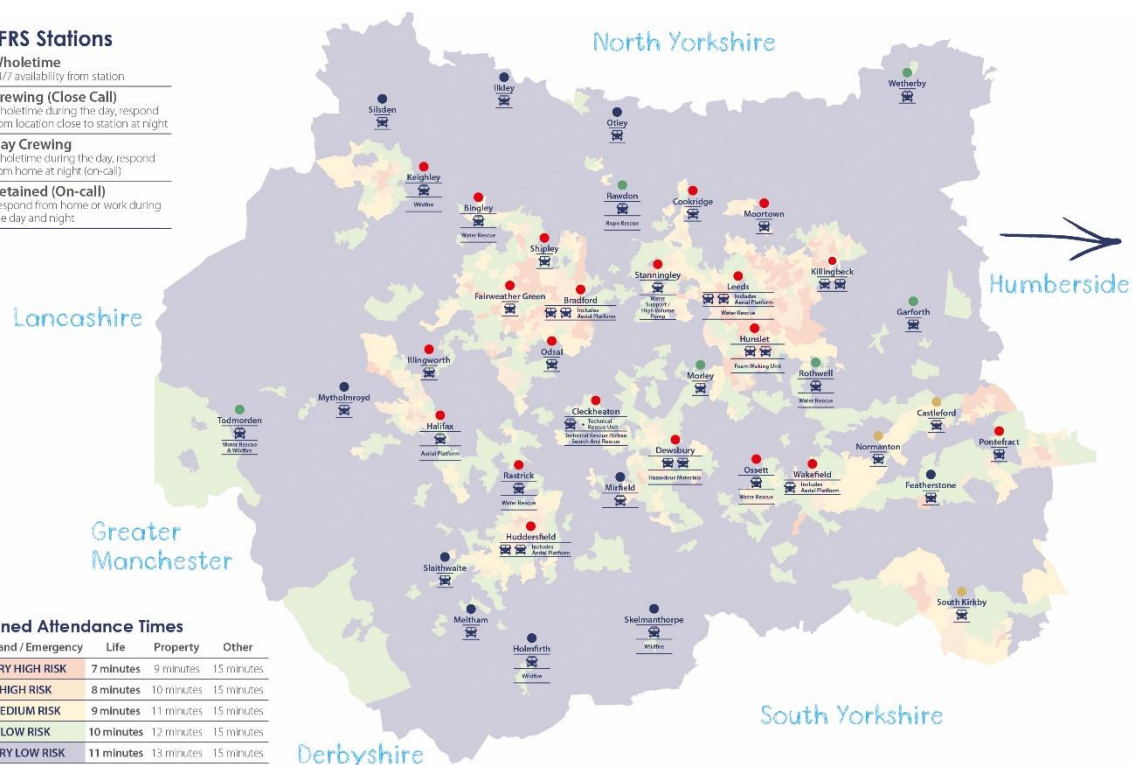
West Yorkshire Fire and Rescue Authority is the 4th largest Metropolitan Fire and Rescue Authority in the country serving a population of over 2.4m residents covering an area of 800 square miles, made up of the metropolitan areas of Bradford, Calderdale, Kirklees, Leeds, and Wakefield. The area is diverse both in terms of topography and culture providing fire cover for the major cities of Leeds and Bradford as well as the ribbon valleys in the Holme and Calder Valley each providing differing challenges. The Authority has 40 stations, and these are operated by a combination of 4 separate crewing models: whole-time, close call, day crewing and on-call. The distribution of these fire stations is shown in the map below.

WYFRS Stations

- Wholetime**
24/7 availability from station
- Crewing (Close Call)**
Wholetime during the day, respond from location close to station at night
- Day Crewing**
Wholetime during the day, respond from home at night (on-call)
- Retained (On-call)**
Respond from home or work during the day and night

Planned Attendance Times

Risk Band / Emergency	Life	Property	Other
VERY HIGH RISK	7 minutes	9 minutes	15 minutes
HIGH RISK	8 minutes	10 minutes	15 minutes
MEDIUM RISK	9 minutes	11 minutes	15 minutes
LOW RISK	10 minutes	12 minutes	15 minutes
VERY LOW RISK	11 minutes	13 minutes	15 minutes



The Authority employed 936 full time equivalent (FTE) wholetime firefighters, 146 on-call firefighters, 42 (FTE) control staff and 311.5 (FTE) support staff on the 31st of March 2025.

The Fire Authority is governed by 22 local councillors who are nominated by the five District Councils with the Labour Party currently being the largest group. It is traditionally a low-cost organisation having the fourth lowest precept at Band D of all stand-alone fire and rescue authorities in England and Wales and is proud of its record as a high performing service.

The fire services activities are governed by the Home Office (from the 1st of April 2025 the Ministry of Housing, Communities and Local Government (MHCLG)) and our legislative responsibilities are set out in the Fire and Rescue Services Act 2004, The Civil Contingencies Act 2004, the Fire Safety Order 2005 and the Fire and Rescue Framework for England (2018). The Authority as such has several statutory responsibilities, the most important being, promoting fire safety, emergency response and rescue and fire, petroleum, and explosives regulatory enforcement.

The ambition of the Authority is to 'Make West Yorkshire Safer' which is to improve community safety and wellbeing and reduce the risk to life, property and the environment from fire and other emergencies. The Authority will do this by delivering:

- A proactive community safety programme.
- A professional and resilient emergency response service.
- Provide a skilled workforce that serves the needs of a diverse community.
- Provide effective and ethical governance and achieve value for money.

To achieve our ambition, the service has set out its strategic priorities in the Community Risk Management Plan (CRMP) for the period 2022 to 2025.



Our strategic priorities are:

- Plan and deploy our resources against risk to provide an efficient and effective operational response.
- Improve the safety and effectiveness of our firefighters.
- Promote the health, safety, and well-being of all our staff in the workplace.
- Encourage a learning environment in which we support, develop, and enable all our people to be at their best.
- Focus our prevention and protection activities on reducing risk and vulnerability.
- Provide ethical governance and value for money.
- Collaborate with partners to improve efficiency and effectiveness of our services.
- Work in a sustainable and environmentally friendly way.
- Achieve a more inclusive workforce, which reflects the diverse communities we serve.
- Continuously improve using digital and data platforms to innovate and work smarter.

So that we can deliver our strategic priorities, each year key areas of focus are identified which influences the programmes of change and support continuous improvement. In 2024/25 the Authority areas of focus were:

- Invest in our estate in Birkenhead to provide a state-of-the-art, energy efficient, headquarters, training centre and new fire station.
- Deliver efficiencies and increase productivity against national targets set for the 2021/22 – 2024/25 spending review period.
- Prepare and respond effectively to incidents caused by extreme weather which arise as a consequence of climate change.
- Implement learning from the Manchester Arena Inquiry to improve how we respond to mass casualty incidents.
- Implement the new, approved Fire Standards to ensure the Service is demonstrating its commitment to continuous improvement.
- Ensure the recommendations from His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Values and Culture report are actioned to ensure a positive culture and expected behaviours are promoted across all areas of the Service.
- Engage with the community to inform our firefighter recruitment campaign to improve the diversity of our workforce.
- Maximise the health, safety and wellbeing of all our staff by investing in personal protective equipment, and innovative fire station and fire engine design to minimise exposure to contaminants.
- Continue to engage with owners of high-rise residential buildings to ensure they are aware of the duties placed on them through new regulations which aim to make buildings safer for residents.
- Target our prevention activity on the most vulnerable in society by using intelligence and partnerships to inform our prevention strategy.

Culture and Values

At WYFRS we put the core code of ethics at the centre of our organisational values. Our values and behaviours are focused on enabling the organisation and its people to work towards achieving our ambition of Making West Yorkshire Safer. Our people must demonstrate the following values:

- Teamwork: We recognise everyone's strengths and contributions, working effectively as one team.
- Integrity: We are trustworthy, act ethically, treating each other with dignity and respect.
- Learning: We learn all the time; we share knowledge and experiences, celebrating success.
- Responsibility: We are responsible, work positively and take ownership of the work we do.
- Communication: We share clear information, in ways everyone understands, having open discussions.

Our values complement the new National Fire Chiefs Council (NFCC) Core Code of Ethics:



- Putting our Communities First: We put the interests of the public, the community, and services users first.
- Integrity: We behave with integrity including being open, honest, and consistent in everything that we do.
- Dignity and Respect: We treat people with dignity and respect, making decisions objectively, based on evidence without discrimination or bias.

- **Leadership:** We are all accountable for everything we do and challenge all behaviour that falls short of the highest standards.
- **Equality, Diversity, and Inclusion:** We continually recognise and promote the importance of Equality, Diversity, and Inclusion both within the Fire Service and the wider communities that we serve. We stand against all forms of discrimination, create equal opportunities, promote equality, foster good relations, and celebrate differences.

We are not complacent and with the spotlight on the culture within fire and rescue services we are shining a light on our own. Where we see poor behaviours, we tackle them robustly and continue to do so. Leaders and managers of this service are committed to driving positive change, working collectively with all colleagues, uniting to make a stand against behaviours which fall short of our values, including any form of bullying, discrimination, and harassment.

Values and behaviours are a core element of recruitment; they are integrated within our selection process. They are discussed as part of personal development and improving job performance, through our Annual Review and talent assessment (appraisal). Our values and behaviours are central to how we identify and nurture talent. Our values and behaviours are considered, embedded, and developed across each level of our promotions process. Our focus on values ensures we do things right and do the right things. Our values are important to us; they define our behaviours and expectations, which in turn drives performance.

Staff Survey

In March 2024, we conducted the first of a series of engagements with our workforce around culture, 644 people replied to the online culture survey, which is 45% of our total workforce.

Following the survey, a programme of focus groups was delivered to identify future actions falling out of the culture survey, this formed the culture action plan. This has meant that we have moved forward significantly in the past year. Our focus is now on delivering actions identified in our culture action plan. We delivered a wide programme of face to face and online focus groups throughout 2024, listening to a wide number of colleagues across all staffing groups, ranks, roles, and the majority of our locations across the county. We are now delivering the actions we will take to transition from our current towards our future culture.

Across 2024/25 we continued to support and develop our leaders across the organisation concluding our current leader development programme. Work on delivering a range of manager focused workshops to enable our leaders and managers to support our transition to the future desired culture is well under way. Moving forward we are developing and launching a comprehensive behaviours framework and aligned 'non-negotiables' for managers which will provide clarity for employees and managers alike; the framework will deliver greater accountability and support our culture work. Significant work has been delivered to embed leadership and management learning throughout our promotions process (Crew Managers and above) to balance key operational competencies with the knowledge and skills required to be a great WYFRS Manager.

Performance and Activity

In 2024/25, the service responded to 24,238 incidents, a reduction of 4.74% when compared to 2023/24, the following table details the type of incidents attended:

Incident Type	2023/24	2024/25	% Variance
Arson	5,088	5,331	4.78%
Actual Rescues	1,203	1,181	-1.83%
Dwelling Fires	971	971	0.00%
Non-Domestic Building Fires	384	381	-0.78%
Prevalence of False Alarms	11,918	10,474	-12.12%
Fire Related Injuries	174	173	-0.57%
Road Traffic Collisions	630	598	-5.08%
Malicious Fire Alarms	285	264	-7.37%
Other incidents not formally reported	4,791	4,865	1.54%
Total incidents	25,444	24,238	-4.74%

In 2024/25, we rationalised how we respond to Automatic Fire Alarms (AFAs). This has placed the responsibility for ensure a well maintained and managed system back onto the responsible person and reduced the number of AFA incidents attended by 12.1%. This has provided additional capacity for training, prevention and protection activities.

There has been an increase in deliberate fires with spikes during the bonfire period and during school holidays in August and March. Multi-agency initiatives to educate and engage with young people in our higher risk areas are planned for 2025/26 and all primary schools will be contacted for a school visit from the service.

WYFRS provides a Safe and Well programme to improve the safety and wellbeing of people in their homes. In 2024/25, we saw a reduction in the number of high-risk interventions delivered by dedicated prevention officers, primarily due to vacancies within our teams. However, firefighters delivered 561 additional visits which allowed us to improve against our output in 2023/24 by 4.6%.

Although we have seen a reduction in the number of Site Specific Risk Inspections (SSRIs) undertaken by service delivery teams, this does not consider other premises-based work delivered such as the development and audit of Tactical Information Plans (TIPs) for our more complex buildings such as hospitals and high-rise buildings.

During 2024/25, service delivery teams undertook the following:

Visit Type	2023/24	2024/25	% Variance
Safe & Well Visits	12,071	12,632	4.65%
Operational Risk Visits	3,076	2,532	-17.69%
Total Visits	15,147	15,164	0.11%

In 2024/25 we continued to see an increase in fires related to Li-Ion batteries. Campaigns have been undertaken in 2024/25 to engage and educate with those who use electric vehicles to support their income. The safe use, storage and charging of batteries is discussed during Safe and Well visits and the Fire Investigation Team report to the Office for Product Safety and Standards where possible.

We continue to see threats of arson towards people in their home related to domestic violence and organised crime. As a result, we have improved how we support individuals at risk and now provide an immediate response to anyone threatened with arson to provide education and 'target hardening' to reduce the risk.

Tragically, despite the work of the service, there were 19 fire related deaths in the year, this is consistent with the previous year, 8 of these deaths are considered preventable dwelling fires which is one less than 2023/24.

Detailed performance management reports can be found at <https://www.westyorksfire.gov.uk/fire-Authority/committees/full-Authority/>

Our Fire Protection Team continue to deliver our statutory duties by setting a Risk Based Inspection Programme (RBIP) which ensures our resources are directed to the highest risk premises. We utilise specialist inspectors who carry out audits and inspections, with circa 83,000 buildings within the county where fire safety legislation applies, our RBIP applies methodology to enable us to target those buildings which present the highest risk to our communities.

The team works with building owners to ensure premises are safe for those who use them. This work also includes delivering additional statutory duties by responding to all Building Regulation consultations, providing specific advice to those responsible for fire safety and supporting the reduction of persistent false alarms. As a Metropolitan Fire & Rescue Service we also have statutory duties in relation to the licensing of petrol filling stations and the licensing of fireworks/explosives stores.

With the introduction of the new building Safety Act 2022 and the newly created Building Safety Regulator (BSR), it has been necessary for us, together with the regional Fire and Rescue Services (FRS) of Yorkshire and Humber, to develop a regional BSR team. This new team supports the BSR in their role as lead regulator in new and existing residential buildings above eighteen metres by working in multi-disciplinary teams reviewing new designs or existing strategies. The work we do in this area is on a charge back basis, however at present, there is a lack of work to achieve 100% cost recovery, government have set aside funding to support FRS with the shortfall, this funding covers all staff costs, training and accreditation and will continue to be available until the end of 2025 following which the scheme will continue on a 100% charge back basis.

Staffing numbers in our Fire Protection team have increased significantly over the last 12 months. We have been able to recruit 21 new staff into the team by working with training providers to develop an apprenticeship scheme allowing us to utilise the apprenticeship levy.

As we progress into 2025/26 our team continue to work with the NFCC and support the development of national policy on matters such as building design, enforcement, and

guidance on legislation. We already have a robust working relationship with the Ministry of Housing Communities and Local Government through the work we have undertaken with remediation. This has now expanded to working with the Combined Authority under the direction of the West Yorkshire Mayor and may lead to funding possibilities to support the work we do in relation to remediation.

Key Achievements in 2024/25

There continues to be global financial economic turmoil with the ongoing war in Ukraine and more recently the trade tariffs imposed by the USA on countries that it conducts business with.

The UK is continuing to face difficult economic times with high inflation, the highest interest rates in fifteen years and the general cost of living crisis. Although inflation has fallen, the cost of goods and services and the delivery of the capital plan has not reduced.

Capital Programme

The development of the Headquarters site and the rebuild of Keighley Fire Station where building work commenced in August 2022 and January 2023 respectively, saw an increase of 40% in cost from initial estimates. It is anticipated that the cost of future station rebuilds will remain at this high level which may impact on the planned replacement of both Huddersfield and Halifax Fire Stations.

In November 2024, staff began to move into the new FSHQ which has been built on the existing FSHQ site, by the end of April 2025 the majority of support services will have fully transitioned into the new build. The new FSHQ not only includes the administration building but an up to date training arena, a state of the art incident command building and updated training admin facilities. In addition, the scheme included the relocation of Cleckheaton Fire Station (renamed Spen Valley Fire Station) from its previous site in Hightown Road Cleckheaton to FSHQ.

At an estimated final cost of £31.5m, this has been the largest capital scheme the Authority has undertaken since its inception in April 1986. The Authority did not take out any borrowing for the scheme, it was funded wholly from the Earmarked Capital Finance Reserve. By using this reserve, it means the Authority does not need to pay a borrowing charge over the useful life of the asset or pay for interest on loans taken out. This has saved the Authority's revenue budget an estimated £2m per annum.

In addition, the Authority continued the replacement programme of its existing fleet of 58 fire appliances at a cost £22.0m. The scheme commenced in December 2023 and the final vehicles have become operational in May 2025. The new appliances feature new technologies and "clean cab" ways of working which increase fire fighter safety, well-being and operational effectiveness. As a result of the extensive fleet replacement, the Authority will begin to dispose of 48 appliances from March 2025, retaining 10 vehicles for recruit training and driver training courses. The capital receipts from the sale of the old appliances will be used to fund new capital expenditure.

The rebuild of Keighley Fire Station continued during 2024/25 which has a planned completion date of October 2025. At sixty years old it was one of the Authority's oldest fire stations. The station has been built on the existing site with crews maintaining operational response from temporary accommodation on site.

In addition, the Authority successfully delivered other several key capital schemes in 2024/25:

- Completion of the refurbishment of Bingley Fire Station and Otley Fire Station showers.
- Upgrade of outdated and inefficient boilers on fire stations.
- Installation of Ludo Charging Points on fire stations which will enable the charging of the new fire appliances.
- Replacement of mobile phones
- Replacement of ladders which are fitted to the new appliances.
- Replacement of Breathing Apparatus (BA) compressors and multi role Personal Protective Equipment (PPE)
- Continuation of the replacement of the command-and-control mobilising system which will become operational in June 2025.

During 2024/25, there were 39 whole-time firefighter retirements and 72 wholetime recruits which resulted in a whole-time strength of 935.2 on the 1st of April 2025. In addition, the Authority recruited 9 on-call firefighters to improve resilience at on-call fire stations within West Yorkshire.

In line with one of our strategic priorities, to achieve a more inclusive workplace, we employ 2 Positive Action Officers who works within the communities of West Yorkshire to target under-represented groups to apply for our firefighter recruitment vacancies. In 2024/25 we have recruited 16 female firefighters and 7 were ethnically diverse, although this is positive, there is still more Positive Action work to do in 2025/26.

HMICFRS Inspection

The Authority had its 3rd inspection by His Majesty's Inspection of Constabulary and Fire and Rescue Service (HMICFRS) in January 2024. The previous 2 inspections have resulted in the Authority being rated as good across three inspection pillars: efficiency, effectiveness, and people, these are then broken down into eleven areas of focus. There has been a change in the assessment methodology for round 3 inspections with each area of focus being rated individually and a new rating of adequate has been introduced. The Authority received its result of the inspection in July 2024; the Authority was rated as good in 7 areas, adequate in 3 areas and there was 1 area for improvement which was for the preventing of fires and other risks. Based on their findings, the inspectorate provided an action plan which contains 7 areas of improvement. To further improve on our current gradings and promote continuous improvement an additional 11 areas of improvement have been identified internally. All 18 areas of improvement are on track for implementation, progress against which is monitored and reported to the Fire Authority quarterly.

Data and Digital

OneView, the organisation's performance management system provides live reporting data for a variety of data sets which includes information on operational incidents, prevention and protection activities and the Authorities sickness data. The purpose of One View is to have better information, which is in one place, and which is accessible by all.

Progress and achievements over the last year include:

Publishing an incident report to our West Yorkshire website for our community to be able to see the up to date financial year figures for the previous 4 years. This has replaced a text heavy, manual and often out of date data, supporting our Customer Service Excellence Assessment. Alongside this we have improved automation of some of our manual reports for users, such as Operational Learning and Debrief, this frees up staff time to focus on core tasks and reducing the risk of single points of failure on data being provided if staff are unavailable.

OneView has been embedded for several years now, proving its value through various case studies. For instance, watch managers used the report to reduce deliberate secondary fires in an estate which was highlighted as a need for intervention work. Following on from last year's E-Learning and Data Literacy we have been conducting Continuous Professional Development sessions on station with crews, resulting in increased uptake of report usage by users.

Data Quality reports have been created for some of our systems, including HR, to help with ensuring we have accurate data to base decisions on.

OneView continues to explore new technologies, such as Fabric, to streamline workflows and enable more people to ingest data, addressing the main blocker and ensuring West Yorkshire stay ahead of the data curve.

The One View programme has been nominated at several awards such as Excellence in Fire & Emergency Awards, including winning the award by NFCC for Excellence in Data. During the past financial year, our organisation has made significant strides in enhancing our digital infrastructure and streamlining various processes through the development and implementation of multiple forms and apps. In our aim to have a more supported development team and a move to low code/no code we have continued to adopt PowerApps. Due to unsecure legacy systems, we have rectified security concerns by creating new apps and have been able to shut down a server. We have moved to the new version of SharePoint for our intranet which is being discussed at our Continuous Improvement Sessions and has received positive feedback from staff and crew on the ability to find information easier.

These apps and forms improve efficiency, data management and overall operational effectiveness. One of the standout achievements is the Prevention PowerApp, which replaced outdated system and workflows. This transition involved meticulous data migration, ensuring data integrity and accuracy and seamless integration with other relevant systems, facilitating better data flow and operational efficiency.

To support the adoption of these new tools, comprehensive training sessions were conducted for end-users and administrators, covering various aspects of the apps. We have created support in various formats to ensure it meets the needs of various learning styles such as guide documents or videos. Ongoing support and resources have been provided to ensure a smooth transition and effective use. Despite the challenges posed by rapid technological advancements, the consolidation of systems through these new tools has significantly enhanced efficiency within our organisation. This initiative has positioned our organisation for continued growth and efficiency in the coming years.

12 Month People Plan

In July 2024 the WYFRS 12-month People Plan was launched. In conjunction with the Employment Services rebranding, the plan was developed to re-set the immediate people, culture and leadership priorities – whilst supporting the co-creation of the next Community Risk Management Plan and providing a necessary focus for the 2025 and beyond People Strategy. The plan sets out four overarching priorities:

- Recruitment and resourcing
- Employee experience
- Leadership and management development
- Re-branding and modernising WYFRS People Directorate

The plan outlines commitments in terms of precise, tangible actions – the deliverables that will ensure success. Each commitment is mapped against the 10 highest voted ‘desired culture’ values as voted by employees in the 2024 Barrett Culture Survey.

Delivery progress/main achievements against each of the commitments has been shared in a series of quarterly People and Culture Directorate updates.

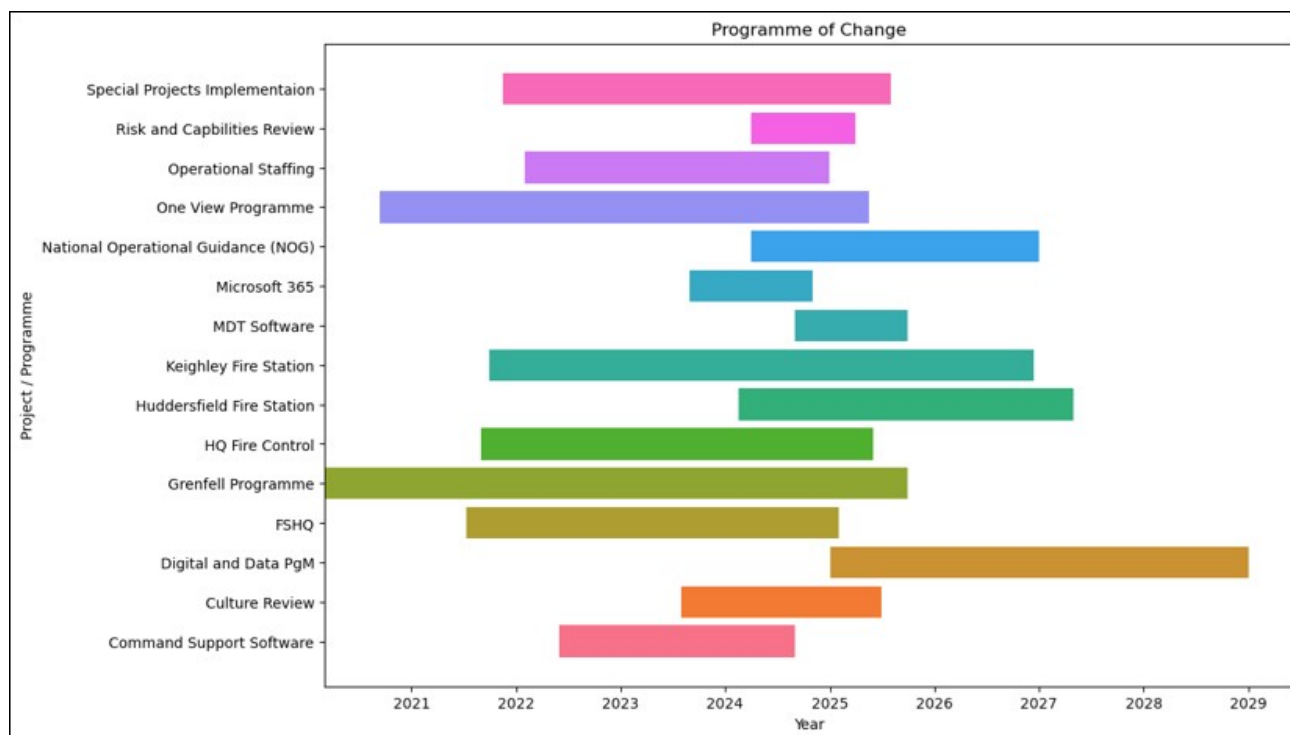
Organisational Strategy

The Authority’s priorities are managed and delivered by a series of individual projects which is called the programme of change. This underpins our ambition to Make West Yorkshire Safer and focuses on improving our efficiency and effectiveness without compromising public safety. It involves changing how we work and improving our organisational culture.

The Programme of Change is monitored and managed during the year via the Change Management Board and is updated annually. The progress of each project is reported to Full Authority Committee on a quarterly basis. The projects are initiated and developed in line with the organisational planning cycle, which is a framework which departments use to plan and build business cases which is linked to the key financial milestones during the year.

The costs associated with the Programme of Change and its implementation is funded by both revenue and capital resources which are included within the revenue budget and capital plan for 2024/25. For those projects that span a number of financial years, these are included within the Medium-Term Financial Plan.

Details of each project in the 2024/25 Programme of Change is detailed in the chart below:



Specials Project Implementation

After completing the Special Projects research phase on Aerial Appliances, Fire Appliances, and Fire Station Design, the project has now entered the implementation phase. Significant milestones have been achieved, including the rollout of the Scania fleet. However, there have been delays in the installation of BA mechanical cleaning systems at various stations due to technical issues and the HQ installation has faced setbacks, impacting the overall timeline.

Risk and Capabilities Review

The project aims to review WYFRS asset locations, staffing, and operations to align with risk and identify areas for efficiency without affecting service delivery. Significant progress has been made, including the receipt of a final report on risk profiling. Ongoing work involves mapping risk mitigation strategies and gathering final data for water rescue and wildfire capabilities. However, there have been challenges, such as delays in data gathering and the need for additional stakeholder engagement to ensure comprehensive coverage.

Operational Staffing Project

In September 2022, the Operational Staffing project began to review wholetime operational staffing to enhance flexibility, resilience, and efficiency at fire stations. Phase one is complete, and phase two will involve transitioning staffing management to a locally managed system. The project has made significant progress, however, there have been challenges, such as delays in transitioning to a locally managed system and the need for additional stakeholder engagement to ensure comprehensive coverage.

OneView

The programme aims to transparently, promptly, and flexibly share performance data with colleagues, partners, and communities. Key achievements include the development of data literacy training content, alignment of terminology used in training and qualifications, and the creation of various resources such as video guides and Sway documents.

National Operational Guidance

The National Operational Guidance (NOG) project aims to centralise operational information through the Product Pack concept, combining policy, guidance, training materials, and more in one accessible location. The goal is to create a 'Firefighters Hub' as a modern, comprehensive resource for all operational needs. Users can select an incident type, such as building fires, road traffic collision, or hazardous materials, and are then provided with standard sub-areas including Policy, Training, and Equipment, tailored to the specific incident type.

The project is progressing well, with significant achievements such as the establishment of training, testing, and production environments. It is currently on track, with excellent progress made in developing the core skills policy, guidance, and training material content.

Microsoft 365

The scope of the project is to keep Microsoft Office products updated with new features and security, the implementation of SharePoint Online, Microsoft Teams, and Viva Products aims to boost productivity and collaboration. The Microsoft 365 project has made significant progress, successfully implementing Microsoft apps, migrating from FireHub to Microsoft Teams, and transitioning from SharePoint 2016 to SharePoint Online.

The project achieved its go-live target on 31/10/2024, and ongoing business-as-usual changes are ensuring that the project deliverables function correctly and address any raised issues.

Mobile Data Terminal (MDT) Software

This project is the replacement of Lego MDT software to coincide with the go live of the replacement mobilising system. The MDT software project is progressing well, with the procurement process for the replacement system underway and a specialist contractor already appointed. Significant milestones include the establishment of a new MDT system in line with the new control mobilising system. However, there have been challenges, such as delays in receiving quotes from the supplier, which has been reported as potentially cost-prohibitive. Additionally, concerns about the reliability of the current MDTs have impacted the timeline.

Keighley Fire Station

The construction of a new fire station on the existing site to replace the oversized and outdated Keighley Fire Station is progressing well, with significant milestones already achieved.

The project has seen the completion of external block walls and substructure for the link building, as well as the roof covering. Floor slabs have been cast, and ground floor slab preparation is underway. Additionally, window joinery works are complete, and internal blockwork improvements have been made.

However, there have been some challenges, such as delays in the installation of BA mechanical cleaning systems due to technical issues.

Huddersfield Fire Station

The construction of a new fire station on the existing site to replace an oversized and outdated fire station. Significant milestones have been achieved as the project has transitioned from the feasibility stage to the concept development stage. Various site surveys and workshops have been conducted to ensure compliance with the WYFRS Design Guide.

Fire Control

The current mobilising system is approaching the end of its lifecycle, necessitating the implementation of a new mobilising system and Incident Command and Control System (ICCS) to meet WYFRS's evolving needs and ensure a resilient, effective service.

The project has faced several challenges, including connectivity issues with EISEC, reliability concerns with the existing system, delays in the DCS radio router, and ongoing contractual discussions with Systel. Despite these setbacks, the project remains on track with restructured milestones, although the delivery and go-live timelines are demanding.

Grenfell Programme

The Grenfell Programme aims to implement the recommendations from the Grenfell Tower Inquiry: Phase 1 Report.

The programme has made significant progress in several areas, including improving the operational response of front-line crews to high-rise buildings, enhancing the capability of Control, and increasing the knowledge and competence of both Operational and Control staff.

FSHQ - Birkenshaw Site Redevelopment

The FSHQ programme aims to construct a modern, energy-efficient Headquarters with a purpose-built training arena, refurbish existing buildings to provide a new 3-appliance bay Fire Station, a recruit and staff training centre, and a Command training facility while retaining

the capacity for BA training. Additionally, it plans to utilise space within the site to create a new outdoor road traffic collision training facility.

The transition to the new headquarters is ongoing, with ICT infrastructure, audio-visual equipment, and furniture installations in progress, and teams expected to move in from November through to March 2025. The last team to transition will be control staff who will move from their current location at Bramley once the new control system goes live in June.

Digital and Data Programme

The Digital and Data Programme, which focuses on migrating legacy systems to the Power Platform and developing new automations and applications, has made significant progress. This programme is in its infancy and will develop during 2025/26.

Culture Review

The Culture Review Project, which integrates recommendations from the LFB report, HMICFRS report, NFCC Culture action plan, and WYFRS strategies on people, leadership, diversity and inclusion, and talent management, has made significant progress. Key achievements include the development of data literacy training content, alignment of terminology used in training and qualifications, and the creation of various resources such as video guides and Sway documents.

Command Support Software

The Command Support Software project aims to implement the Airbox Mosaic command support software. The project has made significant progress, including the procurement of Airbox Mosaic and twenty Android tablets, with initial apps installed on test bed tablets.

Meetings with regional fire and rescue services have discussed joint use and potential wider procurement, and a contract procedure rule exemption has been approved to procure the software and devices.

There have been some challenges, such as delays in meeting the implementation requirements for the system to meet the needs of the wider service.

During 2024/25 the following projects that were included within the 2023/24 Programme of Change have been completed and are now classed as business as usual and no longer report to the Change Management Board:

- Replacement of the fleet of fire engines
- Fire Standards Programme
- Accessible Content Toolkit Project

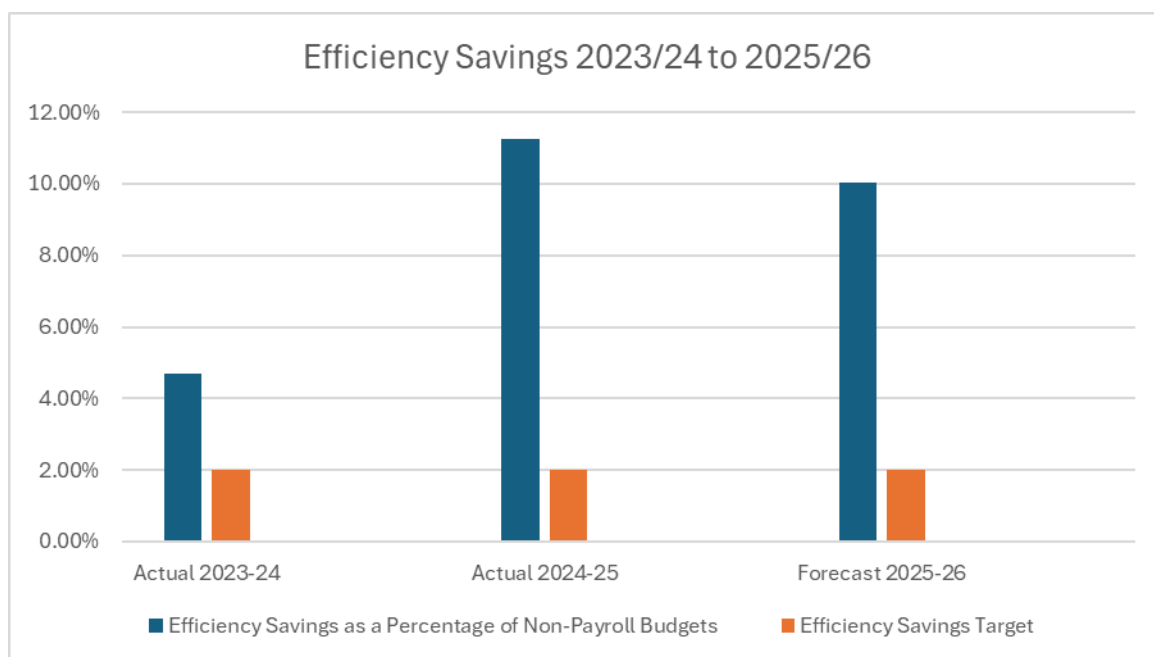
The replacement of Halifax Fire Station has been put on hold and will not commence in 2025/26.

Efficiency and Productivity Plan 2024/25

As part of the 2021/22 Spending Review, the National Fire Chiefs Council (NFCC) and the Local Government Association (LGA) proposed that across Fire and Rescue Services (FRSs) in England, the fire and rescue sector could create 2% of non-pay efficiencies and increase productivity by 3% by 2024/25.

It is a requirement that all FRS publish their Efficiency and Productivity Plan on the Authority's website, this can be found at www.westyorkshirefire.gov.uk.

The graph below shows the efficiencies realised in 2023/24 and 2024/25 and planned for 2025/26 compared against the 2% efficiencies target against non-pay related budgets. The Authority has comfortably exceeded the target with the average savings amounting to 6.65%.



The Authority continuously looks to seeks efficiencies when we buy goods and services and renew existing contracts. The efficiencies are built into base budgets and are not additional savings the Authority is required to make within its revenue budget. To support organisational efficiency, our smarter working team works with key stakeholders to identify areas of improvement in our existing ways of working by looking at opportunities to reduce inefficiencies within a process.

Financial Performance

The Authority has seen significant reductions in its funding over the last 12 years which has resulted in a major restructure of service provision. The Authority has focused on aligning fire cover to risk and demand. This has involved the moving of fire station locations, reducing the number of fire engines, changing duty systems and support services. Since 2010 the number of fire stations has reduced by 8, fire engines by 16 and the number of whole-time and on-call firefighters by nearly 500. The Fire Authority in 2024/25 had 40 fire stations, 46 fire engines and employed 935.2 whole-time operational firefighters.

West Yorkshire Fire and Rescue Authority remains proud of its record as a high performing, low-cost organisation and has continued to demonstrate these qualities in 2024/25 despite facing a number of major challenges.

Local Government Finance Settlement

In Spring 2020, the Authority, along with all the other fire and rescue services funded the formation of a central spending review team, which was a collaborative team comprising the Local Government Association (LGA), National Fire Chiefs Council (NFCC) and the Home Office. The remit of the team was to work with the Home Office to produce a collective business case highlighting the challenges facing the sector and the potential new burdens resulting from the Hackett and Grenfell inquiries and the HMICFRS State of Fire Report to support bids for increased fire funding to the Treasury. This business case report, named the Fire Spending Proposal, was submitted to the Treasury in late Summer 2020.

This plan was updated in September 2023 to reflect the inflationary pressures that were affecting Fire and Rescue Authorities (FRA) and was submitted to the Treasury to support an increase in funding for the sector.

This was backed up with evidence from an inflation survey which was conducted in August 2023 which identified that inflationary pressures have not abated. The result of the survey showed inflationary pressures of £141m across the fire sector in 2023/24 giving a combined two-year inflationary pressure of £286m.

Unfortunately, the business case did not lead to increased funding or an increase in precept flexibility above that determined by the Secretary of State. The Authority approved an increase to the precept of 2.99%, making a Band D property, £79.49 per annum.

West Yorkshire Fire and Rescue remains the fourth lowest precepting fire service in England.

The core funding settlement for 2024/25 was calculated by taking the prior year's settlement and uplifting it by the September 2023 CPI which was 6.7%. This resulted in an additional £2.135m of central government funding from that received in 2023/24.

The revenue budget included areas of growth, provision for foreseen cost pressures and efficiency savings, totalling £4.978m. The Authority set a balanced budget for 2024/25 meaning that planned expenditure was matched by funding without the need to use reserves.

Our funding in 2024/25 from Central and Local Government came from the following sources:

Funding source	£000
Central Government	
Revenue Support Grant	20,783
Business Rates Top Up	18,499
Pension Grant	2,916
Section 31 Grant	6,898
Funding Guarantee	1,370
Services Grant	173
Local Government	
Precept	54,389
Business Rates Local Share	8,035
Collection Fund Deficit	-94
Business Rates Deficit	-65
Total	112,904

Business Rates Deficit – This is the Authority’s share of the estimated deficit in the collection of local business rate income.

Collection Fund Deficit – This is the Authority’s share of the estimated deficit in the collection of council tax precept.

Revenue Outturn

Throughout the year the Authority received regular financial review reports which provides members with financial information on income and expenditure on both revenue and capital.

During the financial year, three budget reviews were undertaken which identified areas of savings and growth, the net effect of these resulted in a net transfer of £2.211m to contingencies during the year. These were approved at Finance and Resources Committee in July and October 2024 and February 2025.

In addition, £15.416m of capital schemes were slipped into 2024/25 from the previous financial year, £2.897m was removed from the plan and £7.556m was slipped from 2024/25 into 2025/26. The slippage was predominantly due to unforeseen problems with the length of the tender process and supply chain issues on the delivery of the capital plan.

Details of net expenditure outturn for 2024/25 are shown in the table below:

Description	Revised Revenue Budget	Outturn	Planned Transfer to/from reserves	Total Net Expenditure	Variance
	£000	£000	£000	£000	£000
Employees					
Operational Staff	67,988	67,046	817	67,863	-125
Support Staff	14,926	14,795	-	14,795	-131
Pensions	1,600	1,920	-320	1,600	-
Training	1,444	1,219	-	1,219	-225
Other Employee Expenses	571	585	-	585	14
Premises	5,705	5,507	-	5,507	-198
Transport	2,437	2,500	-	2,500	63
Supplies and Services	7,407	7,167	-	7,167	-240
Contingency	4,589	-	4,589	4,589	-
Support Services	358	352	-	352	-6
Capital Charges	9,022	9,022	-	9,022	-
Expenditure	116,047	110,113	5,086	115,199	-848
Income	-3,143	-3,173	-	-3,173	-30
Net Cost of Service	112,904	106,940	5,086	112,026	-878
Budgeted increase in Reserves		5,964			
Increase in Council Tax and Business Rates Deficit		-117			
Overall Financial Position		112,787			
Funding		112,787			
Net Financial Position		-			

A brief explanation of the variances more than £0.100m against budget are as follows:

Operational Staff (£0.125m)

The Authority has experienced a higher number of leavers and smaller number of recruits in 2024/25 than budgeted for. The underspend on operational staff was partly offset by a small overspend on the overtime budget which was utilised to maintain staffing levels within the operational establishment.

Support Staff (£0.131m)

The Authority has experienced difficulties in filling vacancies within its support departments, resulting in an underspend of £0.131m. This is due to low levels of unemployment and high levels of demand for skilled professionals including ICT, Finance and Fire Safety staff.

Training (£0.225m)

Due to the higher than budgeted number of leavers (both operational and support staff) the Authority was unable to deliver planned training courses in 2024/25.

Premises (£0.198m)

Cost savings have been achieved in premises expenditure through the procurement of new contracts, leading to a reduction in electricity costs by £0.093m and annual maintenance contracts by £0.048m.

Additionally, the transition to the new energy-efficient headquarters has resulted in a £0.049m decrease in gas charges.

Supplies and Services (£0.240m)

Delays in implementing the Authority's new command and control mobilising system have led to an over-budget provision within ICT maintenance and support (£0.366m).

This has been balanced by an overspend on feasibility costs (£0.113m) used to determine the best value options for upgrading or refurbishing the Authority's estate.

Contingency (£4.589m)

Both the employee and the general contingency budgets are held to manage any changes in expenditure and budget requirements during the year. Transfers from underspending revenue budgets were also made to the contingency budget in year following the budget reviews. The underspend on this budget has been transferred to the capital financing reserve to support the Authority's capital plan.

In order to keep the capital financing requirement at an affordable level, the Authority has used the underspend on the revenue budget to make additional direct revenue contributions.

The Authority has an ambitious capital plan over the next four years and by making additional contributions this will reduce the impact on the revenue budget over the longer term by reducing the capital financing requirement and underlying need to borrow.

£0.854m of revenue underspend has been transferred to the capital finance earmarked reserve to support the capital plan. The remaining £0.024m of the revenue underspend was transferred to maintain insurance levels.

Movement to Reserves

Whilst the general fund shows a neutral position for the year after the movement to reserves at the end of the year, the Comprehensive Income and Expenditure Statement (CIES) indicates a cost of services of £67.697m. The CIES is prepared on a different basis to the general revenue fund, the CIES shows the accounting cost in the year in accordance with generally accepted accounting practices rather the amount funded from taxation. The CIES

includes such expenses as depreciation and amounts to reflect pension costs which are not charged to Council Tax and are excluded from the general fund financial position.

The table below reconciles the revenue outturn to the CIES;

	£000
Total Net Expenditure in Outturn Report	112,026
Accumulated Absences	-54
Capital items	-9,888
Grant Funded Activities	-3,575
Transfer to reserve	-5,086
Pension Costs	-45,502
Cost of Services CIES	67,697

General Fund Balances

The Authority's opening general fund balance on the 1st of April 2024 was £5.700m.

Description	Opening Balance 01/04/2024 £000	Movements 2024/25 £000	Closing Balance 31/03/2025 £000
General Fund	5,700	-	5,700
Earmarked Reserves	25,986	-1,956	24,030
Capital Receipts Reserve	85	-	85
Capital Grants Unapplied Account	5	-	5
TOTAL	31,776	-1,956	29,820

Earmarked Reserves

The Authority has used its earmarked reserves to fund the costs of:

- The development of the FSHQ site.
- Supporting the ICT Data and Digital strategy.
- Operational equipment for our existing command unit.
- Supporting flexible working arrangements to provide resilience within staffing levels.
- An uninsured injury claim.
- Severance payments for two employees.

Details on all the Authority's reserves are detailed in Notes 27 to 29 within the accounts.

Capital Programme

In addition to spending on day-to-day activities, the Authority incurs expenditure on land and buildings, information technology and other items of plant and equipment which have a longer-term life, this is classed as capital expenditure.

Each year the Authority produces a capital programme to manage major capital schemes. Owing to the nature of capital expenditure, many schemes span more than one financial year, therefore the programme is a rolling programme covering four financial years.

The Authority spent £25.457m on capital during 2024/25 against a revised approved capital plan of £31.203m. Details of expenditure by directorate is shown in the table below:

Directorate	Original Capital Plan 2024/25	Approved Virements and Additions 2024/25	Slippage c/fwd to 2025/26	Revised Capital Plan 2024/25	Outturn 2024/25	Variance
	£000	£000	£000	£000	£000	£000
Property	4,057	-319	-1,424	2,314	1,467	-847
CRMP	15,635	-	-1,500	14,135	11,676	-2,459
Information Communications and Technology	1,516	-376	-50	1,090	263	-827
Training Centre	20	-20	-	-	-	-
Occupational Health and Safety Unit	18	-	-	18	10	-8
Transport	10,744	-564	-2,765	7,415	7,202	-213
Finance	765	-	-	765	628	-137
Operations	6,698	-15	-1,617	5,066	3,642	-1,424
Fire Safety	400	-	-	400	569	169
TOTAL	39,853	-1,294	-7,356	31,203	25,457	-5,746

Due to the nature of capital expenditure a few schemes are slipped between financial years, this is due to the length of time taken to identify and procure equipment of a high value or to undertake the required planning before major property refurbishments can commence. Also, during the year, new priorities are identified which requires either additions to the current capital plan or transfers between existing capital schemes.

During 2024/25, capital expenditure of note, was spent on:

- Completion of the redevelopment of the FSHQ site totalling £8.552m.
- The continuing rebuild of Keighley Fire Station costing £3.124m.
- Continuation of the vehicle replacement program totalling £7.105m.

- The refurbishment of Bingley Fire Station costing £0.849m.
- The upgrade of boilers totalling £0.129m.
- The replacement of the Command-and-Control mobilising system costing £1.904m.
- The replacement of multi role PPE costing £0.692m.
- The replacement of operational PPE – Breathing Apparatus Cylinders and compressors costing £0.191m, defibrillators costing £0.084m and hose costing £0.071m.

This capital expenditure has been funded through the following sources as detailed below:

Funding	£000
Revenue Contributions	2,733
Capital Grant	-
Earmarked Reserves	8,552
Capital Receipts	169
Internal Borrowing	14,003
TOTAL	25,457

The capital expenditure incurred has been funded wholly by internal funds. The Authority has not taken out any new long-term external borrowing since December 2011 which has saved the Authority an estimated £14.383m in interest charges over the period. The Authority uses its own internal cash to fund expenditure rather than taking out loans, cash flow is boosted in July each year following the receipt of the Pension Top Up Grant from Central Government which totalled £43.287m in 2024/25.

Our capital programme continues to invest in our asset base ensuring that our employees have the best tools to do the job. This includes investment in the replacement of our appliances, the rebuilding and major refurbishment of our fire stations, and the purchase of up-to-date operational equipment and information technology.

Treasury Management

The Authority's borrowing is undertaken in accordance with the Prudential Code which provides the regulatory framework to ensure that all borrowing is prudent, affordable, and sustainable. This framework is laid out in the Treasury Management Strategy.

The Authority's Treasury Management Strategy is reviewed annually as part of the budget approval process. The strategy sets out the Authority's policies and parameters to provide an approved framework within which officers undertake the day-to-day treasury activities.

The Authority's total debt outstanding as of the 31st March 2025 was £41.336m of which £39.336m was owed to the Public Works Loans Board and £2m in the form of a LOBO with Dexia.

The Authority earned £1.509m in income from its investments during 2024/25 (£1.903m 2023/24). The reduction in investment income is due to the fall in interest rates during

2024/25 and reducing cash balances due to the payment of high value capital schemes. The final balance of short-term investments as of the 31st March 2025 was £0.00m (£0.00m 2023/24).

Explanation of the Financial Statements

Statement of Responsibilities

The Statement of Responsibilities for the statement of accounts sets out the respective responsibilities of the Authority and the Director of Finance and Procurement.

This is followed by the auditors' report which gives the external auditor's opinion on the financial statements and the Authority's arrangements for securing economy, efficiency, and effectiveness in the use of resources.

Core Financial Statements

1. Movement in Reserves Statement

This shows the movement in the year of the different reserves held by the Authority. These are broken down between Usable Reserves which are those which can be used to fund expenditure or reduce local taxation and Unusable Reserves which cannot. Examples of Usable Reserves are the general fund and the pension fund equalisation reserve; these are usable because they have been created by setting aside funds. Examples of Unusable Reserves include the pension reserve and the capital adjustment account; these are unusable because they are created by accounting adjustments and not backed by funds. The total value of Usable Reserves has reduced by £1.956m to £29.820m whilst the deficit of Unusable Reserves have decreased by £111.538m principally because of adjustments to the IAS19 Pensions Reserve and movements within the capital adjustment account.

2. Comprehensive Income and Expenditure Account

This shows the cost of providing the service in the year in accordance with International Financial Reporting Standards; however, this is different to the actual expenditure that is funded through Government Grants and Council Tax. This is because this statement includes several adjustments made in accordance with regulations, the largest relating to the long-term cost of unfunded pension schemes.

3. Balance Sheet

This statement shows the value of the Fire Authority's assets and liabilities on 31st March 2025 and includes the figures on 31st March 2024 for comparison. It then shows how the net assets are matched by the Authority's reserves (both usable and unusable). On examination, the Balance Sheet shows the Authority having net liabilities of £926.232m, however this includes the liabilities under the unfunded firefighters' pension schemes totalling

£1,030.289m which the Authority is required to include. These represent the total future lifetime cost of pension liabilities for all existing employees and pensioners.

However, these liabilities are met through contributions from the employer and the employees with the balance met through government grant. Consequently, the Authority will not be required to meet all this liability in future years. If these are excluded from the balance sheet it shows net assets of £104.057m.

4. Cash Flow Statement

This statement shows the changes in cash and cash equivalents during the financial year. It is prepared by removing all the non-cash transactions from the income and expenditure account. It includes the income raised through Government Grants, Council Tax, Business rates, borrowing and fees and charges.

The statement is broken down into three sections the first showing day to day running of the service (operating activities) the second showing expenditure on capital schemes (investment activities) and finally changes in the level of borrowing and investment (financing activities). The closing balance of cash and cash equivalents was £15.530m.

5. Pension Fund Statement

This statement provides details of income and expenditure on firefighter pensions. There are currently four different pension schemes none of which are supported by an investment fund. Details of these schemes and the Local Government Pension Scheme (LGPS) can be found on pages 127-144.

Future Challenges and Corporate Risks

1. Future Funding

The government confirmed in the Local Government Finance Settlement 2023/24, that the amount of Revenue Support Grant (RSG) would be increased in future settlements by September CPI. Although this provides some certainty around central government grants, RSG only makes up 35% of central government funding. Certainty around the continuation of grants outside core funding continues to remain uncertain and makes planning over the long-term challenging. To emphasise this, both the Funding Guarantee and the Services Grant were removed from the 2025/26 financial settlement leaving a shortfall of £1.5m against the forecast Medium Term Financial Plan.

Moreover, in June 2022, the Authority received notification from the Home Office that the Fire Link grant of which the Authority would be reduced by 20% over the next five years. This grant was due to end in 2027/28 but was removed prematurely in the 2025/26 settlement, leaving a shortfall of £0.090m.

Unlike other public services, which are demand led, the Authority needs to have enough resources available to provide an emergency response in times of exceptional demand. This

includes the ability to deal with large scale emergencies, a range of smaller incidents that may happen together and/or incidents that are of an extended duration. During the peak period (17.00 to 21.00), the service responds to 5 new incidents every hour, often requiring more than one fire engine to each incident. On top of this business-as-usual demand, the service has responded to thirty emergencies requiring eight or more fire engines. The occurrence of wildfires and flooding and the associated financial pressures it brings has increased over the past few years; however, government funding has not increased to reflect this financial burden.

There are several cost pressures that the Authority is facing:

- **Pay Awards**

Because employee costs constitute 78% of our expenditure, the impact of pay awards can have a significant impact on the revenue budget. Fortunately, the Authority approved a pay award provision of 5% in 2024/25 which was 1% over the agreed pay award. This saving enabled the service to run a mini budget review in June which saw new bids amounting to £0.379m being approved. The Authority has made provision in the 2025/26 revenue budget for a 4% pay awards for all employees. For every 1% increase in the pay award over and above budget provision costs an additional £0.664m for all staff groups.

- **Firefighters' Pensions**

The outcome of the 2020 GAD actuarial review has seen an increase in the firefighters' employer contribution rate of 8.8% which is payable from the 1st of April 2024. This has increased employer contributions by £3.590m which has been built into 2025/26 base employee budgets.

Unfortunately, this increase in employer pension contributions is not fully funded by the Home Office, the amount of grant received is £2.977m, amounting to a shortfall of £0.613m equating to 84% being funded by grant. This grant has not been increased by the corresponding 2024/25 pay award of 4%, but the data used to calculate the grant has been updated for 2025/26. This has resulted in £0.062m of additional grant allocated. However, because the grant is not included in our core funding, there is always uncertainty regarding the continuation of the grant, as the Home Office has to submit a bid to the Treasury each year to secure the funding.

It is expected that the pension grant will be rolled into core funding from 2026/27 as part of the Government's Spending Review.

- **Grants not Included in Core Funding**

The Authority has received one off grants in 2024/25, to fund the financial pressures of the implementation of the Building Safety Bill, totalling £0.310m. Although this funding is welcomed, it is not built into the Authority's base budget and any spending commitments that extend beyond the grants will have to be funded from existing budgets. This means that long term spending plans cannot be based on one-year grants with no certainty of receiving the grants going forward.

In February 2025 the Home Office confirmed that only 50% of this grant has been guaranteed for 2025/26, with the remaining 50% to be confirmed later in the year following consideration of how services have used this grant.

- **National Insurance Funding**

The Government will increase Employers National Insurance Contributions by 1.2% to 15% from April 2025 and reduce the per-employee threshold at which employers become liable to pay National Insurance from £9,100 to £5,000. This change has increased employee budgets by £2.095m from 2025/26. The Local Government Finance Settlement provided details on how local government will be reimbursed for this increase. The amount of grant allocated in 2025/26 for the increase in National Insurance is £515.00m of which £17.00m which has been specifically earmarked for Fire and Rescue Services. The formula is based on net current expenditure for each Local Authority, Fire Authority and Police Authority in 2024/25 (with some exclusions) which is collected on a central Government return called the Revenue Outturn.

West Yorkshire will receive £0.699m of grant for the NI increase, a shortfall of £1.396m which equates to 33% funding.

- **Inflation**

Although inflation is reducing, the impact of inflation is continuing to have an impact on the Authority. The budgets for electricity and vehicle fuel were increased by £1.041m in 2023/24 and there has been no reduction in the cost of goods and services during the year.

There have been large increases in the cost of capital schemes over the past two years, with both the re-development of the FSHQ site and the rebuild of Keighley Fire Station realising a 40% increase in cost against estimates.

Initial estimates for the rebuild of Huddersfield fire station, is showing a 300% increase in cost from similar rebuilds completed pre covid.

The capital plan also includes provision to rebuild Halifax fire station over the next three years which may also experience even higher price increases. In addition, unless the capital finance reserve is “topped up,” the Authority will have to borrow to pay for the rebuilds. This increases the capital financing charges which are charged to the revenue budget.

- **National Pressures**

There are three Government reviews that could have a significant impact on the finances of the Authority from April 2026, these are;

- Spending Review

On the 12th of December, the Chancellor Rachel Reeves published the details of the upcoming Government Spending Review which is due to commence in March 2025. During the review Government departments will be expected to find savings and

efficiencies in their budgets, in a push to drive out waste in the public sector and ensure all funding is focused on the government's priorities. Every single pound the government spends will be subjected to a line-by-line review to make sure it's being spent to deliver the Government's Plan for Change and that it is value for money.

It will be the first time in over a decade that government departments have been asked to take such an approach, with what's called a "zero-based review" last undertaken 17 years ago.

To support the fire sector's case in the 2026/27 spending review, NFCC, LGA and the Home Office will be submitting a business case to support funding fire reform. It's worth pointing out that fire is not deemed to be a protected service unlike the NHS, defence and education so it is vital that the business case addresses the need for sustained and increased funding for the fire sector.

The business case details ten areas of investment that are required in the fire sector, these include; investment to tackle the increase in calls and emerging diversity of risk; maintaining core functions to include increases to core spending power, fully funded NI and pension costs, including precept flexibility; investment in capital funding, investment to address the sustainability of the on-call system; investment to ensure protection services can support growth and new burden expectations; investment in firefighter safety; investment in culture change; investment in technology, data and research; investment in the fire sector infrastructure and finally that government take the opportunity to support the design of an improved pay structure.

- Local Authority Funding Reform

The Autumn 2024 Budget announced the Government's intention to pursue a comprehensive set of reforms to place local government in a more sustainable position, based on a deprivation-based approach in 2025/26 followed by broader reform through a multi-year settlement from 2026/27.

The Government's view is that there is a strong rationale for retaining a bespoke formula for Fire and Rescue Services and as such fire would be out of scope of this review. The government is considering updating the existing fire and rescue services Relative Needs Formula which was last updated over a decade ago. The current formula includes a basic allocation of funding per resident, with adjustments for coastline, population, density and sparsity, deprivation, property and societal, high fire risk areas (COMAH sites) and community fire safety.

- Business Rates Reset

Business Rates baselines will be reset in 2026/27, the first in over a decade. The intention of the reset is to ensure funding is targeted where it is needed most and restoring the balance between aligning funding with need and rewarding business rates growth.

There are other non-financial pressures facing the Authority, which include the impact of the recommendations of phase 2 of the Grenfell enquiry, data transformation within the organisation, and the implementation of the Fire Reform Agenda.

2. Delivery of investments in the Revenue Budget 2025/26

The Fire Authority approved a revenue budget in February 2025 which includes several service developments and savings to be implemented in 2025/26. A total of £3.169m of revenue growth bids were submitted during the budget setting process, however, due to the reduction in grants only £1.138m of revenue bids were approved. In addition, £0.154m was identified as cost pressures, which, if they materialised would have to be met regardless of funding levels. Any variations in the expected dates or amounts of this growth and savings will affect the revenue budget. For example, a change to the planned budgeted retirement dates of firefighters from that calculated in the revenue budget will affect the financial position, for example, if a firefighter decides not to retire on their due date, this will result in an added cost to the Authority. Budget reviews are held during the year to identify such changes and any savings identified are either allocated to other projects or moved to contingencies.

Moreover, changes to the assumptions in the Medium-Term Financial Plan particularly around inflation, pay awards, firefighter pension contributions and future Government Grants are subject to change and could impact on the Authority's financial position.

Summary

The Authority reviews its budget provision annually and produces a four-year rolling Medium-Term Financial Plan which is reviewed in line with national and local priorities. The Community Risk Management Plan (CRMP), the Medium-Term Financial Plan and the workforce plan are interlinked which ensures that any challenges and risks are not looked at in isolation. The Authority has developed medium-term and long-term strategies to meet the challenges of potential funding cuts and cost pressures which have been identified by scenario planning. Any under spending on the revenue budget will continue to be used to pay for either additional minimum revenue provision charges or increases to the capital finance earmarked reserve which will reduce the revenue impact of financing the capital plan in future years.

Annual Governance Statement

Scope of Responsibility and code of Corporate Governance

Corporate governance is a phrase used to describe the systems and procedures that are in place to ensure that business is conducted in accordance with the law and proper standards, and that public money is properly accounted for and used economically, efficiently, and effectively.

The Authority has a duty to achieve best value in the way it functions and to ensure that arrangements are in place to secure continuous improvement in all areas of service provision.

The Authority has set out its arrangements for the governance of its affairs in its Constitution (a copy of this can be found at www.westyorksfire.gov.uk which includes the Authority's Code of Corporate Governance which is consistent with the principles of the CIPFA / SOLACE Framework Delivering Good Governance in Local Government (2016)).

These core principles are:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing West Yorkshire Fire and Rescue capacity, including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

In publishing this statement, the Authority fulfils the requirement under regulation 4(2) of the Accounts and Audit Regulations 2015 that accompanies the 2024/25 Statement of Accounts.

It is a requirement to produce this statement under regulation 6(1) b of the Accounts and Audit (England) Regulations and that it is approved by Audit Committee in advance of them agreeing the Statement of Accounts.

By applying the principles within the Authority's own Code of Corporate Governance and applying the Nolan Principles of Standards in Public Life, the Authority commits to deliver its services with integrity, accountability, transparency, effectiveness, and inclusivity.

The Purpose of the Governance Framework

The governance framework comprises systems and processes, and culture and values, by which the Authority is directed and controlled. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The Authority acknowledges that it can never eliminate risk entirely from its operations and this statement explains the systems used to manage this risk to a reasonable level, a key element of which is the system of internal control.

The governance framework has been in place at West Yorkshire Fire and Rescue Authority for the year ending 31st March 2025 and will remain in place up to the date of the approval of the statement of accounts.

The Governance Framework

Summarised below are some of the key elements of the governance framework:

The Constitution

The Authority has a written constitution which is reviewed annually by the Executive Leadership Team and is formally approved by the Authority at its Annual General Meeting. Changes to the constitution required during the year are submitted to meetings of the Full Authority. The constitution is published on the website at www.westyorksfire.gov.uk and is included within the body of evidence which supports this statement. This document forms the basis of the Governance Framework and sets out the way the Authority is governed and is made up of the following documents:

- Authority Committee standing orders and procedures
- The roles and responsibilities of the executive officers
- Access to information rules
- Contract procedure rules
- Financial procedure rules
- Anti-fraud and corruption strategy
- Code of corporate governance
- Members' code of conduct
- Officers' code of conduct
- Member v officer relations protocol

- Officers' employment rules
- Protocol regarding the use of Authority resources by Members
- Members' allowances
- Management structures
- Officer delegation scheme
- Complaints procedure
- Whistle blowing policy

The Committee Structure

The constitution sets out the Framework under which the Authority is governed. It sets out in detail the composition of the Authority, the role and functions of the elected members, the roles and responsibilities of designated office holders and the roles, functions, and terms of reference of the Authority and its Committees.

The Authority has four standing committees each of which, along with the Authority, meet four times per year and an Executive Committee which deals with urgent business.

People and Culture Committee (11 Members)

This committee deals with all issues relating to the employment of staff including conditions of service, industrial relations, corporate diversity, equal opportunities, and training.

Finance and Resources Committee (11 Members)

This committee is responsible for all issues relating to the Assets of the Authority. This includes Finance (including recommendation to the Authority in relation to the revenue budget, capital planning and precepts), Insurance, Treasury Management, buildings, land and property, and ICT. This committee receives regular reports on the financial performance of the Authority along with detailed updates on Treasury Management activity.

Audit Committee (6 Members)

This committee is established in accordance with CIPFA guidance 'Audit Committees – Practical Guidance for Local Authorities'. In addition to all matters relating to both internal and external audit, the committee is responsible for performance review, risk management and business continuity.

Community Safety Committee (11 Members)

This committee is responsible for the oversight of all aspects of service delivery, which includes the key areas of Emergency Response, Fire Protection and Fire Prevention. This

covers responsibility for Community Risk Management Planning, national resilience support arrangements and shared services.

Executive Committee (6 Members)

The Executive Committee deals with any urgent matters and the appointment of Executive Leadership Team members.

The terms of reference of all the Authority's committees are available on the Authority's website. All meetings are open to the public and wherever possible items are considered within the public sessions of the meetings, (except for items under section 100A of the Local Government Act which are exempt from the public).

Copies of reports and minutes of all meetings are published on the Authority's website.

Local Pension Board

The Authority's Local Pension Board was established on the 1st of April 2015 in accordance with statutory requirements set out in the Public Service Pensions Act 2013. The Board is responsible for ensuring that good standards of governance are achieved and maintained in the implementation and application of the Firefighters' Pension Schemes. The Board comprises six members: 3 scheme managers (employer) and 3 scheme members (2 current/retired/deferred employees and 1 representative of the Fire Brigades Union).

Management Structure

The Executive Leadership Team is made up of the following Executive Officers who meet weekly:

- Chief Executive / Chief Fire Officer
- Deputy Chief Fire Officer / Director of Service Delivery
- Assistant Chief Fire Officer / Director of Service Support
- Director of Finance and Procurement
- Director of People and Culture
- Director of Corporate Services

The Executive Leadership Team (ELT) is supported by a Senior Leadership Team (SLT) which, in addition to the ELT members, includes senior officers from all areas of the organisation.

There is a close interaction between management and elected members based around a formal briefing process prior to each committee. Management also provides training and briefings for the elected members prior to their consideration of key issues such as the Medium-Term Financial Plan and the Community Risk Management Plan. Elected members

newly appointed to the Fire Authority are provided with an induction on finance and governance and their roles and responsibilities.

There are several working groups and boards which meet on a quarterly basis which include representatives from departments across the service, these groups are: Environmental Working, Establishment Planning, Information Governance, Capital and Revenue Budget Management, Risk Management and Diversity and Inclusion.

Strategic Objectives and the Service Planning Process

The Authority's ambition and priorities are set out in "Your Fire and Rescue Service 2022-2025". This document is the Authority's Community Risk Management Plan (CRMP), previously known as the Integrated Risk Management Plan (IRMP) and is supported by the Workforce Plan and the Medium-Term Financial Plan, all of which are reviewed and approved annually by the Authority. These plans are published on the website at www.westyorkshirefire.gov.uk

The Authority's ambition and strategic priorities are:

Ambition: 'Making West Yorkshire Safer'

Strategic Priorities:

We will:

- Plan and deploy our resources against risk to provide an efficient and effective operational response.
- Improve the safety and effectiveness of our firefighters.
- Promote the health, safety, and well-being of all our staff in the workplace.
- Encourage a learning environment in which we support, develop, and enable all our people to be at their best.
- Focus our prevention and protection activities on reducing risk and vulnerability.
- Provide ethical governance and value for money.
- Collaborate with partners to improve efficiency and effectiveness of our services.
- Work in a sustainable and environmentally friendly way.
- Achieve a more inclusive workforce, which reflects the diverse communities we serve.
- Continuously improve using digital and data platforms to innovate and work smarter.

Formal consultation on the Authority's new CRMP Your Fire and Rescue 2025-28 closed in March 2025 and the new priorities will be:

We will

- Provide a safe, effective and resilient response to local and national emergencies.
- Focus our activities on reducing risk and vulnerability.
- Enhance the health, safety, and well-being of our people.
- Work with partners and communities to deliver our services.

- Use resources in an innovative, sustainable, and efficient manner to maximise value for money.
- Further develop a culture of excellence, equality, learning, and inclusion.

These priorities currently form part of district plans and departmental plans. There is an on-going system of monitoring and reporting achievement of the service against its corporate aims with regular reports on progress monitored by senior management and the Authority through its committee structure. Copies of the plan are distributed to all fire stations and departments of the Authority.

Since November 2024 a Strategic Action Plan has been developed in line with the implementation of the new CRMP. The Strategic Action Plan will track and monitor progress against the priorities through projects, department and districts business as usual work and Programme of Change. Progress will be reported through Executive Leadership Team, Strategic Leadership Team, the Fire Authority and our Annual Fire Plan.

Work has also been carried out to streamline and review our service strategies and plans. All strategies will now have a one page summary and an associated delivery plan which will feed into the Strategic Action Plan.

An annual strategic review workshop takes place every year where the planning cycle provides an indication of when activities should ideally happen as well as key milestone points. Work has been carried out to bring together planning cycles across the service to ensure that our resources are being used effectively and that there is capacity available within service to deliver anticipated activities.

The approved change activities that fall out of the planning process become programmes or projects of varying scale, some of which are managed formally under the West Yorkshire Fire and Rescue Service Project Portfolio Management (PPM) Framework, with lower change often being managed within departments and/or districts. Those managed through the framework are subject to scrutiny at the Change Management Board where reports are presented on progress. The Programme of Change report is then summarised and reported for consideration to members at Full Authority Committee.

These objectives form part of district plans, departmental plans, and station plans. There is an on-going system of monitoring and reporting achievement of the service against its corporate aims with regular reports on progress monitored by senior management and the Authority through its committee structure. Copies of the plan are distributed to all fire stations and departments of the Authority.

The Internal Control Environment

Internal Control refers to the systems and processes that enable the Authority to achieve its priorities with integrity and in compliance with laws, regulations, and internal policies. These controls define decision-making procedures and the mechanisms in place to monitor these procedures. The key principles include ensuring that decisions are made at the appropriate levels and that there are clear separations of duty within the decision-making processes.

It covers the reliability of Financial Reporting and Performance Management against the achievement of the Authority's strategic priorities.

The Authority's systems of internal control conform to the standards of financial governance set out in the CIPFA statement of the role of the Chief Financial Officer in Local Government.

Established Policies, Procedures and Regulations

The Authority has compliance with established policies, procedures, laws and regulations, information regarding policies and procedures are held on our intranet info hub platform, all policies and procedures have a specified review period. Staff surveys are carried out at regular intervals, an action plan is developed from the results which will be aligned to the strategic action plan and reported on through the same process.

The Authority publishes the Pay Policy Statement, Gender Pay Gap Results, procurement processes, contracts register and transparency information in relation to expenditure over £500 and all expenditure on procurement cards on our website.

Customer surveys are routinely carried out after attendance at incidents, safe and well visits, and school visits to ascertain customer feedback on the service provided. Every year the Authority has an external assessment of its Customer Service Excellence standard, the latest assessment was carried out on the 29th of November 2024. This resulted in the Authority maintaining full compliance against all 57 elements of the standard of which 36 achieved compliance plus, demonstrating excellent performance and continuous improvement in relation to customer-focused service delivery.

Tri-service Collaboration Board

Established in 2017, the Tri-Service Collaboration Board (TSCB) aims to enhance cooperation among West Yorkshire's emergency services and is supported by leading representatives of each blue light service. The aim and purpose of the TSCB is to act as an enabling forum to bring about closer working arrangements across all three emergency services in West Yorkshire and provide opportunities for increased efficiency, effectiveness, and improved service delivery.

The Board consists of the key political leaders of the organisations, including the Chair of the Fire Authority, Yorkshire Ambulance Service and the Mayor who undertakes the Police and Crime Commissioner role in West Yorkshire supported by members of senior management.

Supporting the board is a Tri-Service Steering Group (TSSG) which is currently led and administered by West Yorkshire Police.

Review of Effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance arrangements. The review process is on-going and is informed by the work of the Executive Leadership Team, the Director of Finance and

Procurement, Internal Audit, External Audit, and other external assessors. In addition, the Authority is subject to an independent inspection by His Majesty's Inspectorate for Constabulary and Fire and Rescue Services (HMICFRS).

A self-assessment of our effectiveness:

In maintaining and reviewing the effectiveness of the Authority's governance arrangements the following have been considered:

Community Risk Management Planning (CRMP)

The Authority is systematically reviewing and assuring the resources and capabilities across the county through the CRMP process. This process aims to ensure we have the right resources in the right place at the right time, improve overall community safety and target vulnerable members of our community and where possible reduce the risk of fires and other emergencies. The Authority maintains a risk model which bands the county into groups from very low to very high based on underlying risk. This information allows the Authority to proportionately allocate resources and evaluate service delivery performance against the level of risk.

Through this process, the Authority can continue to achieve its aim of making West Yorkshire safer.

Before the CRMP is approved by the Authority a process of public consultation is carried out within the communities of West Yorkshire. This includes community level focus groups, targeted interviews with marginalised communities, messaging through our partner agencies and social media posts.

Effective Performance Management

It is important that the Authority can measure its performance. The Authority has a well-established Performance Management structure which is focused on outcomes. The system is embedded throughout Service Delivery from individual Fire Station level through District Command to Authority wide achievement.

Each year the Community Safety Committee approves a set of district delivery plans which are aligned to the strategic priorities and define how each District will work towards the strategic priorities. Districts are also set a series of performance indicator targets for a variety of incident types that we attend. The methodology for setting the service delivery performance targets was approved by the Fire and Rescue Authority and further work is referenced below. In 2024/25 local Station Action Plans were also produced and this allows local activity to be planned to support the priorities set within the district plans. The Performance Management framework was reviewed in 2020/21 to ensure that our data and intelligence can allow us to target the Authority's resources towards reducing risk across where the risk exists within the five districts.

Performance against the district priorities is monitored within each district and reports are produced for consideration at the Community Risk Reduction Group before being presented to the Community Safety Committee which meets on a quarterly basis. Members of the Community Safety Committee are also encouraged to meet with their respective District Commander to discuss priorities, objectives within the local district priorities plan and performance targets. Service performance is also reported on a quarterly basis to the Full Authority.

This system of monitoring has proved successful in measuring performance and provides the vital evidence needed to support the CRMP.

OneView, the organisation's new performance management system provides live reporting data for a variety of operational incidents, prevention and protection activities and the Authority's sickness data. Data extracted from One View is presented to members at the Community Safety, Full Authority Committees and reports by exception at the People and Culture Committee.

The Performance Management framework system describes how the service will report performance externally and within the service. It ensures that our staff and key stakeholders will have access to appropriate performance information to fulfil their duties and support sound evidence-led decision making which will lead to smarter working and improved evaluation. It operates a tiered approach which allows performance to be managed at organisational, functional, team and individual level.

Serious Violence Duty

As of the 31st January 2023 the Fire and Rescue Authority has been specified as a duty holder of the 'Serious Violence Duty' under new legislation created further to the Police, Crime, Sentencing and Courts Act 2022. The duty requires relevant services (of which the Fire and Rescue Authority is one) to work together to share information and allow them to target their interventions, where possible through existing partnership structures, collaborate and plan to prevent and reduce serious violence within their local communities.

In the main the Fire and Rescue Authority will discharge its duties by virtue of its membership of the five, district based, Community Safety Partnerships. There are also new opportunities to work with young people at risk of undertaking, or already involved, in this type of behaviour with an ambition to support them in making positive choices that lead them away from violence in its many guises. Since it was established, the service is engaged in a number of local initiatives designed to support our role in delivering the duty.

Effective Financial Planning and Management

The Government's austerity measures have seen the Fire Authority lose £26m in government grants from the start of the spending review in 2011/12 to the end of the spending review in 2019/20. The Authority has from the start taken a strategic approach to this grant loss matching changes to service delivery through the CRMP to the reducing resources. This planning coupled with significant capital investment has seen the construction of seven new

fire stations to replace eleven old fire stations delivering over £31m in ongoing revenue savings.

The Director of Finance and Procurement presents an update on the financial position of the Authority covering both revenue and capital expenditure to the Finance and Resources Committee. Training on finance is also delivered to new members in June and prior to the approval of the annual budget in February.

The Head of Procurement provides training for managers on procurement processes and contract management and the finance team provide training to managers on budget management.

The finance team have developed a comprehensive expenditure monitoring system delivering financial information and forecasts from individual cost centre level through the organisation to Senior Management and the Fire Authority. A red, amber, green (RAG) rating system has been introduced both for revenue and capital budget monitoring whereby budget holders must provide a written explanation to the Director of Finance and Procurement if they are projected to be 5% over or under budget at the end of the financial year.

There is a documented bidding process for both revenue and capital expenditure which is managed within a timetable that matches the budget setting period and the receipt of the financial settlement from central government. Each bid is supported by a business case and is subject to scrutiny at both ELT and ELT Star Chamber before the bid is included within the revenue budget and capital plan for the forthcoming year.

The Authority maintains a strong record of financial management which is evidenced by its track record of maintaining expenditure within the approved budget.

On the 1st of August 2021, the responsibility for Treasury Management which was previously provided by Kirklees Council via a Service Level Agreement, transferred to the Fire Authority. The Authority has commissioned the use of independent treasury management advisors who send daily, weekly, and monthly updates on the economy, and borrowing and investment rates.

The Authority joined the Fire and Rescue Indemnity Company (FRIC) on the 1st of April 2023 for the provision of liability, fleet, and property insurance. FRIC is effectively an insurance pool that is owned and controlled by its members which are fourteen fire and rescue authorities. Cover is provided via a mutual arrangement; the structure of this arrangement means contributions are paid into a 'pot' based on the individual risks and historic claims profile. Directors of the company are appointed by the participating authorities; no single authority would have the right to appoint a director. The company is run by a professional management company, Thomas Miller, who are required to meet all the necessary professional requirements of the Financial Conduct Authority. The structure of the pool consists of a company limited by guarantee with members and not shareholders. Each member has one vote at an AGM and the membership will elect a Board from amongst their number. Returns of surpluses, if any, will be made pro rata to each member's proportion of contributions. The Board is non-executive, and it contracts with a professional mutual management company to outsource the day-to-day operation of the mutual. The Board

will make all the policy decisions and the managers' job is to carry out those decisions and bring all the necessary insurance and management skills into the equation to make sure the mutual runs well.

The Financial Management Code, a Chartered Institute for Public Finance and Accountancy (CIPFA) document, sets out the standards of financial management for Local Authorities which is designed to support good practice and to help Local Authorities demonstrate their financial sustainability. Assessment against the code became mandatory for Local Government from the 1st of April 2022. The code is split into six overarching principles: leadership, accountability, transparency, standards, assurance, and sustainability which is then broken down into seventeen separate standards. An initial self-assessment against the code was reported to Finance and Resources Committee in October 2021, which identified three areas of minor improvement, this was subsequently subject to an internal audit in August 2023, which was awarded substantial assurance. Compliance to the code is reviewed annually as part of the budget setting process in order to provide assurance to elected members on the robustness of the financial health of the Authority.

The Authority has an established risk management system whereby the Authority's risks are recorded on a corporate risk matrix whereby each risk is ranked in order of priority, based severity and likelihood. This is reported at the quarterly Risk Management Strategy Group (RMSG) which is chaired by the Deputy Chief Fire Officer, attended by senior managers, the internal audit manager and has a dedicated member champion. Each risk is formally reviewed annually by the responsible officer and new risks are added to the matrix if identified during the year. The corporate risk matrix and risk management strategy is approved annually at Audit Committee and the methodology of ranking each risk was reviewed in August 2022. The RMSG is one element that supports the Authority's code of corporate governance in terms of risk management and control.

Station Assurance Visits are undertaken at fire stations within West Yorkshire, the recorded outcomes of which contribute to the self-assessment process.

Effective Arrangements for Accountability

The Authority can demonstrate robust systems of accountability both to elected members and the public. The district command structure, which mirrors the five Local Authorities' / District boundaries in West Yorkshire, provide for close interaction with the Local District Councils on service delivery and joint working.

The Authority conducts a precept survey annually in January whereby questions are asked on the raising of the precept, this is promoted on our website and via other social media platforms. Budget proposals are sent to representatives of the business community with the opportunity to comment on them prior to the setting of the budget in February.

The Authority has a Service Improvement and Assurance Team (SIAT). SIAT applies the Service Assurance Framework to provide high level assurance to Management Board and the Fire Authority through implementation of the service assurance process. Each team and department making up WYFRS are required to complete a self-assessment which involves

answering and providing evidence to a range of questions that include performance indicators, policy compliance, financial controls, elements contributing to operational effectiveness, internal and external audit review. This is then independently reviewed by the SIAT and reported to Management Team and Audit Committee to enable them to make an informed judgement regarding the overall performance of WYFRS. This judgement is then summarised in the Annual Statement of Assurance which is published on the WYFRS website in accordance with the requirements of the National Fire and Rescue Framework.

Reality Testing is an in-depth analysis of an incident. It has been introduced to improve organisational learning as a holistic assurance process for all departments, operational and non-operational. It targets incidents attended by up to four fire appliances, where incident themes are selected with support from contributing stakeholders. Once an incident has been selected, test data is gathered remotely and by speaking to those stations/watches/control staff involved. The information gathered is collated, learning identified and reported to Area Managers, who then decide how learning will be shared. These learning actions are added to the HMICFRS Action Plan and monitored via the quarterly workshops. Governance of the process sits within the two groups, the Operations and Training Interface Group and the HMICFRS Action Plan Workshops. An annual Reality Testing report is presented to Management Team for review.

Smarter Working promotes a Corporate Lean philosophy to drive and support continuous improvement and embed Smarter Working principles into organisational culture and practice. A lean methodology also known as the 7E's is used to assist transformation and change within service assurance and project framework processes and protocols, managing the development of key deliverables using the SMART approach. Smarter Working supports the CRMP process to identify organisational efficiencies and where possible, encourages the use of WYFRS data to innovate and work smarter. The Smarter Working Manager works collaboratively and engages with key stakeholders to coach and facilitate individuals and teams to identify and implement improvement opportunities by reducing inefficiencies within a process. Processes are mapped out in detail from end to end to include all steps from initiation to completion. The steps are assessed for their value to the end customer of the process, and this enables the identification of steps which do not add value and/or are unnecessary.

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS)

Following the release of the State of Fire and Rescue Report 2023 in May 2024, West Yorkshire Fire and Rescue Service evaluated our response to national recommendations and trends, including those from Grenfell and the Manchester Arena attack. The report was shared with the wider organisation and considered by our Fire Authority to keep them informed of the national picture within the fire and rescue sector.

We use feedback from our HMICFRS inspections positively. All seven Areas for Improvement identified in our Round 3 inspection have been captured on a central action plan, which is monitored, reviewed, and updated quarterly with the action owners. To date, all seven Areas

for Improvement are 'On Track'. Of the 15 recommendations all FRS were asked to address as part of the Standards of Behaviour in the Fire and Rescue Service: Handling Misconduct, 12 are completed with the remaining 3 'On Track'.

The Authority completed its third HMICFRS inspection in March 2024. In the third round of inspections, the HMICFRS implemented a revised grading methodology introducing a new grading of Adequate. The Authority received its inspection result in July 2024; the Authority was rated as Good in seven areas, Adequate in three areas, and there was one Area for Improvement in Preventing Fires and Other Risks. An action plan has been put in place to address the findings of the report.

HMICFRS launched their Monitoring Portal in March 2024, which tracks progress against all our Areas for Improvement and recommendations. It is monitored quarterly by HMICFRS and adds an additional level of governance to our progress.

Internal Audit

The Authority procures its internal audit service from Kirklees Council via a Service Level Agreement (SLA) which complies with Public Sector Internal Audit Standards (PSIAS). This not only provides better value for money but also gives the Authority access to specialist auditors and gives an added element of independence.

The work of internal audit extends well beyond the normal probity audits and includes examination of the key financial systems as well as verification work on the Authority's risk management and governance frameworks.

The internal audit plan is approved initially by ELT and then at Audit Committee in April. All internal audit reports include an assessment of the internal controls and a prioritised action plan to address any areas needing improvement. If an internal audit receives a limited assurance opinion, a follow up audit is carried out within the next twelve months to ensure that actions have been implemented. During 2024/25, nine of the twelve planned audits were completed, two were deferred into 2025/26 and one was postponed. As part of the SLA, excess audit days are carried forward into the following financial year. The Internal Audit Annual Report is presented to Audit Committee which gives an overview on the effectiveness of internal audit and provides an opinion on governance, risk management, and the management of the internal control environment during the last financial year.

The Global Internal Audit Standards (GIAS) are a replacement to the Public Sector Internal Audit Standards and provide a single source to guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function. The GIAS is arranged under five domains which incorporates 15 Principles and 52 Standards. The GIAS is incorporated into the revised Internal Audit Strategy and Charter which was approved at the Audit Committee in April 2025.

In September 2022, the Fire Authority approved the appointment of a non-voting independent member of the Audit Committee. This new member attended their first Audit Committee in

January 2023 and due to their experience in the banking sector has brought specialist knowledge and additional scrutiny to the committee.

In addition, SIAT monitors and reviews the actions from each internal audit report in liaison with the responsible departmental manager to ensure that recommendations are implemented. Progress is reported quarterly to the Risk Management Strategy Group.

Information Management Framework

Information Governance is a framework to bring together all the requirements, standards and best practice that apply to the handling of information.

The Authority has an Information Governance Strategy and Policy which describes its commitment to ensuring effective information governance as a means to enable the service to ensure it can make the best use of its information and to provide a solid foundation to enable it to be open and transparent.

The Authority is required to comply with legislation including the Data Protection Act 2018 and the General Data Protection Regulation which regulate information data processing, storage, and access rights. The Authority has appointed an ELT Member (the Director of Corporate Services), as the statutory Data Protection Officer who in conjunction with other officers and working groups oversees the development of best practice policies and procedures aimed at ensuring compliance with the legislative requirements.

Data Protection audits are carried out across the service via departments self-assessing against relevant criteria as part of the Service Assurance process. This ensures appropriate arrangements are in place.

The Information Governance and Security Group which is chaired by the Director of Corporate Services and supported by the Corporate Information Management Group meets quarterly and is attended by Senior Managers within the organisation. This group is responsible for setting and reviewing policies, standards, procedures, best practices, controls, risk management and ensure compliance with them.

There were no data breaches that were required to be reported to the Information Commissioner during 2024/25.

Statement of Assurance

The Authority is required to produce an annual Statement of Assurance as part of the Fire and Rescue National Framework for England. The purpose of the statement is to provide independent assurance to communities and the Government that the service is being delivered efficiently and effectively. Whilst the Fire and Rescue National Framework sets out the Government's priorities and objectives for fire and rescue authorities in England, it does not prescribe operational matters as these are determined locally by fire and rescue authorities.

This Statement of Assurance provides assurance that WYFRA is providing an efficient, effective and value for money service to the community of West Yorkshire in its financial, governance and operational matters. The Statement of Assurance is published on the Authority's website which includes links to the key documents.

Conclusion

Overall, the Authority and its Executive Leadership Team conclude that the systems and procedures provide effective systems of management control enabling the Authority to provide an efficient, effective, and economic service to the public of West Yorkshire.

External Review

Following the Public Sector Audit Appointments tender process, Grant Thornton have been the Authority's external auditors since the 1st of April 2023.

Grant Thornton will provide an external review of systems and procedures as part of their role as the appointed external auditors to the Authority which will include:

- The audit of the financial statements 2024/25
- Reach a conclusion on the economy, efficiency and effectiveness in the use of resources, the value for money (VFM) conclusion.
- Review the Whole of Government Accounts return.

A new Code of Audit Practice came into force on the 1st of April 2020 which has introduced new extended reporting arrangements for Value for Money for financial statements from 2020/21. The new requirement requires auditors to structure their commentary on Value for Money arrangements under three specified reporting criteria: financial sustainability, governance and improving economy, efficiency, and effectiveness.

Compliance

The systems and reviews detailed in the annual governance statement demonstrate that the Authority's assurance arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010). They also demonstrate the systems that are in place to enable the Monitoring Officer and Director of Finance and Procurement to discharge their functions in relation to the governance of the Authority.

Significant Governance Issues

The CIPFA guidance suggests that the following criteria should be applied when judging what may constitute a significant control issue:

- The issue has seriously prejudiced or prevented achievement of a principal objective.

- The issue has resulted in a need to seek additional funding to allow it to be resolved or has resulted in significant diversion of resources from another aspect of the business.
- The issue has led to a material impact on the accounts.
- The issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the organisation.
- The issue has resulted in formal action being taken by the Director of Finance and Procurement and/or the Monitoring Officer

Review of Governance Issues Identified in the previous Annual Governance Statement

Financial Uncertainty

There remains uncertainty regarding Central Government funding especially around the receipt of grants that are not included in the Authority's core funding. These grants are subject to variation, thus making financial planning challenging. The 2025/26 Financial Settlement saw the total removal of three grants amounting to £1.6m and the new NI compensation grant does not cover the full cost of the NI increase. Uncertainty around grants that are not included in core funding hampers the ability to make long term spending plans as funding is only known for the year ahead. In Summer 2025, Central Government will be revealing the results of the government spending review, which may see a reduction in overall funding for the fire sector. Coupled with this is also the review of the Fire Funding Formula which determines the Authority's share of this funding allocation. Both reviews could have a significant impact of the funding of the service from 2026 onwards.

Ruling on working hours

A judgement relating to the working hours and related payments of a Belgium on-call firefighter (Matzak) could have implications for the Fire Authority. The ruling has the potential to impact adversely on current arrangements for the effective provision and affordable cost of on call services. The Authority along with every other fire and rescue service is working with the Local Government Association in seeking advice from Leading Council and reviewing potential options for changing current arrangements to mitigate against the impact of the ruling. However, due to the current uncertainty it is considered appropriate to flag up the risk of potential extra costs which have yet to be fully identified.

Following the Supreme Court decision in the landmark case of Tomlinson-Blake v Royal Mencap on the minimum entitlement to minimum wage for sleep-in-shifts, the risk posed by the Matzak ruling is somewhat reduced. The Supreme Court made a clear distinction between "actual work" and "availability for work", this ruling determined that the time that the care worker (Tomlinson-Blake) was asleep whilst at work could not be counted as working time in line with the National Minimum Wage Regulations 2015, regulation 32. The working arrangements for on-call firefighters is similar to that of care support workers, in that although they are required to be in close proximity to their workplace, there will be times when they are not undertaking "actual work" whilst they are providing on-call duties.

The Police and Crime Act 2017

The Police and Crime Act 2017 imposes a statutory requirement on emergency services to collaborate to improve public safety and deliver better efficiency. The emergency services in West Yorkshire have established a joint body to review areas of collaboration, this is yet to deliver any significant change. This process is dependent on the services agreeing joint priorities and delivering change with willing partners and thus continues to remain a significant governance issue.

Reforms to Fire and Rescue Services

The HMICRFS State of Fire and Rescue Reports have previously made six national recommendations for reform to the fire and rescue service, which may have an impact on governance, these are:

1. Fire and rescue services should establish a common set of definitions and standards to cover key priority areas.
2. The sector should review and determine the role of the fire and rescue service and the role of its employees.
3. The sector should review how effectively pay and conditions are determined.
4. The Home Office should provide Chief Fire Officers with operational independence.
5. Introduction of a code of ethics.
6. The Home Office should address the deficit in the fire sector's national capacity and capability to support change.

The State of Fire Report: The Annual Assessment of Fire and Rescue Services in England 2023 was published in May 2024. Of the six national recommendations, 1, 2, 5 and 6 are complete. For the two that are outstanding, the Authority will continue to monitor national progress against the recommendations and duly assess any impact that they may have on the service.

Changes to European Legislation

Retained EU law (REUL) was established by The European Union (Withdrawal) Act 2018 to ensure legal certainty and continuity immediately after Brexit, by preserving all EU and EU-derived law as it stood immediately before the UK's departure. However, retained EU law was never intended to sit on the statute book indefinitely.

On the 29th of June 2023, The Retained EU Law (Revocation and Reform) Bill received Royal Assent, paving the way for significant regulatory reform, and enabling the removal of RUEl from the UK statute book. Under the RUEl Act, RUEl which had not been revoked by the end of 2023 then became "assimilated law". These are laws that the UK saved to ensure legislative continuity immediately after Brexit. The catalogue of RUEl can be accessed electronically via a dashboard which contains 6,757 individual pieces of REUL, concentrated over 400 unique policy areas.

The effect on WYFRS of these changes is currently unknown, those persons responsible for areas covered by EU legislation will conduct an impact assessment and implement any required changes.

National Fire Framework Consultation

The National Fire Framework sets out the government's priorities and objectives for fire and rescue services. This was last updated in 2018 and it was expected that a revised National Fire Framework will be published in Summer 2024. This remains outstanding and the date for publishing a revised framework is currently unknown. Once issued management will consider its implications as regards the authority's governance procedures and response.

HMICFRS Report on Handling of Misconduct

On the 13th July 2023, the Home Secretary commissioned HMICFRS to undertake a thematic inspection of the handling of misconduct in fire and rescue services in England. This report was published in August 2024, which included fifteen recommendations. These recommendations have been incorporated into the 12-month People Plan of which twelve have been completed and the remaining three are on track for completion in 2025/26.

The above governance issues are still outstanding in the Annual Governance Statement for 2023/24.

Significant Governance Issues 2025/26

Whilst no significant weaknesses have been identified as per the CIPFA guidance list, the following have been identified as potential issues for the forthcoming year:

Government White Paper on English Devolution

The English Devolution White Paper was published on the 16th December 2024 by the Deputy Prime Minister. The White Paper sets out the Government's ambitions for devolution and Local Government reorganisation and proposes significant changes to Local Government arrangements and transfers of power from Westminster to England's regions. It is expected that following the conclusion of the consultation that the White Paper will become legislation; the English Devolution Bill, in April 2026.

For West Yorkshire Fire and Rescue, the impact would be that the West Yorkshire Mayor would become accountable for the Authority and would no longer be governed by the existing Fire Authority. The government has indicated that the transfer of fire authorities to mayors will be completed in tranches, West Yorkshire will transfer in tranche one as the authority is coterminous with West Yorkshire Police and the West Yorkshire Combined Authority.

Although dialog is taking place between senior management and the West Yorkshire Combined Authority the impact on governance is yet to be determined.

Implementation of Recommendations from the Grenfell Phase 2 Enquiry

Grenfell Phase 2 report was published on the 4th September 2024 which focused on the causes leading to the Grenfell Tower fire on the 14th June 2017 which saw the loss of seventy-two lives.

The phase 2 report identified a variety of findings along with fifty eight recommendations to the construction industry and regulators, Fire Engineers, Architects and Building Control, London Fire Brigade, HM Government, wider fire and rescue services and other agencies such as local government. The service is continuing to undertake a detailed analysis of the report working alongside the National Fire Chiefs Council and other stakeholders to fully understand the requirements and implications of the fifty eight recommendations.

The impact on resourcing and service delivery is yet to be concluded.

Local Audit Reform and the Audit of the Statement of Accounts 2024/25

On the 18th December 2024 the Minister of State for Local Government and English Devolution announced the launch of a strategy to overhaul the local audit system in England.

Due to the lack of audit assurance regarding the opening balances as of the 1st of April 2023 and the time constraints associated with the backstop date of the 28th of February 2025 for the audit of the 2023/24 accounts, the Authority once again had a qualified set of accounts for 2023/24 which was relating to the inability to place assurance on the opening balance sheet position as at the 1st April 2023.

It is highly likely that this lack of assurance will continue for the audit of the 2024/25 accounts as Grant Thornton will be unable to place assurance in respect of historic movements in reserves balances arising from the 2022/23 financial year when the accounts were backstopped and disclaimed.

Summary

The Fire Authority continues to operate in a difficult environment, and we accept that the above issues present the Authority and its Executive Leadership Team with a major challenge. However, previous performance demonstrates the ability of the Authority and its management to manage in challenging times. We are therefore confident that we can continue to deliver a high-quality service whilst driving through major changes to the organisation, and that the systems are in place to further enhance our governance arrangements.

Following the alignment and introduction of the Strategic Action Plan, Strategic Risk Assessment and new Your Fire and Rescue 25-28 in July 2025 the Authority plans to introduce a streamlined process of data collection and self-assessment. This work will be developed by the Strategic Development and SIAT teams and will focus on collecting and using data within the Authority and utilising both statistical and qualitative data to monitor and report on performance across the service in one location.

John Roberts
Chief Fire Officer / Chief Executive
Dated:

Alison Wood
Director of Finance and Procurement
Dated:

Cllr O'Donovan
Chair West Yorkshire Fire & Rescue Authority
Dated:

Statement of Responsibilities

The Authority's Responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Authority it is the Director of Finance and Procurement.
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

The Director of Finance and Procurement's Responsibilities

The Director of Finance and Procurement is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASACC Code of Practice on Local Authority Accounting in the United Kingdom (The Code).

In preparing this Statement of Accounts, the Director of Finance and Procurement has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent; and
- Complied with the Local Authority Code.

The Director of Finance and Procurement has also:

- Kept proper accounting records which were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate

I certify that the financial statements set out on pages 51-142 present a true and fair view of the financial position of the West Yorkshire Fire and Rescue Authority as at 31st March 2025, and its income and expenditure for the year then ended.

Alison Wood CPFA
Director of Finance and Procurement
Dated:

Authority Approval of Accounts
Cllr K Renshaw
Chair of Audit Committee
Dated:

Audit Opinion

(LEAVE INTENTIONALLY BANK)

(LEAVE INTENTIONALLY BANK)

(LEAVE INTENTIONALLY BANK)

(LEAVE INTENTIONALLY BANK)

Main Financial Statements

Comprehensive Income and Expenditure Statement for the year ended 31st March 2025

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net Expenditure £000	Comprehensive Income and Expenditure Statement	Note	2024/25 Gross Expenditure £000	2024/25 Gross Income £000	2024/25 Net Expenditure £000
37,103	-6,926	30,177	Service Delivery		34,346	-5,458	28,888
12,530	-623	11,907	Service Support		31,614	-1,413	30,201
4,476	-213	4,263	Employment Services		4,771	-195	4,576
139	0	139	Chief Fire Officer		180	0	180
2,587	-400	2,187	Finance and Procurement		2,845	-310	2,535
1,203	-12	1,191	Corporate Services and Governance		1,362	-45	1,317
58,038	-8,174	49,864	Cost of Services		75,118	-7,421	67,697
37	-	37	Other Operating Expenditure	10	581	-169	412
52,753	-1,907	50,846	Financing and Investment Income and Expenditure	11	54,929	-1,513	53,416
-	-99,993	-99,993	Taxation and Non-Specific Grant Income	12	-	-109,670	-109,670
110,828	-110,074	754	Net Deficit on the Provision of Services		130,628	-118,773	11,855
		-117	Impairment losses on non-current assets charged to the Revaluation Reserve				-3,834
		17,467	Remeasurement of the Net Defined Benefit Liability				-117,603
		17,350	Other Comprehensive Income and Expenditure				-121,437
		18,104	Total Comprehensive Income and Expenditure				-109,582

Movement in Reserves Statement

The Movement in Reserves Statement shows the movement in the year on the different reserves held by the Authority, analysed into Usable Reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and Unusable Reserves. The surplus or (deficit) on the Provision of Services line shows the true economic cost of providing the Authority's services; more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting.

A further analysis of the reserves position can be found within Notes 27-29.

Movement in Reserves during 2024/25	Note	General Fund Balance (including Earmarked Reserves)	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
		£000	£000	£000	£000	£000	£000
Balance as at 1st April 2024		31,686	85	5	31,776	-1,067,590	-1,035,814
Total Comprehensive Income and Expenditure		-11,855	-	-	-11,855	121,437	109,582
Adjustments between accounting basis and funding basis under regulations	9	9,899	-	-	9,899	-9,899	-
Increase / Decrease in 2024/25		-1,956	-	-	-1,956	111,538	109,582
Balance as at 31st March 2025		29,730	85	5	29,820	-956,052	-926,232

Movement in Reserves during 2023/24	Note	General Fund Balance (including Earmarked Reserves)	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
		£000	£000	£000	£000	£000	£000
Balance as at 1st April 2023		41,333	85	-	41,418	-1,059,128	-1,017,710
Total Comprehensive Income and Expenditure		-754	-	-	-754	-17,350	-18,104
Adjustments between accounting basis and funding basis under regulations	9	-8,893	-	5	-8,888	8,888	-
Increase / Decrease in 2023/24		-9,647	-	5	-9,642	-8,462	-18,104
Balance as at 31st March 2024		31,686	85	5	31,776	-1,067,590	-1,035,814

Balance Sheet as at 31st March 2025

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

31 March 2024	Balance Sheet	Note	31 March 2025
£000			£000
123,925	Property, Plant and Equipment	13	131,629
-	Assets held for sale	16	1,082
-	Right of Use Asset	36	1,344
1,617	Intangible Assets	15	2,573
125,542	Long Term Assets		136,628
725	Inventories	19	857
14,599	Short Term Debtors	20	13,887
19,232	Cash and Cash Equivalents	21	17,029
34,556	Current Assets		31,773
-271	Bank Overdraft	21	-1,499
-1,414	Short Term Borrowing		-1,149
-12,275	Short Term Creditors	25	-19,622
-	Short Term Lease Liability		-380
-646	Provisions (less than 1 year)	26	-493
-14,606	Current Liabilities		-23,143
-40,937	Long Term Borrowing		-40,187
-22	Capital Grants Received in Advance		-26
-	Long Term Lease Liability		-988
-1,140,347	Net Liability related to Defined Benefit Pension Schemes	38	-1,030,289
-1,181,306	Long Term Liabilities		-1,071,490
-1,035,814	Net Liabilities		-926,232
31,776	Usable Reserves	27	29,820
-1,067,590	Unusable Reserves	29	-956,052
-1,035,814	Total Reserves		-926,232

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

31 March 2024 Restated £000	Cash Flow Statement	Note	31 March 2025 £000
31,304	Cash and Cash Equivalents at the beginning of the Reporting Period	21	18,961
-754	Net Surplus / (Deficit) on the Provision of Services		-11,855
11,451	Adjustment to the Net Surplus / (Deficit) on the Provision of Services for non-cash	22	34,407
-38	Adjustment for items included in the Net Surplus / (Deficit) on the Provision of Services that are investing and financing activities	22	-172
10,659	Net Cash Flows from Operating Activities		22,380
-18,071	Net Cash Flows from Investing Activities	23	-25,422
-4,931	Net Cash Flows from Financing Activities	24	-389
-12,343	Net Increase or (Decrease) in Cash and Cash Equivalents		-3,431
18,961	Cash and Cash Equivalents at the end of the Reporting Period		15,530

Notes to the Main Financial Statements

Note 1. Accounting Policies

General Principles

The Statement of Accounts summarises the Authority's transactions for the 2024/25 financial year and its position at the year end of 31st March 2025.

The Authority is required to prepare an annual Statement of the Financial Accounts as per the Accounts and Audit Regulations 2015. These regulations require the Financial Accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in 2024/25 and the Service Reporting Code of Practice 2024/25. This is supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The following accounting concepts have been applied and policies adopted in preparing the financial accounts:

Fundamental Accounting Concepts

The financial statements, other than cash flow information, are prepared on an accruals basis. This means that revenue and capital expenditure and income are recognised in the accounts in the period in which they are incurred or earned, not as money is paid or received.

Consistent accounting policies have been applied both within the year and between years unless otherwise identified.

The accounts have been prepared on a going concern basis, that is on the assumption that the Authority will continue to be in operational existence for the foreseeable future. The Chief Finance and Procurement Officer is unaware of any material uncertainties relating to the Authority's ability to continue as a going concern.

The concept of materiality has been utilised so that insignificant items and fluctuations under an acceptable level of tolerance are permitted, provided in aggregate they would not affect the interpretation of the accounts.

Where specific legislative requirements and accounting principles conflict, legislative requirements are applied.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received in accordance with section 2.7 of IFRS 15. In particular:

- Revenue from the provision of services is recognised when the Authority can measure reliably the completion of the transaction.
- Supplies are recorded as expenditure when they are consumed.
- Expenses in relation to services received (including the services from employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowing is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance is written down and a charge made to revenue for the income that might not be collected.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of more than 24 hours. The Authority has deposits in financial institutions that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

Exceptional Items

Any exceptional items are included in the cost of service to which they relate or on the face of the Comprehensive Income and Expenditure Statement, if such a degree of prominence is necessary to give a fair presentation of the accounts. Details of such items are given in the notes to the accounts.

Prior Period Adjustments

Prior year adjustments may arise from changes in accounting policies or from the correction of a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment. Material errors that are identified in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Charges to Revenue for Non-Current Assets

Front line services and support services are debited with the following amounts to record the cost of holding fixed assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the loss can be written off.
- Amortisation of intangible fixed assets attributable to the service.

The Authority is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement, which is calculated by the Authority in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisations are replaced by a contribution in the General Fund Balance of Minimum Revenue Provision, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Employee Benefits

Benefits payable during employment

Short term benefits are those due to be settled within 12 months of the year end. They include such benefits as salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year which employees render service to the Authority.

An accrual is made for the cost of holiday entitlements, accrued flexi time and time in lieu earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the deficit on the provision of services but then removed from the account, matched by a corresponding adjustment to the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant

accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

Post-Employment Benefits

Accounting for retirement benefits is carried out in line with International Accounting Standard 19 (IAS19). IAS19 requires an Authority to see beyond its commitment to pay contributions to pension funds and to determine the full longer-term effect that the award of retirement benefits in any year has had on the Authority's financial position. Inclusion of the attributable share of the fund assets and liabilities does not mean that legal title or obligation has passed to the employer, instead it represents the employer's commitment to increase contributions to make up any shortfall in attributable net assets, or its ability to benefit via reduced contributions from a surplus in the scheme.

IAS19 only applies to defined benefit schemes that are those where retirement benefits are determined independently of the investments of the scheme and employers have obligations to make contributions where assets are insufficient to meet employee benefits.

The Authority participates in the following retirement schemes:

- 2015 Firefighters' Pension Scheme.
- Firefighters' Compensation Scheme (FCS).
- The Local Government Pension Scheme (LGPS).

The Government introduced a new pension scheme on the 1st April 2015, the 2015 firefighters Pension Scheme. Members of the 1992, 2006 and Retained Modified Schemes were transferred to the 2015 scheme with no protection, tapered protection or had full protection in the existing schemes. From 1st April 2022 all Firefighters in active service transferred to the 2015 Firefighters Pension Scheme.

Firefighters' Compensation Scheme

Under the Firefighters' Compensation Scheme injury awards are payable to those Firefighters who have sustained a qualifying injury in the exercise of their duties as a firefighter which are paid from the Authority's revenue account.

Local Government Pension Scheme

The Local Government Pension Scheme (LGPS) is accounted for as a defined benefit scheme

- The liabilities of the LGPS attributable to the Authority are included in the Balance Sheet on an actuarial basis using an assessment of the future payments that will be made in relation to retirement benefits.
- Earned to date by employees based on assumptions about mortality rates, employee turnover rates and projections of expected earnings for current employees.

- Liabilities are discounted to their value at current prices using a discount rate determined in the actuaries' assumptions.
- The assets of the LGPS attributable to the Authority are included in the Balance Sheet at their fair value.

The change in the net pension's liability is analysed into seven components:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the service to which the employee worked.
- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.
- Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Authority – the change during the period in the net defined liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined liability (asset) at the beginning of the period considering any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Re-measurements comprising:

- The return on plan assets – excluding amounts included in net interest on the net defined liability (asset) which is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Gains or losses on settlements and curtailments – the result of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits to employees – debited or credited to the deficit on the Provision of Service in the Comprehensive Income and Expenditure Statement as part of non-distributed costs.
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the LGPS – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the Pension Reserve thereby measures the beneficial impact to the General Fund of

being required to account for retirements benefits on the basis of cash flows rather than as benefits earned by employees.

The 2024/25 Code (and IAS 19 Employee Benefits Revised) requires that administration costs directly related to the management of plan assets and any tax payable by the plan itself, other than tax included in the actuarial assumptions used to measure the defined benefit obligations, are recognised as a reduction in the return on plan assets and recorded in Other Comprehensive Income and Expenditure.

The 2024/25 Code does not prescribe a specific accounting treatment for administration costs that are not deducted from the return on plan assets. The accounting treatment adopted by West Yorkshire Pension Fund is to deduct administration costs from the cost of services.

Discretionary Benefits

The Authority also has the restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

Pension Fund

The Authority maintains a Firefighters' Pensions Fund from which pension payments are made and into which all contributions (employees and employer's) are received. The annual deficit is topped up as necessary by specific government grant.

Events After the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period, the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

Financial Instruments

Financial Liabilities

Financial Liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the re-purchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Authority has a policy of spreading losses over the life of the replacement loan and gains over a similar period up to a maximum of ten years. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

There are two main classes of financial assets measured within the Authority at:

- Amortised cost and;
- Fair value through profit and loss

The Authority holds investments to collect contractual cash flows i.e. payments of interest and principal. Most of the Authority's financial assets are therefore classified at amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

The Authority made the irrevocable election to designate changes in equity investments in other comprehensive income as permitted under IFRS. The Authority does not currently hold any equity investments.

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

The Authority recognises expected credit losses on all its financial assets held at amortised cost over the lifetime of the asset.

Financial Assets Measured at Fair Value Through Profit or Loss

Financial assets that are measured at fair value through profit or loss are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the surplus or deficit on the provision of services.

Fair Value Measurement of Financial Assets

The fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the Authority's financial assets are based on the following techniques:

- instruments with quoted market prices – the market price.
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.

- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

Foreign Currency Translation

Where the authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31st March. Resulting gains or losses are recognised in the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

Government Grants and Contributions

Whether paid on account, by instalments or in arrears, Government Grants and third-party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- The Authority will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contributions have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, if not, future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it is applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Intangible Assets

Expenditure on the acquisition of intangible assets is capitalised, brought onto the Balance Sheet at cost and amortised over the period benefit is received. Software licences that are purchased by access to a web portal rather than the software being installed on a Fire Authority IT device are charged as an expense to the revenue account.

Estimated lives for new intangible assets are 5 years and are amortised on a straight-line basis.

Intangible assets are amortised on their current net book value and it is assumed that residual value is insignificant or nil. Intangible assets are reviewed annually for impairment. All services are charged with a provision for amortisation and, where required, any related impairment loss, for all intangible assets used in the provision of the service.

Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

Leases

Finance Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee.

Leases that do not meet the definition of finance leases are accounted for as operating leases. The Authority had no finance leases in 2024/25.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the service benefitting from the use of the leased property, plant or equipment.

Charges are made on a straight-line basis over the life of the lease, even if this does match the pattern of payments.

The Authority leases no assets to other organisations.

Overheads and Support Services

The cost of overheads and support services are charged to service segments in accordance with the Authority's arrangements for accountability and performance.

Property, Plant and Equipment

Assets that have physical substance and are held for use in the supply of services or for administering services and are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably.

The cost of enhancement work to existing assets is added to the appropriate fixed asset balance where the enhancement increases either the value or life of the asset. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits is charged as an expense when it is incurred.

The Authority has a de-minimis level of £10,000 whereby expenditure on individual capital schemes below this limit are charged to revenue expenditure.

Measurement

Assets are initially measured at cost comprising the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets are carried in the Balance Sheet using the following measurement bases:

Land and Buildings

- Operational Assets – including all fire stations, the Service Delivery Centre and buildings at Fire Service Head Quarters - depreciated replacement cost.

Vehicles, Plant and Equipment

- Non-property assets with short useful lives and/or low values – depreciated historical cost.
- Fire Appliances – due to their specialist nature these are valued at depreciated historical cost.

Assets Under Construction (AUC) - historical cost.

Surplus Assets – fair value.

Assets Held for Sale – fair value.

The Authority formally values 20% of its assets each year via an external valuations team. For the remaining 80% that are not formally re-valued in year a desktop exercise is

undertaken to assess their current value by the Authority's external valuer. This is determined and set out within the letter of engagement between the Authority and external valuer.

Valuations are also carried out when there is a major natural disaster and/or there are major refurbishments.

Increases in value of Property, Plant and Equipment are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gain).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated in the Capital Adjustment Account.

Impairment

Assets are assessed at the end of each financial year as to whether there is any indication that an asset may be impaired.

Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where identified, the impairment losses are accounted for by:

- Where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for all fixed assets with a determinable finite life except for freehold land and assets under construction. Assets are depreciated on a straight-line basis from 1st of October in year of acquisition. Buildings and motor vehicles are depreciated from the date they became operational. Estimated lives for new assets can vary but are generally as follows:

Land and Buildings:

- New Buildings and Refurbishments 21-50 years.

Vehicles, Plant and Equipment:

- Fire Appliances 15 years.
- Operational Equipment 5-13 years.
- Fixtures and Fittings 10 years.
- Computer Equipment 5 years.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Componentisation

For those assets where the cost of the component parts is significant, they are depreciated separately from the rest of the asset. The Authority has a £500,000 de-minimis level on the net book value which means that if the carrying value of the asset is lower than this de Minimis the asset is not componentised. For those assets that are assessed for componentisation each component must represent 25% of the total cost of the asset or the depreciation charges must be significant to the charge if componentisation was not used. The componentisation of an asset is also reviewed if the asset has significant enhancement expenditure during the year, is purchased/built from new and during the formal 5 yearly property valuations.

The asset life of any component will not exceed the timeframe set out underestimated asset lives and therefore not one component of an asset will ever be recognised as having an estimated life of greater than 50 years.

Disposals and Non-Current Assets Held for Sale

Once Management has made the decision that an asset has become surplus to requirements and it is being actively marketed for sale it is reclassified as an Asset Held for Sale. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell.

Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains

in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale, and their recoverable amount at the date of the decision not to sell.

When an asset is disposed of, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. Amounts received under £10,000 are categorised as revenue receipts.

The written off value of disposals is not a charge against Council Tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

There is a formal disposal process in place that departments complete when assets are disposed of to ensure that the asset register is complete.

Right of Use Assets

IFRS 16 (Leases) has been adopted with effect from 1 April 2024. The main impact of the requirements of IFRS16 is that, for arrangements previously accounted for as operating leases (ie without recognising the leased vehicles, plant, equipment, property and land as an asset, and future rents as a liability), a right-of-use asset and a lease liability are now included on the balance sheet from 1 April 2024. Recognition exemptions have been elected to be applied to low value assets (below £5k when new) and to short-term leases ie existing leases that expire on or before 31 March 2025 and new leases with a duration of less than 12 months. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Unusual or Material Charges or Credits in the Accounts

These are items that due to their nature and/or value require separate disclosure. Details of unusual or material charges or credits in the Accounts for 2024/25 are shown in the notes to the main financial statements.

Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year the Authority becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, considering relevant risks and uncertainties.

When payments are made, they are charged to the provision carried in the Balance Sheet.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Reserves

These are amounts set aside for purposes falling outside the definition of provisions. Reserves are created by transferring amounts out of the General Fund Balance. The General Fund Balance can be used to meet both capital and revenue expenditure, and a minimum level must be maintained for risk management purposes. For the Authority this is £5m. The Authority has a number of earmarked reserves which are held for identified specific expenditure in the future as well as earmarked reserves which have been established for other purposes. These are reviewed annually and those no longer required are transferred to the General Fund Balance.

The balances on the following reserves: Capital Adjustment Account, the Financial Instruments Adjustment Account, the Revaluation Reserve, the Pension Reserve, and the Collection Fund Adjustment Account cannot be used for future expenditure.

Revenue Expenditure Funded from Capital under Statute

This represents expenditure which may properly be capitalised under statutory provisions, but which does not represent fixed assets. The expenditure is written off to revenue in the year it is incurred, and an adjustment is made on the statement of General Fund Balance for the same amount so that there is no impact on Council Tax. The Authority uses this approach for the installation of smoke and carbon monoxide alarms within premises and hydrants.

Value Added Tax

VAT is included in the accounts only to the extent that it is irrecoverable and therefore charged to service expenditure as appropriate. VAT receivable is excluded from income.

Council Tax and Business Rates Income

Billing Authorities in England are currently required by statute to maintain a separate fund for the collection and distribution of amounts due in respect of Council Tax and the Business Rates Retention Scheme. In its capacity as a billing Authority, an Authority acts as an agent - it collects and distributes Council Tax and Business rates income on behalf of itself and other major preceptors such as the Fire Authority.

Council Tax and Business rates income collected by billing authorities is credited to their Collection Fund and represents accrued income for the year. Regulations determine when this income should be released from the Collection Fund and transferred to the General Fund of the billing Authority and other major preceptors (which in turn is credited to their General Funds). The amount credited under these regulations is the Authority's precept and income from the Business Rates Retention Scheme for the year, plus the Authority's share of the surplus or deficit on the collection fund for the previous year.

The income which must be included in the Comprehensive Income and Expenditure statement is the accrued income for the year and not the actual income received in the year. Any difference between these figures is charged to the Collection Fund Adjustment Account which is held on the Balance Sheet and is included in the Movement in Reserves Statement. This ensures that the difference between the accrued income and the actual income received does not impact on the General Fund.

Since the collecting Authority is collecting income on behalf of the Fire Authority, then the Fire Authority must also share in any surplus or deficit on collection.

The Authority therefore makes provision for the following items in its Balance Sheet at the financial year end:

- Debtors for the Authority's share of Council Tax and Business rates Retention arrears at 31st March 2025.
- Provision for impairments of debtors in relation to Council Tax and Business rates retention arrears as at 31st March 2025.

- Income in advance from Council Tax and Business rate payers who have paid their bills early.
- Creditor provision where the billing authorities have over-collected Council Tax and Business rates income in year compared to the value of amounts actually paid over to the Authority.
- Creditor provision for appeals by Business rate payers who disagree with the valuation of their premises for Business rates purposes.

The relationship with each billing Authority is held within the Balance Sheet as a net debtor or creditor to the Authority.

Note 2. Accounting Standards that have been issued but not yet applied

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2024/25 Code.

The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would result in an impact on disclosures spanning two financial years.

Accounting changes that are introduced by the 2025/26 code are:

- The Effects of Changes in Foreign Exchange Rate (Amendments to IAS21)
- Insurance Contracts (IFRS 17 replaces IFRS4)
- Changes to the measurement of non-investment assets within the 2025/26 Code (Adaptions and interpretations of IAS16 Property, Plant and Equipment and IAS38 Intangible Assets).

IAS21 The Effects of Changes in Foreign Exchange Rate Risk

The amendments to IAS21 provide guidance on how the Authority should evaluate the exchangeability of a currency and determine a spot rate when exchangeability is not present. Additionally, it outlines the necessary disclosures required in such situations.

IFRS 17 Insurance Contracts

IFRS 17 sets out the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope and replaces the previous standard IFRS 4 Insurance Contracts.

IFRS 17 Insurance Contracts specifies the financial reporting for insurance contracts by an entity that issues such contracts. The standard does not cover insurance contracts held by a

policyholder. A number of transactions such as giving a financial guarantee and product or service warranties are outside the scope of IFRS 17.

As a policyholder and not the issuer of insurance contracts, the Authority is not subject to IFRS 17. The Authority is also not involved in re-insurance which would be within the scope of IFRS 17.

These changes are not expected to have a material impact on the Statement of Accounts.

IAS 16 Property, Plant and Equipment and IAS38 Intangible Assets

The modifications to the measurement of non-investment assets include establishing three valuation methods for operational property, plant, and equipment, which necessitate indexation for tangible assets. Intangible assets will be valued using the historical cost approach.

This will effectively result in a change to accounting policies, which would typically be disclosed under IAS 8. However, the adaptations to these standards provide an exemption from the requirements of IAS 8.

Note 3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for Fire Services. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.
- The Authority has an outstanding uninsured claim relating to exposure to asbestos and it is possible that further claims may arise in the future.

Note 4. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made considering historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet at 31st March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance on individual assets. The current economic climate makes it uncertain if the Authority can sustain the current level of expenditure on repairs and maintenance, which could bring into doubt the useful lives assigned to assets.	If the useful lives of assets are reduced, depreciation increases and hence the carrying amount of the asset falls. It is estimated that the annual charge for depreciation would increase by £0.332m for every year that the useful lives have to be reduced.
Provisions	The Authority shares the collection fund surplus and deficits with the 5 district councils of West Yorkshire. Due to the current economic climate the estimated collection fund balance may be more volatile.	As at the 31 st March 2025 the provision for the non-payment of council tax debtors and National Non-Domestic Rates (NNDR) is £4.795m (£3.014m 2023/24). This may rise in the current economic climate due to inability to pay Council Tax.
Pensions Liability	The estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement and mortality ages and expected return on investment funds. A firm of actuaries are appointed to provide the Authority with expert advice.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.5% increase in the discount rate assumption would result in a decrease in the pension liability of £65.000m. However, the assumptions interact in complex ways and changes to other estimates and actuarial assumptions may produce a different impact on the total liability.
Fair Value Measurements	At the 31 st March 2025 the Authority had a balance of sundry debtors for £0.665m. Due to the low levels of bad debt the Authority does not have the need for a bad debt provision, but due to the current economic climate this policy may be reviewed.	The amount of debt exceeding 3 months was £0.672m as at the 31 st March 2025. This is to be monitored and a provision would have to be funded from revenue reducing the level of general fund reserves.

Note 5. Material Items of Income and Expense

It is a requirement of the Code of Practice that details of any material items of income and expenditure that are not disclosed on the face of the Comprehensive Income and Expenditure Statement (CIES) are identified.

There were no material items of income or expense not recognised within the CIES in 2024/25.

Note 6. Events after the Balance Sheet Date

The Draft Statement of Accounts were completed and available for use as authorised by the Director of Finance and Procurement on the 30th June 2025. Where events taking place before this date provided information about conditions existing at the 31st March 2025, the figures in the financial statements and notes have been adjusted in all material aspects to reflect the impact of this information.

There were no events taking place after the 31st March 2025 that need to be disclosed.

Note 7. Expenditure and Funding Analysis

The Expenditure and Funding Analysis (EFA) is a supporting note to the CIES. The objective of the EFA is to demonstrate to the taxpayer how the funding available to West Yorkshire Fire Service (Government Grants, Council Tax Income in the form of Precepts, Business rates) for the year have been used in providing services in comparison with those resources consumed or earned by the Fire Service in accordance with Generally Accepted Accounting Practices (GAAP).

The Analysis also shows how this expenditure is allocated for decision making purposes between the Fire Authority's management structure. A more detailed breakdown of the adjustments between funding and accounting basis is shown in Note 9.

Expenditure and Funding Analysis 2024/25	Outturn reported to the Fire Authority £000	Adjustments to arrive at the amount chargeable to the General Fund £000	Net Expenditure Chargeable to the General Fund £000	Adjustments between Funding and Accounting Basis (Note 7a) £000	Net Expenditure in the Comprehensive Income and Expenditure Statement (Note 8) £000
Service Delivery	71,627	-3,812	67,815	-38,928	28,887
Service Support	20,334	-3,257	17,077	13,124	30,201
Employment Services	5,240	-115	5,125	-549	4,576
Chief Fire Officer	400	-	400	-220	180
Finance and Procurement	13,131	-3,532	9,599	-7,063	2,536
Corporate Services and Governance	1,294	23	1,317	-	1,317
Net Cost of Services	112,026	-10,693	101,333	-33,636	67,697
Other Income and Expenditure	-110,070	10,693	-99,377	43,535	-55,842
Net Deficit on the Provision of Services	1,956	-	1,956	9,899	11,855
Opening General Fund Balance (including Earmarked Reserves) as at 31 st March 2024			31,776		
Surplus on General Fund in year			-1,956		
Closing General Fund Balance (Including Earmarked Reserves) as at 31st March 2025			29,820		

Expenditure and Funding Analysis 2023/24 Restated	Outturn reported to the Fire Authority £000	Adjustments to arrive at the amount chargeable to the General Fund £000	Net Expenditure Chargeable to the General Fund £000	Adjustments between Funding and Accounting Basis (Note 7) £000	Net Expenditure in the Comprehensive Income and Expenditure Statement (Note 8) £000
Service Delivery	66,382	-1,059	65,323	-35,146	30,177
Service Support	18,635	-7,237	11,398	509	11,907
Employment Services	5,025	-365	4,660	-397	4,263
Chief Fire Officer	362	2	364	-225	139
Finance and Procurement	12,129	-3,908	8,221	-6,034	2,187
Corporate Services and Governance	1,221	-25	1,196	-5	1,191
Net Cost of Services	103,754	-12,592	91,162	-41,298	49,864
Other Income and Expenditure	-94,112	12,592	-81,520	32,410	-49,110
Net Deficit on the Provision of Services	9,642	-	9,642	-8,888	754
Opening General Fund Balance (including Earmarked Reserves) as at 31 st March 2023			41,418		
Surplus on General Fund in year			-9,642		
Closing General Fund Balance (Including Earmarked Reserves) as at 31st March 2024			31,776		

Note 7a. Note to the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to Net Expenditure chargeable to the General Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement. The relevant transfers between reserves are explained in the Movement in Reserves Statement.

Adjustments from General Fund to arrive at Comprehensive Income & Expenditure Statement amounts (2024/25)	Adjustment for Capital Purposes (1) £000	Net change for the Pensions Adjustments (2) £000	Other Differences (3) £000	Total Adjustments £000
Service Delivery	2,306	-42,106	872	-38,928
Service Support	15,746	-2,618	-4	13,124
Employment Services	16	-556	-9	-549
Chief Fire Officer	-	-223	3	-220
Finance and Procurement	-7,076	-	13	-7,063
Corporate Services and Governance	-	-	-	-
Net Cost of Services	10,992	-45,503	875	-33,636
Other Operating Expenditure – a	412	-	-	412
Finance and Investment Income and Expenditure – b	-	53,047	-61	52,986
Taxation and Non-Specific Grant Income and Expenditure – c	-10,355	-	492	-9,863
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement surplus or deficit	1,049	7,544	1,306	9,899

Adjustments from General Fund to arrive at Comprehensive Income & Expenditure Statement amounts (2023/24)	Adjustment for Capital Purposes (1) £000	Net change for the Pensions Adjustments (2) £000	Other Differences (3) £000	Total Adjustments £000
Service Delivery	3,844	-39,746	756	-35,146
Service Support	3,137	-2,649	21	509
Employment Services	16	-407	-6	-397
Chief Fire Officer	-	-223	-2	-225
Finance and Procurement	-6,020	-	-14	-6,034
Corporate Services and Governance	-	-	-5	-5
Net Cost of Services	977	-43,025	750	-41,298
Other Operating Expenditure – a	37	-	-	37
Finance and Investment Income and Expenditure – b	-	50,803	-62	50,741
Taxation and Non-Specific Grant Income and Expenditure – c	-18,376	-	8	-18,368
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement surplus or deficit	-17,362	7,778	696	-8,888

(1) Adjustments for Capital Funding and Expenditure Purposes

This column adds in depreciation and impairment and revaluation gains and losses in the services line for

(a) Other operating expenditure - adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

(b) Financing and Investment income and expenditure - the statutory charges for capital financing and other revenue contributions are deducted as these are not chargeable under generally accepted accounting practices.

(c) Adjustments are made for capital and revenue grants whose conditions have or have not been made during the year.

(2) Net change for the removal of pension contributions and the addition of pension (IAS19) related expenditure and income

(a) For services this represents the removal of the employer pension contributions made by the Authority as permitted by statute and the replacement with current service costs and past service costs.

(b) Financing and Investment income and expenditure - the net interest on the defined benefit liability is charged to the CIES.

(3) Other Differences

Other Differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute.

Note 8. Expenditure and Income Analysed by Nature

Expenditure / (Income)	2023/24 Restated	2024/25 £000
Employees	32,199	40,446
Other Service Expenses	16,141	14,762
Support Services	3,779	352
Capital Charges	5,918	19,561
Disposal of Fixed Assets	37	581
Interest Payments	52,753	54,929
Total Expenditure	110,827	130,631
Government Grants and Contributions	-6,620	-5,299
Other Non-Government Grants	-30	-12
Customer and Client Receipts	-1,523	-2,113
Fixed Assets Sales Proceeds	-	-169
Interest Receivable and Similar Income	-1,907	-1,513
Taxation and Non-Specific Grant Income	-99,993	-109,670
Total Income	-110,073	-118,776
Net Deficit on the Provision of Services	754	11,855

Note 9. Adjustments between Funding and Accounting Basis

This note details the adjustments that are made to the Comprehensive Income and Expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by Statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

The following sets out a description of the reserves that the adjustments are made against:

General Fund Balance

The General Fund is the statutory fund into which all the receipts of the Authority are required to be paid and out of which all liabilities of the Authority only are to be met except to the extent that statutory rules might provide otherwise.

These rules specify the financial year in which the liabilities and payments should impact on the General Fund balance, which is not necessary in accordance with proper practice. The General Fund balance therefore summarises the resources that the Authority is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Authority is required to recover) at the end of the financial year.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure.

Capital Grants Unapplied

The Capital Grants Unapplied (reserve) holds the grants and contributions received towards capital projects for which the authority has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by the grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

The relevant transfers between reserves are explained in the Movement in Reserves Statement.

2024/25	General Fund balance £000	Capital Receipts Reserve £000	Capital Grants Applied £000
Adjustments to Revenue Resources			
Pensions Costs (Transferred to (or from) the pension reserve)	7,544	-	-
Financial Instruments (Transferred to the accumulated financial instruments adjustments account)	-61	-	-
Council Tax & NNDR (Transfers to or from the collection fund adjustment account)	492	-	-
Holiday Pay (Transferred to the accumulated absences reserve)	-54	-	-
Reversal of Entries included in the surplus or deficit on the provision of Services in relation to the capital expenditure	19,587	-	-
Total adjustments to revenue reserve	27,508	-	-
Adjustments between capital & revenue resources			
Transfer of non-current assets sale proceeds from revenue to the capital receipts reserve	-	-	-
Statutory Provision for the repayment of debt (transfer to the capital adjustment account)	-3,587	-	-
Capital expenditure financed from Revenue balance (transfer to the capital adjustment account)	-13,850	-	-
Total adjustments between revenue & capital resources	-17,437	-	-
Adjustments to capital resources			
Use of the capital receipts reserve to finance capital expenditure	-	-169	-
Application of capital grants to finance capital expenditure	-	-	-3
Total Capital Resources	-	-169	-3
Total Adjustments 2024/25	10,071	-169	-3

2023/24	General Fund balance £000	Capital Receipts Reserve £000	Capital Grants Applied £000
Adjustments to Revenue Resources			
Pensions Costs (Transferred to (or from) the pension reserve)	7,777	-	-
Financial Instruments (Transferred to the accumulated financial instruments adjustments account)	-62	-	-
Council Tax & NNDR (Transfers to or from the collection fund adjustment account)	8	-	-
Holiday Pay (Transferred to the accumulated absences reserve)	-52	-	-
Reversal of Entries included in the surplus or deficit on the provision of Services in relation to the capital expenditure	7,840	-	-
Total adjustments to revenue reserve	15,511		
Adjustments between capital & revenue resources			
Transfer of non-current assets sale proceeds from revenue to the capital receipts reserve	-	-	-
Statutory Provision for the repayment of debt (transfer to the capital adjustment account)	-2,511	-	-
Capital expenditure financed from Revenue balance (transfer to the capital adjustment account)	-21,855	-	-
Total adjustments between revenue & capital resources	-24,366	-	-
Adjustments to capital resources			
Use of the capital receipts reserve to finance capital expenditure	-	-	-
Application of capital grants to finance capital expenditure	-	-	-33
Total Capital Resources	-	-	-33
Total Adjustments 2023/24	-8,855	-	-33

Note 10. Other Operating Expenditure

2023/24 £000		2024/25 £000
37	Net Book value of non-current assets	581
-	Sale Proceeds	-169
37	(Gains)/Losses on the disposal of non-current assets	412

Note 11. Financing and Investment Income & Expenditure

2023/24 £000		2024/25 £000
1,950	Interest Payable and similar charges	1,882
50,803	Pensions interest cost	53,047
-1,907	Interest Receivable and similar income	-1,513
50,846	TOTAL	53,416

Interest receivable and similar income represents the amount of interest earned on the Authority's revenue balances in 2024/25.

Note 12. Taxation and Non-Specific Grant Income

2023/24 Restated £000		2024/25 £000
-51,774	Council Tax Income	-53,940
-7,479	Non Domestic Rates	-8,036
-40,702	Non ring fenced Government Grants	-47,691
-38	Capital Grants and Contributions	-3
-99,993	TOTAL	-109,670

Note 13. Property, Plant and Equipment

Movements (2024/25)	Land & Buildings £000	Vehicles, Plant & Equipment £000	Assets under Construction £000	Surplus Assets £000	Total £000
Cost or Valuation					
1 April 2024	72,192	39,277	35,273	1,118	147,860
Additions	9,642	7,981	5,260	-	22,883
Accumulated Depreciation & Impairment write out to gross carrying amount	-14,325	-2,657	-	-	-16,982
Revaluation recognised in the Revaluation Reserve	3,834	-	-	-	3,834
Revaluation recognised in the Deficit on the provision of services	358	-116	-	398	640
De-recognition – Disposals	-	-4,371	-	-	-4,371
Assets reclassified (to)/from Assets Under Construction	25,437	-	-25,437	-	-
Assets reclassified (to)/from Held for Sale	-575	-5,841	-	-	-6,416
31 March 2025	96,563	34,273	15,096	1,516	147,448
Depreciation & Impairment					
1 April 2024	-221	-23,714	-	-	-23,935
Depreciation charge	-2,440	-3,447	-	-	-5,887
Accumulated Depreciation & Impairment write out to gross carrying amount	14,325	2,657	-	-	16,982
Impairment Losses/(Reversals) recognised in the Revaluation Reserve	-87	-	-	-	-87
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	-11,949	-66	-	-	-12,015
Derecognition – Disposals	-	3,789	-	-	3,789
Other movements in Depreciation and Impairment	-	5,334	-	-	5,334
31 March 2025	-372	-15,447	-	-	-15,819
Net Book Value					
31 March 2024	71,971	15,563	35,273	1,118	123,925
31 March 2025	96,191	25,012	8,910	1,516	131,629

The Control Centre System currently shared with South Yorkshire Fire & Rescue Service will be replaced entirely when the new system becomes operational at Birkenshaw Headquarters

in 25/26. As a result, a further impairment provision of £66k has been made in the 24/25 financial statements.

Impairment provisions have been made in the 24/25 financial statements for the new Headquarters, Training Centre and Spen Valley Fire Station as a result of their costs being higher than their DRC valuation as at 31st March 2025.

Asset	Cost £000	2024/25 Valuation £000	Impairment £000
WYFRS HQ Building	24,190	14,764	9,426
Technical Rescue Training Centre	3,429	2,572	857
Spen Valley Fire Station	5,121	3,456	1,665
31 March 2025	32,740	20,792	11,948

Movements (2023/24)	Land & Buildings £000	Vehicles, Plant & Equipment £000	Assets under Construction £000	Surplus Assets £000	Total £000
Cost or Valuation					
1 April 2023	74,914	34,323	10,691	1,118	121,046
Additions	1,096	5,198	25,761	-	32,055
Accumulated Depreciation & Impairment write out to gross carrying amount	-2,050	-	-	-	-2,050
Revaluation recognised in the Revaluation Reserve	117	-	-	-	117
Revaluation recognised in the Deficit on the provision of services	-1,885	-	-	-	-1,885
De-recognition – Disposals	-	-1,423	-	-	-1,423
Assets reclassified (to)/from Assets Under Construction	-	1,179	-1,179	-	-
31 March 2024	72,192	39,277	35,273	1,118	147,860
Depreciation & Impairment					
1 April 2023	-167	-22,153	-	-	-22,320
Depreciation charge	-2,104	-2,662	-	-	-4,766
Accumulated Depreciation write out to gross carrying amount	2,050	-	-	-	2,050
Derecognition – Disposals	-	1,386	-	-	1,386
Other movements in Depreciation and Impairment	-	-285	-	-	-285
31 March 2024	-221	-23,714	-	-	-23,935
Net Book Value					
31 March 2023	74,747	12,170	10,691	1,118	98,726
31 March 2024	71,971	15,563	35,273	1,118	123,925

The following useful lives have been used in the calculation of depreciation:

Land and Buildings:

- New Buildings and Refurbishments 21-50 years

Vehicles, Plant and Equipment:

- Fire Appliances 15 years
- Operational Equipment 5-13 years
- Fixtures and Fittings 10 years
- Computer Equipment 5 years

Capital Commitments

At the 31st March 2025, the Authority has several contracts for the construction or enhancement of property, plant and equipment in 2024/25 and future years budgeted to cost £4.056m. Similar commitments at 31 March 2024 were £28.318m. The major commitments as at the 31st March 2025 are:

- £0.9m for the Data Transfer Centre.
- £1.390m in relation to the new Keighley Fire Station.
- £0.518m in relation the new Fire Service Headquarters including the new Training Arena.
- £0.151m relating to the purchase of new welfare vehicles.
- £1.452m relating to the purchase of fire fighter personal protection equipment.

Note 14. Revaluations and Impairments

As stated in Note 1 Accounting Policies, section (2), assets are carried on the Balance Sheet using the following measurement bases:

- Land & Buildings are depreciated replacement cost with the exception of surplus land and assets held for sale which are valued at market value.
- Vehicles, Plant and Equipment – historical cost.
- Assets under Construction – historical cost.

From 2024/25 WYFRS readopted a 5 year rolling programme. Avison Young (an external valuation team) were commissioned on behalf of the Authority to carry out asset valuations. The valuations are in accordance with International Valuation Standards (IVS) and the requirements of the RICS Valuation – Global Standards 2020 (the Red Book). In 2024/25, all Land & Building Assets were formally inspected in March 2025 by a RICS registered Valuer within the Valuation Consultancy Department.

The total cost or valuation as at 31st March 2025 is as follows:

	Land & Buildings £000	Vehicles, Plant & Equipment £000	Assets under Construction £000	Surplus Assets £000	Total £000
Carried at historical cost	1,196	25,012	8,910	-	35,118
Calculated at Depreciated replacement cost (DRC) at: 31 March 25	94,995	-	-	-	94,995
Values at current value as at: 31 March 25	-	-	-	1,516	1,516
	96,191	25,012	8,910	1,516	131,629

Note 15. Intangible Assets

The carrying amount of Intangible assets is amortised on a straight-line basis. The amortisation of £0.057m charged to revenue in 2024/25 was charged to the ICT support cost centre and then absorbed as an overhead across all the service headings in the Net Expenditure of Services.

The movement on Intangible Asset Balances during the year are as follows:

	2023/24 Software £000	2023/24 Assets Under Construction £000	2023/24 Total £000	2024/25 Software £000	2024/25 Assets Under Construction £000	2024/25 Total £000
Balance at start of year:						
Gross carrying amounts	755	-	755	623	1,523	2,146
Accumulated Amortisation	-600	-	-600	-529	-	-529
Net carrying amount at start of year	155	-	155	94	1,523	1,617
Purchases	0	1,523	1,523	0	1,013	1,013
Amortisation for the period	-61	-	-61	-57	-	-57
Net carrying amount at the end of the year	94	1,523	1,617	37	2,536	2,573
Comprising:						
Cross Carrying Amounts	623	1,523	2,146	623	2,536	3,159
Accumulated Amortisation	-529	-	-529	-586	-	-586
	94	1,523	1,617	37	2,536	2,573

As at the 31st of March 2025 there were capital commitments in relation to intangible assets totalling £0.914m relating to the replacement Command and Control System.

Note 16. Assets Held for Sale

For assets to be included under this category they must meet the following criteria:

- The asset must be available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets.
- The sale must be highly probable; the appropriate level of management must be committed to a plan to sell the asset and an active programme to locate a buyer and complete the plan must have been initiated.
- The asset must be actively marketed for a sale provided it is reasonable in relation to its current fair value.
- The sale should be expected to qualify for recognition as a completed sale within one year of the date of classification and action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Assets held for sale are measured at the lower of the value they had when it was agreed they would be sold and the fair value less costs to sell. Depreciation on assets held for sale should cease. Where assets are not in use but do not meet the full criteria to be included under assets held for sale, they will be accommodated in the surplus assets class of property, plant and equipment.

	2023/24 £000	2024/25 £000
Balance outstanding at start of year	-	-
Assets newly classified as held for sale		
Land & Buildings	-	575
Vehicles, Plant & Equipment	-	507
Balance outstanding at year-end	-	1,082

Cleckheaton Fire Station was held for sale as at the 31st March 2025, and was sold on 23rd May 2025.

10 fire appliances were sold to Cumbria Fire and Rescue Service on the 27th May 2025 and there are 35 fire appliances currently expected to be sold at auction within the next financial year.

Note 17. Financial Instruments

To comply with IFRS9, financial assets and liabilities must be valued and presented in the notes to the Authority's financial statements on one of the following measurements basis; amortised cost or fair value through profit and loss. No financial assets were judged to need reclassification following the adoption of IFRS9 Financial Instruments by the Code of Practice on Local Authority Accounting.

Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

Financial Assets

Investments within the table below, include accrued interest of £0.069m (£0.050m at 31st March 2024) and the overdraft position on the bank account £1.499m (£0.271m at 31st March 2024).

	Non-Current Investments 31 March 2024 £000	Non-Current Investments 31 March 2025 £000	Non-Current Debtors 31 March 2024 £000	Non-Current Debtors 31 March 2025 £000	Current Investments 31 March 2024 £000	Current Investments 31 March 2025 £000	Current Debtors 31 March 2024 £000	Current Debtors 31 March 2025 £000
Fair Value through profit or loss	-	-	-	-	9,213	7,005	-	-
Amortised Cost	-	-	-	-	9,748	8,526	675	1,675
Total Financial Assets	-	-	-	-	18,961	15,531	675	1,675
Assets not defined as Financial Instruments	-	-	-	-	-	-	13,924	12,212
Total	-	-	-	-	18,961	15,531	14,599	13,887

Financial Liabilities

Borrowings within the table below include accrued interest of £0.399m (£0.414m at 31st March 2024).

	Non-Current Borrowings 31 March 2024	Non-Current Borrowings 31 March 2025	Non-Current Creditors 31 March 2024	Non-Current Creditors 31 March 2025	Current Borrowings 31 March 2024	Current Borrowings 31 March 2025	Current Creditors 31 March 2024	Current Creditors 31 March 2025
	£000	£000	£000	£000	£000	£000	£000	£000
Fair Value through profit or loss	-	-	-	-	-	-	-	-
Amortised Cost	40,937	40,187	-	-	1,414	1,149	4,769	3,132
Total Financial Liabilities	40,937	40,187	-	-	1,414	1,149	4,769	3,132
Liabilities not defined as Financial Instruments	-	-	-	-	-	-	7,506	16,490
Total	40,937	40,187	-	-	1,414	1,149	12,275	19,622

Income, Expense, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

	2023/24 Surplus or deficit on the provision of services £000	2024/25 Surplus or deficit on the provision of services £000
Financial Liabilities measured at amortised cost	62	61
Total net gains	62	61
Interest revenue: Financial Assets measured at amortised cost	-1,903	-1,509
Interest expense: Financial Liabilities measured at amortised cost	1,885	1,776
Total Interest expense	-18	267
Fee expense: Financial Liabilities that are not at fair value through	4	6
Total Fee expense	4	6
Net Gain	48	334

Fair Values of Financial Assets and Financial Liabilities

The classes of financial assets and liabilities sit within the fair value hierarchy as defined below:

- Level 1 – Fair value is only derived from quoted prices in active markets for identical assets or liabilities (e.g. bond prices).
- Level 2 – Fair value is calculated from inputs other than quoted prices that are observable for the asset or liability (e.g. interest rates or yields or similar instruments).
- Level 3 – Fair value is determined using unobservable inputs (e.g. non-market data such as cash flow forecasts or estimated creditworthiness).

Financial liabilities and financial assets represented by money market funds, are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

The Authority has no financial liabilities held at fair value through profit and loss as at 31st March 2025 (nil at 31st March 2024).

	Input level in fair value hierarchy	Valuation technique used to measure fair value	2023/24 £000	2024/25 £000
Financial Assets				
Financial Assets held at fair value through profit or loss				
Money Market Funds	Level 1	Quoted prices in active markets	9,213	7,005
Net Gain			9,213	7,005

The Fair Values of Financial Assets and Financial Liabilities that are not measured at fair value

Financial liabilities and financial assets are represented by loans, receivables, long-term debtors and creditors, are disclosed in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- No early repayment or impairment is recognised.
- Where an instrument will mature in the next 12 months, the carrying amount is assumed to be approximate to fair values. The fair values calculated are as follows:

Financial Assets

	Carrying Amount 31 March 2024 £000	Fair Value 31 March 2024 £000	Carrying Amount 31 March 2025 £000	Fair Value 31 March 2025 £000
Fixed Term investments				
Cash and Cash Equivalents	10,000	10,000	10,000	10,000
Total	10,000	10,000	10,000	10,000

Cash and cash equivalents above do not include Money Market Funds (MMFs) as these are already carried at fair value and not at amortised cost.

Financial Liabilities

	Carrying Amount 31 March 2024 £000	Fair Value 31 March 2024 £000	Carrying Amount 31 March 2025 £000	Fair Value 31 March 2025 £000
Borrowings held at amortised cost				
PWLB	39,937	36,542	38,937	32,819
LOBO	2,000	1,467	2,000	1,275
Total	41,937	38,009	40,937	34,094

Loans from the Public Works Loan Board (PWLB) have been valued by discounting the contractual cash flows over the life of the investment at the appropriate market rate for Local Authority loans.

The value of Lenders option, Borrowers option loans (LOBO) have been increased by the value of the embedded options, based on the assumption that lenders will only exercise their options when market rates have been above the contracted loan rate. The option was not exercised in May 2021 due to the lower interest rates available across the market. The next option date is May 2026.

The fair value of the borrowings is lower than the carrying amount because the Authority's portfolio of loans includes several fixed rate loans where the interest rate payable is lower than the rates available for similar loans at the Balance Sheet date. This shows a notional future gain (based on economic conditions at 31st March 2025) arising from a commitment to pay interest to lenders below current market rates. The above fair values are judged to be level 2 in the fair value hierarchy, using significant observable inputs.

Note 18. Nature and Extent of Risks arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks:

- Credit risk - the possibility that other parties might fail to pay amounts due to the Authority.
- Liquidity risk - the possibility that the Authority might not have funds available to meet its commitments to make payments; and
- Market risk - the possibility that financial loss might arise for the Authority because of changes in such measures as interest rates and stock market movements.

The Authority's overall risk management programme focuses on minimising any potential adverse effects on the resources available to fund services. The procedures are set out through a legal framework in the Local Government Act 2003 and associated regulations. These require the Authority to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code and investment guidance issued under the Act.

The Finance Manager undertakes the management of the treasury activities, under the supervision of the Head of Finance and Director of Finance and Procurement. Policies are approved by Members in the Annual Treasury Management Strategy and the Treasury Management Policy Statement and Practices.

Credit Risk

Investments and Cash

Credit risk arises from deposits with banks and other financial institutions as well as credit exposures to the Authority's customers. Deposits were not made with banks and other financial institutions unless they were rated by one of the main credit rating companies with a minimum long term credit rating of A (Fitch) and A2 (Moody's) or where a building society was with assets of more than £1 billion. The Authority has a policy of not lending more than £6 million of its surplus balances to any commercial counterparty and does not make commitments of longer than one year.

At the year end the Authority held cash deposits at banks, in Money Market Funds and other financial institutions of £16.960m (£19.182m 31st March 2024). There were no short-term deposits with banks and Local Authorities (£0.000m 31st March 2024).

The Authority has instant access to the cash deposits and the shares in the Money Market Funds. The Authority did not make any investments longer than one year in 2024/25.

The table below summarises the credit risk exposures of the Authority's investment portfolio by credit rating.

This table does not include accrued interest £0.069m (£0.050m 31st March 2024) or the bank account overdraft balances as at 31st March 2025 (£1.499m) and 31st March 2024 (£0.271m).

This accounts for the variance between the total investments of £16.960m shown in the table below (£19.182m 31st March 2024) and Cash and Cash Equivalents of £15.530m (£18.961m 31st March 2024).

The Authority has determined that there is low risk associated with the default of the interest payment due on the investments and the Authority has the capacity to meet the contractual obligations to repay its overdraft. Therefore, these financial instruments are not considered significant in terms of credit risk.

Credit Rating (Short Term)	31 March 2024 £000	31 March 2025 £000
A+ (Fixed Term Bank Deposits)	-	-
AA- (Local Authority Investments)	10,000	10,000
AAAm (Money Market Funds)	9,182	6,960
Total Investments	19,182	16,960

The Authority's maximum exposure to credit risk in relation to its investments in UK Banks or Building Societies cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk exists where the Authority may be unable to recover its short- term deposits and investments. However, there was no evidence at the 31st March 2025 that this was likely to occur.

Customers

The Authority does not allow credit for customers due to the nature of some of the services provided by the Authority, for example lift rescues and special service calls, because payment prior to the service being carried out is highly unlikely.

Credit Risk	31 March 2024 £000	31 March 2025 £000
Less than three months	125	-7
Three to six months	62	-118
Six months to one year	-201	308
More than one year	405	482
Total	391	665

(The table above does not include debts not yet due.)

Liquidity Risk

As well as keeping cash in instant access deposit accounts, the Authority has ready access to borrowings from the PWLB. Because of this, there is no significant risk that it will be unable to raise finance to meet its commitments. Instead, the risk is that the Authority will be bound to replenish its borrowings at less favourable rates or, alternatively, liquidate its investments at more favourable rates. The strategy is to ensure that the loan repayment profile is even with no more than 20% of loans due to mature in one year.

The maturity analysis of borrowing is shown below:

Liquidity Risk	31 March 2024 £000	31 March 2025 £000
Less than one year	6,185	3,882
Between one and two years	750	750
Between two and five years	2,500	2,500
Between five and ten years	2,250	2,210
Between ten and fifteen years	4,885	4,985
More than fifteen years	28,552	27,742
	45,122	42,069
Uncertain date	2,000	2,000

(The table above includes all creditors, and not just long-term borrowing)

The Authority has a £2 million “Lenders Option, Borrowers Option “(LOBO) loan from Dexia Credit Local which was taken out in 2006 for a period of 60 years. The terms of the loan states the lender has the option to increase the interest rate payable. The Authority has the option to accept the new rate or repay the loan without penalty. The option to increase the interest rate was not taken by Dexia at the last option date of May 2021.

Market Risk

	£000
Increase in interest receivable on variable rate	-181
Impact on Surplus or Deficit on the Provision of Services	-181

Interest Rate Risk

The Authority is exposed to significant risk in terms of its exposure to interest rate movements in particular on borrowings. Movements in interest rates have a complex impact on the Authority. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates - the interest expense charged to the surplus/deficit on the provision of services will rise.
- Borrowings at fixed rates - the fair value of liabilities will fall.
- Investments at variable rates - the interest income credited to the surplus/deficit on the provision of services will rise. Investments at fixed rates - the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the surplus or deficit on the provision of service or the Comprehensive Income & Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the surplus or deficit on the provision of service and affect the general fund balance.

The Authority has several strategies for managing interest rate risk. The policy is to aim to keep a maximum of 40% of its borrowings in variable rate loans. During periods of falling interest rates, and where economic circumstances makes it favourable, fixed rate loans will be repaid early to limit exposure to losses.

The Treasury Management strategy is proactive, providing for the constant assessment of interest rate exposures and deciding whether new borrowing is at fixed or variable rates. This strategy also aims to mitigate the impact of interest rate risk by setting upper limits on its net exposure to fixed and variable interest rates.

At the 31st March 2025, £38.9m of borrowing through the PWLB was at fixed rates (£39.9m as at 31st March 2024). The interest rate on the £2m LOBO agreement is also currently fixed at 3.58%. The lender can exercise the option to increase this rate in May 2026. However, it should be noted the option to increase this rate has not been exercised since the loan was taken out in 2006.

The fair value of fixed rate borrowings would decrease by around £3.519m if interest rates increased by 1% and likewise increase by the same figure if interest rates decreased by 1%.

Most investments held by the Authority for cash flow purposes were at variable rates but with the benefit of instant access. Whilst the interest rates on these deposits are variable, the sums invested are not significant to be affected by any change in interest rates.

If interest rates had been 1% higher with all other variables held constant, the financial effect would be an additional interest received of £0.181m resulting in a corresponding £0.181m decrease on Surplus or Deficit on the Provision of Services.

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Price Risk

The Authority does not invest in equity shares and consequently is not exposed to losses arising from movements in the prices of shares.

Foreign Exchange Risk

The Authority has no financial assets or liabilities denominated in foreign currencies and thus have no exposure to loss arising from movements in exchange rates.

The Authority's maximum exposure to credit risk in relation to its investments in UK Banks or Building Societies cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk exists where the Authority may be unable to recover its short- term deposits and investments. However, there was no evidence at the 31st March 2025 that this was likely to occur.

Note 19. Inventories

Inventories (stock) are materials or supplies that will be used in providing services or distributed as part of the Authority's ordinary business.

2024/25	Clothing & Uniforms £000	Operational Equipment £000	Petrol & Derv £000	Vehicle Spares £000	Total £000
Balance Outstanding as at 1 st April	185	267	65	208	725
Purchases	510	103	637	174	1,424
Recognised as an expense in the year	-400	-101	-627	-164	-1,292
Balance Outstanding as at 31 st March	295	269	75	218	857

2023/24	Clothing & Uniforms £000	Operational Equipment £000	Petrol & Derv £000	Vehicle Spares £000	Total £000
Balance Outstanding as at 1 st April	142	319	62	197	720
Purchases	1,316	215	588	225	2,344
Recognised as an expense in the year	-1,273	-267	-585	-214	-2,339
Balance Outstanding as at 31 st March	185	267	65	208	725

Note 20. Short Term Debtors

The table below shows the amount of short-term debtors as at the 31st March 2025:

	31-Mar-24 £000	31-Mar-25 £000
Trade receivables	391	666
Other receivable amounts	284	1,009
Total	675	1,675
Other Debtors:		
West Yorkshire Firefighters' Pension Fund Account	4,907	4,794
Home Office Pensions Top Up Grant	1,428	-
Government Grants	119	98
HMRC	1,681	974
Prepayments	2,198	1,480
Council Tax Debtors	5,603	8,852
Impairment allowance for doubtful debt	-2,687	-4,469
Business Rates Debtors	1,002	808
Impairment allowance for doubtful debt	-327	-325
Total	13,924	12,212
Total	14,599	13,887

The Authority does not have a bad debt provision due to the low level of debt written off in year which amounted to £0.004m in 2024/25, (£0.007m in 2023/24). The debts that are written off relate to the non-payment of debtor invoices to customers which were not viable to pursue. In 2023/24 £0.045m of historical credit notes were also written off resulting in a net bad debt write off of -£0.043m.

Note 21. Cash and Cash Equivalents

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

31-Mar-24 £000		31-Mar-25 £000
19,232	Instant Access Interest accounts and Money Market Funds	17,029
-271	Bank Current Account	-1,499
18,961	Total Cash and Cash Equivalents	15,530

Note 22. Cash Flow Statement – Operating Activities

The surplus or deficit on the provision of services has been adjusted for the following non-cash adjustments:

31 March 2024 £000		31 March 2025 £000
2,429	Interest Received	1,632
-1,984	Interest Paid	-1,859
445		-227

31 March 2024 Restated £000		31 March 2025 £000
5,051	Depreciation	18,570
1,921	Impairment and downward valuations	118
61	Amortisation	57
-1,069	Increase/(decrease) in creditors	7,146
-2,090	(Increase)/decrease in debtors	1,257
-5	(Increase)/decrease in inventories	-132
7,777	Movement in pension liability	7,544
-195	Other non-cash items charged to the net surplus or deficit on the provision of services	-153
11,451		34,407

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

31 March 2024 £000		31 March 2025 £000
-	Proceeds from short-term & long-term investment not considered to be cash equivalents	-
-	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-169
-38	Any other items for which the cash effects are investing or financing cash flows	-3
-38	Total Cash and Cash Equivalents	-172

Note 23. Cash Flow Statement – Investing Activities

31 March 2024 £000		31 March 2025 £000
-33,109	Purchase of property, plant and equipment, investment property and intangible assets	-25,598
-	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	169
15,000	Proceeds from short-term and long-term investments	-
38	Other receipts from investing activities	7
-18,071	Net cash flows from investing activities	25,422

Note 24. Cash Flow Statement – Financing Activities

31 March 2024 £000		31 March 2025 £000
-	Cash receipts of short and long term borrowing	-
-5,000	Repayments of short and long term borrowing	-1,000
69	Other payments for financing activities	611
-4,931	Net cash flows from financing activities	-389

Note 25. Short Term Creditors

The table below shows the amount of short-term creditors as at the 31st March 2025:

	31-Mar-24 £000	31-Mar-25 £000
Trade payables	34	161
Other payables	4,735	2,971
Total	4,769	3,132
Other Creditors:		
HMRC Creditor	1,464	1,448
West Yorkshire Pension Fund Creditor	500	267
Home Office Pensions Top Up Grant	-	8,246
Revenue Grants Receipts in Advance	1,144	296
Other Receipts in Advance	155	159
Accumulated Absences	752	697
Council Tax Creditors	3,233	5,054
Business Rates Creditors	258	323
Total	7,506	16,490
Short Term Creditors Total	12,275	19,622

Note 26. Provisions

All provisions are shown within the Balance Sheet under current liabilities as it is expected that a settlement date on all provisions will be within the next 12 months.

	Outstanding Legal Cases	Pensionable Pay	Other Provisions	SAP Licence Underpayment	NDR Provision for Appeals	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2024	59	6	48	29	504	646
Additional Provisions made in 2024/25	-	-	-	-	381	381
Amounts used in 2024/25	-	-1	-	-	-	-1
Unused Amounts reversed in 2024/25	-	-	-	-29	-504	-533
Balance at 31 March 2025	59	5	48	-	381	493

The purpose and operation of the provisions are described below:

Outstanding Legal Cases

A former insurer for the Authority, Municipal Mutual Insurance (MMI) is running down its business, whilst paying agreed claims in full. MMI has, however, entered a Scheme of Arrangement in cases of insolvency, which would involve a levy against claims and future payments. The Authority incurred a cost of £0.123m in 2024/25 for these claims, which was partly funded from reserves and a separate revenue budget.

The Authority also commissioned a review of its current arrangements in respect of its obligations in the payment of current and future claims resulting in no adjustment to the provision required as at 31st March 2025.

Pensionable Pay

Following the High Court Decision in the Norman v Cheshire case, the Authority has approved that some allowances payable to Firefighters are pensionable. This has resulted in an additional on-going annual employer pension cost of £0.118m, with £0.475m being owed in back pension payments. During 2024/25, there were £0.001m in employer contributions due.

SAP License underpayment

The Authority was in dispute with SAP who provided software support for our former HR system. The extent of the liability has been determined by the application of the Limitations Act, resulting in the provision being completely written off as at 31st March 2025.

Other Provisions

Following the payment of the amounts owing under the Part-Time Workers (Prevention of less Favourable Treatment) regulations in June 2012 there is an amount outstanding of £21k due to tax liabilities relating to this payment, which remain in dispute.

Following a review of the existing contract performance, additional costs have been sent by supplier Elis for laundry carried out over the past 3 years above the contracted cost, which could amount to an additional spend for the Authority of £27k.

NNDR / Business Rates Appeals

There is a provision set aside for potential future claims against Business rates due to the rateable values of premises.

Note 27. Usable Reserves

Usable Reserves can be used to fund and support the Authority's expenditure in future years. Movements in the Authority's Usable Reserves are detailed in the Movement in Reserves Statement together with Note 28.

31 March 2024 £000		31 March 2025 £000
5,700	General Fund	5,700
	Earmarked Reserves:	
40	Body Bag Decontamination	40
1,301	Business Rate Appeals	1,301
15,022	Capital Finance Reserve	12,414
84	Control Room	-
27	Council Tax Reform	27
77	Data Transparency	85
188	Enhanced Logistics	187
247	ESMCP	537
440	Insurance Claims	395
2,000	Medium-Term Funding Impact	2,000
1,069	Pay and Prices	1,069
3,461	Pensions Equalisation	3,142
641	Service Support	628
134	Pensions Admin Remedy	134
610	Industrial Action	610
5	Serious Violence Duty	5
640	Recruitment	1,456
25,986	Total Earmarked Reserves	24,030
85	Capital Receipts Reserve	85
5	Capital Grants Unapplied Account	5
31,776	Total Usable Reserves	29,820

Note 28. Transfers to/from Earmarked Reserves

	Balance at 31/03/23	Transfers out 2023/24	Transfers in 2023/24	Balance at 31/03/24	Transfers out 2024/25	Transfers in 2024/25	Balance at 31/03/25
	£000	£000	£000	£000	£000	£000	£000
General Fund	5,000	-	700	5,700	-	-	5,700
Body Bag Decontamination	40	-	-	40	-	-	40
Business Rate Appeals	1,301	-	-	1,301	-	-	1,301
Capital Finance Reserve	25,052	-16,344	6,314	15,022	-10,352	7,744	12,414
Control Room	84	-	-	84	-84	-	-
Council Tax Reform Credits	27	-	-	27	-	-	27
Data Transparency	69	-	8	77	-	8	85
Enhanced Logistics	191	-3	-	188	-1	-	187
ESMCP	258	-11	-	247	-17	307	537
Insurance Claims	393	-27	74	440	-69	24	395
Medium-Term Funding	2,000	-	-	2,000	-	-	2,000
Impact Reserve	1,569	-500	-	1,069	-	-	1,069
Pensions Equalisation	4,195	-760	26	3,461	-319	-	3,142
Service Support	50	-12	603	641	-82	69	628
Pensions Admin Remedy	142	-8	-	134	-	-	134
Industrial Action	610	-	-	610	-	-	610
Serious Violence Duty	5	-	-	5	-	-	5
Recruitment	-	-	640	640	-	816	1,456
Total Earmarked Reserves	35,986	-17,665	7,665	25,986	-10,924	8,968	24,030
Capital Receipts Reserve	85	-	-	85	-	-	85
Capital Grant Unapplied A/c	-	-	5	5	-	-	5
Total Usable Reserves	41,071	-17,665	8,370	31,776	-10,924	8,968	29,820

The purpose and operation of the reserves are described below:

Body Bag Decontamination

This is a grant from Central Government for Urban Search and Rescue equipment purchases.

Business Rate Appeals

The Authority receives grant funding from Central Government to enable the management of Business rate appeals.

Capital Finance Reserve

This reserve is used to manage future variations in the cost of financing the capital plan and is also used to finance the rebuild and major refurbishment of our assets. £8.552m was used in 2024/25 for the redevelopment of the Birkenshaw site. A budgeted transfer to reserve of £1.800m took place in 2024/25 which was then redistributed to fund other capital expenditure incurred.

Control Room

This reserve holds the grant from Central Government for the New Control System jointly purchased by West Yorkshire Fire and Rescue and South Yorkshire Fire and Rescue. The system went live in 2014 and the final settlement was paid over in 2022/23, together with a transfer to South Yorkshire Fire and Rescue for their remaining share of the funds. The balance of £0.084m has been transferred to the Capital Finance Reserve during 2024/25.

Council Tax Reform

This is a grant from Central Government that is to be used for costs relating to the changes in Council Tax which came into effect in April 2014.

Data Transparency

The Authority received additional grant funding during 2024/25 from Central Government to enable systems to be put in place for the provision of data transparency.

Enhanced Logistics

This is a Central Government grant for the purchase of specific equipment, which has been used to build a new Command Unit which became operational in March 2015. £0.001m was used in 2024/25 for new operational equipment.

Emergency Service Mobile Communications Program (ESMCP)

A new reserve was created in 2017/18 to recognise the potential risk of the ESMCP project not being funded after 2023, which is secured by Central Government to this date. The reserve was originally created by transferring £0.258m from the general fund to the new ESMCP reserve. ESMCP was suspended in 2023/24 and the remaining £0.037m grant was transferred to the reserve in 2024/25.

Due to delays in the implementation of the new Command and Control System an additional £0.253m was transferred to the reserve to cover an extension for the current system's licensing arrangements.

Industrial Action

A new reserve was created in 2022/23 to fund the cost of contingency crews which were recruited to ensure minimum service levels could be maintained in the event of strike action.

Insurance Claims

This reserve holds the income received from an insurance claim in 2013/14 and an amount put aside in 2014/15 for future resilience which will be utilised for any uninsured claims that the Authority may face in future years. In 2024/25 there was a transfer from the reserve of £0.069m to cover the cost of the Authority's MMI obligations. An additional £0.024m was transferred to the reserve to maintain the balance required on the reserve.

Medium Term Funding Impact Reserve

There is uncertainty around future grant funding due to the Fair Funding Review and the Comprehensive Spending Review from April 2026 onwards. This reserve will in the short term mitigate the impact of a funding cut being higher than that forecast. Efficiencies can take several years to realise and this reserve will enable the Authority to manage the potential funding short fall.

Pay and Prices

This reserve has been utilised to manage expenditure increases due to changes in pay awards and inflation. There has been no movement in the reserve during 2024/25.

Pensions Admin Remedy

This is a grant from Central Government for pensions administration costs that are incurred in applying the McCloud / Sargeant pension remedy.

Pensions Equalisation

This reserve enables the Authority to manage the cost of ill health retirements. Any budget underspending on ill health retirements is credited to the reserve and if in a financial year there are more ill health retirements than estimated these will be charged against this reserve providing there are sufficient balances available. £0.319m was transferred to support general fund balances in 2024/25.

Recruitment

A new reserve was created in 2023/24 to fund firefighter recruitment. An additional provision of £0.816m was transferred to this reserve during 2024/25.

Serious Violence Duty

This is a grant provided by the Police and Crime Commissioner for consultancy support to Serious Violence Duty Holders.

Service Support

Due to the changing nature of the service, the Service Support Reserve was established to fund any expenditure that may be required to improve efficiency. The reserve has been utilised in 2024/25 to support the continuing workstreams within the ICT digital and data review. £0.069m was transferred from the underspent revenue budget to support additional costs incurred in 2025/26 resulting from the move to the new headquarters building.

Note 29. Unusable Reserves

The summary of the Unusable Reserves can be found in the Balance Sheet, below is a detailed list of the Unusable Reserves of the Authority. Unusable Reserves cannot be used to fund future expenditure by the Authority.

31 March 2024 £000		31 March 2025 £000
14,195	Revaluation Reserve	17,671
60,033	Capital Adjustment Account	58,411
-316	Financial Instruments Adjustment Account	-255
-1,140,347	Pensions Reserve	-1,030,288
-402	Collection fund Adjustment Account	-894
-753	Accumulating Compensated Absences Adjustment Account	-697
-1,067,590	Total Unusable Reserves	-956,052

Revaluation Reserve

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

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

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

2023/24 £000		2024/25 £000
14,470	Balance at 1 April	14,195
-392	Difference between fair value depreciation and historical cost depreciation	-356
14,078	Amount written off to the Capital Adjustment Account	13,839
-1,517	Downward Revaluations	-9,307
1,634	Upward Revaluations	13,139
14,195	Balance at 31 March	17,671

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction, or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction, and enhancement.

The following note details the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2023/24 £000		2024/25 £000
43,082	Balance at 1 April	60,033
-5,051	Charges for depreciation and impairment of non-current assets	-18,570
-1,960	Revaluation losses on property, plant and equipment	-1,624
76	Revaluation gains on property, plant and equipment	2,178
-61	Amortisation of intangible assets	-57
-807	Revenue expenditure funded from capital under statue	-933
-37	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure	-581
-7,840	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	-19,587
392	Adjusting amounts written out of the Revaluation Reserve	356
-7,448	Net written out amount of the cost of non-current assets consumed in the year	-19,231
-	Use of the Capital Receipts Reserve to finance new capital expenditure	169
33	Capital Grants and contributions credited to the Comprehensive Income and Expenditure statement that have been applied to capital financing	3
21,855	Revenue Contributions to Capital outlay	13,850
2,511	Statutory and voluntary provision for the financing of capital investment charged against the General Fund	3,587
24,399	Capital financing applied in the year	17,609
60,033	Balance as at 31 March	58,411

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

The Authority uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred but reversed out of the General Fund Balance to the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on Council Tax. In the Authority's case, this period is the unexpired term that was outstanding on the loans when they were redeemed.

The charge to the CIES in year is highlighted by the movements in year within the below table.

2023/24 £000		2024/25 £000
-378	Balance at 1 April	-316
62	Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	61
-316	Balance at 31 March	-255

Pensions Reserve

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

2023/24 £000		2024/25 £000
-1,115,103	Balance at 1 April	-1,140,347
-17,467	Re-measurement of the net defined liability/(asset)	117,603
-62,538	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	-64,988
54,761	Employer's pensions contributions and direct payments to pensioners payable in the year	57,444
-1,140,347	Balance at 31 March	-1,030,288

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax income in the Comprehensive Income and Expenditure Statement as it falls due from Council Taxpayers and Business rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2023/24 £000		2024/25 £000
-394	Balance at 1 April	-402
-8	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rate	-492
-402	Balance at 31 March	-894

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31st March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the account.

The authority has a scheme to purchase up to 5 days leave per year.

2023/24 £000		2024/25 £000
-805	Balance at 1 April	-753
805	Settlement or cancellation of accrual made at the end of the preceding year	753
-753	Amounts accrued at the end of the current year	-697
-753	Balance at 31 March	-697

Note 30. Members' Allowances

The Authority paid the following allowances and expenses to Members of the Fire Authority during the year:

2023/24 Restated £000		2024/25 £000
156	Allowances	158
6	Expenses	5
162		163

Note 31. Officers' Remunerations

Post Holder Information	Year	Salary (including fees & allowances)	Expense Allowance	Benefits in kind (lease car benchmark)	Total Remuneration excluding Pensions Contributions	Employer pension contributions	Total Remuneration including Pensions Contributions
Chief Fire Officer/Chief Exec (John Roberts)	2023/24	£194,895	-	£8,655	£203,550	£55,829	£259,379
	2024/25	£198,561	-	£9,148	£207,709	£73,027	£280,736
Director of Service Delivery (David Walton)	2023/24	£169,568	-	£7,588	£177,156	£47,071	£224,227
	2024/25	£174,752	-	£8,021	£182,773	£65,426	£248,199
Director of Service Support (Nicholas Smith)	2023/24	£146,944	£385	£7,588	£154,917	£41,533	£196,450
	2024/25	£154,193	£350	£8,021	£162,564	£57,729	£220,293
Director of Corporate Services	2023/24	£88,166	-	£5,419	£93,585	£14,965	£108,550
	2024/25	£92,515	-	£5,728	£98,243	£16,278	£114,521
Director of Finance and Procurement	2023/24	£122,492	£5,702	-	£128,194	£20,778	£148,972
	2024/25	£128,494	£6,219	-	£134,713	£22,608	£157,321
Director of People and Culture ⁽¹⁾	2023/24	£122,492	£5,742	-	£128,234	£20,778	£149,012
	2024/25	£22,736	£1,124	-	£23,860	£3,995	£27,855
Director of People and Culture	2023/24	-	-	-	-	-	-
	2024/25	£119,882	£5,760	-	£125,642	£21,099	£146,741

Notes

- ⁽¹⁾ The Director of People and Culture retired on 1st June 2024 and the new Director of People and Culture commenced employment on 1st April 2024.

Remuneration Band	Number of Employees 2023/24	Number of Employees 2024/25
£50,000 - £54,999	100	129
£55,000 - £59,999	51	85
£60,000 - £64,999	41	47
£65,000 - £69,999	17	35
£70,000 - £74,999	5	9
£75,000 - £79,999	6	4
£80,000 - £84,999	5	2
£85,000 - £89,999	-	9
£90,000 - £94,999	1	1
£95,000 - £99,999	-	-
£100,000 - £104,999	2	-
£105,000 - £109,999	-	3
	228	324

The above numbers exclude senior officers who are included in the previous table.

Note 32. External Audit Costs

Following the Public Sector Audit Appointments tender process, Grant Thornton have been the Authority's external auditors since the 1st of April 2023.

The Authority's previous external auditors, Deloitte LLP have undertaken the Value for Money (VFM) Audit for 2022/23.

Restated 2023/24 £000		2024/25 £000
108	Fees payable to Grant Thornton regarding external audit services	114
-	Fees payable to Deloitte with regard to external audit services 22/23	7
-	Additional fees payable to Deloitte for VFM Audit 22/23	4
108		125

Note 33. Grant Income

The Authority credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2024/25.

2023/24 Restated £000		2024/25 £000
	Credited to Taxation and non-specific Grant Income	
52,111	Council Tax Income	54,389
17,737	Business Rates Top Up Grant	18,494
-447	Collection Fund and NNDR Surplus/(Deficit)	-650
7,589	Business Rates Retention (Local Share)	8,036
6,492	Business Rates Reduction (Section 31 Grant)	8,442
1,001	Services Grant	173
15,472	Revenue Support Grant	20,783
38	Capital Grants	3
99,993	Total	109,670
	Credited to Services	
4,286	Pensions Grant	3,120
168	Apprenticeship Levy	207
223	Local Resilience Forum (LRF)	294
1,294	New Dimension Programme	1,150
8	Transparency Code Set Up	8
101	Emergency Services Mobile Communications Programme (ESMCP)	39
378	Fire Protection (Building Risk Review)	310
103	Building Safety Regulator	195
35	Redmond Review	-
24	Pension Remedy Grant	-24
6,620	Total	5,299

Note 34. Related Parties

The Authority is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to limit another party's ability to bargain freely with the Authority.

Central Government

Central Government has a major influence over the general operations of the Authority. It is responsible for providing the statutory framework, within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of

the transactions that the Authority has with other parties. Grants received from Central Government are set out in Note 12 on reporting for resource allocation decisions.

Members

The Fire Authority is made up of 22 local councillors who are nominated by the five constituent Authorities of West Yorkshire, based on the size of the Authority and the political balance. The Fire Authority is responsible for making all decisions concerning the functions, powers, duties and responsibilities of the Authority.

The total amount paid to members in the form of allowances for 2024/25 is shown in Note 30.

Each of the elected members is required to declare details of all personal interests they have with the financial interests of the Authority including a nil return if there are no interests. For the financial year 2024/25 all returns were nil.

Officers

The Authority requires each member of the Management Board to sign a declaration that they and close members of their family have no interest in the financial affairs of the Authority. As at the 31st March 2025 all returns were nil.

Entities with Control or Significant Influence to the Authority

The Authority receives financial services from Kirklees Council in the form of transactional payroll support and the hosting and management of the general ledger systems. The Authority also receives other services from the Council including the advertising of staff vacancies, staff training, grounds maintenance and room hire.

The amounts paid to Kirklees Council in 2024/25 are detailed below.

2023/24 £000		2024/25 £000
265	Financial Support Services	280
7	Staff Advertising	-
5	Other Services	1
277		281

Note 35. Capital Expenditure and Financing

The total amount of capital expenditure incurred in the year is shown in the table below together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

	2023/24 £000	2024/25 £000
Opening Capital Financing Requirement	41,327	51,313
Capital Investment:		
Property, Plant and Equipment	32,055	22,883
Right of Use Assets – Additions	-	628
Right of Use Assets – IFRS16 Transition	-	1,384
Intangible Assets	1,523	1,013
Revenue Expenditure Funded from Capital under Statute	807	933
Sources of Finance:		
Capital Receipts	-	-169
Government Grants and Contributions	-33	-3
Sums set aside from revenue:		
Direct Revenue Contributions*	-21,855	-13,850
MRP/loan fund principal	-2,511	-3,587
Closing Actual Capital Financing Requirement	51,313	60,545
Explanation of Movement in Year:		
Increase in underlying need to borrow (unsupported by Government financial assistance)	9,986	9,227
Increase in Capital Financing Requirement	9,986	9,227

*The Capital Financing Reserve helped to fund £10.352m of capital expenditure in 2024/25 and transfers from the revenue underspend contributed towards funding £3.498m of direct revenue contributions.

Note 36. Leases

Authority as a lessee

The Authority leases various assets, the majority of which are operational vehicles.

IFRS 16 has been adopted from 1 April 2024 and leases are recognised as right-of-use assets and lease liabilities in accordance with the standard.

Right-of-use Assets

Right-of-use assets comprise of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term, with depreciation charged from the lease commencement date.

Additions to right-of-use assets during the year totalled £0.628m. These primarily relate to new lease arrangements for fleet vehicles used in operational delivery.

Right-of-use assets are subject to impairment review in accordance with IAS 36 and no impairment losses were recognised during the reporting period.

Movements (2024/25)	Right of Use Asset £000
Cost or Valuation	
1 April 2024	1,716
Additions	628
De-recognition – Disposals	-207
31 March 2025	2,137
Depreciation & Impairment	
1 April 2024	-332
Depreciation charge	-668
Derecognition – Disposals	207
31 March 2025	-793
Net Book Value	
31 March 2024	1,384
31 March 2025	1,344

Movements (2023/24 Comparative Data)	Right of Use Asset £000
Cost or Valuation	
01 April 2023	
Adjustment for Right of Use Asset	1,716
31 March 2024	1,716
Depreciation & Impairment	
01 April 2023	-
Adjustment for Right of Use Asset	-332
31 March 2024	-332
Net Book Value	
31 March 2023	-
31 March 2024	1,384

Future minimum lease payments

	2023/24 Restated £000	2024/25 £000
Less than one year	684	411
Later than one year but not later than five years	1,090	1,040
Later than five years	-	-
Total	1,774	1,451
Lease finance charges allocated to future years	-122	-83
Present value of minimum lease payments	1,652	1,368

Total cash outflow for finance leases in 2024/25 was £0.684m (2023/24: £0.714m).

Lease Liability

	2023/24 £000	2024/25 £000
Less than one year	-	380
Later than one year but not later than five years	-	988
Later than five years	-	-
Total	-	1,368

Amounts Recognised in the Comprehensive Income and Expenditure Statement

The Authority has elected to apply recognition exemptions to low value assets (below £5,000) and short term leases with a duration of fewer than 12 months.

The Authority assesses the likelihood of exercising extension options on leases based on operational needs. Leases that had no reasonable certainty that they would be extended after the lease term are recognised within the Comprehensive Income and Expenditure Statement.

	2023/24 £000	2024/25 £000
Depreciation of right-of-use assets	-	668
Interest expense on lease liability	-	40
Short-term lease expenses	158	204
Low value leases expenses	1	-
Recognised as an expense during the year	159	912

Note 37. Termination Benefits

Within 2024/25 two employees had their contracts terminated due to redundancy.

Details of these payments are included in the table below:

Exit package cost band (including special payments)	Number of Compulsory redundancies 2023/24	Number of Compulsory redundancies 2024/25	Number of other departures agreed 2023/24	Number of other departures agreed 2024/25	Total number of exit packages by cost band 2023/24	Total number of exit packages by cost band 2024/25	Total cost of exit packages in each band 2023/24 £	Total cost of exit packages in each band 2024/25 £
£0 - £20,000	2	-	1	-	3	-	10,916	-
£20,001 - £40,000	-	-	-	-	-	-	-	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001+	-	-	-	-	-	-	-	-
TOTAL	2	-	1	-	3	-	10,916	-

Termination benefits are comprised of redundancy costs and the cost relating to enhanced early pension contributions.

This is summarised in the table below:

	2023/24 £000	2024/25 £000
Redundancy Costs	10,916	-
Enhanced Pension Costs	-	-
TOTAL	10,916	-

Note 38. Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its Officers the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until the employees retire, the Authority has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement. The Authority participates in two types of pension scheme:

- I. The Local Government Pension Scheme (LGPS) is administered locally by West Yorkshire Pension Fund and is a funded defined benefit plan with benefits earned up to 31st March 2014 being linked to final salary, and those after 31st March 2014 are based on a Career Average Revalued Earnings scheme. The funding nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension's liabilities with investment assets.
- II. The Firefighters' Pension Schemes, administered by West Yorkshire Pension Fund - these are unfunded schemes whereby current pensions are paid from current contributions and as such there are no assets only liabilities. Both the Authority and the employee make contributions to the fund with the shortfall being funded by Central Government in the form of a pension Top-up Grant.

The following Firefighters Pension Schemes are currently administered by the Authority:

- i. Firefighters Pension Scheme 1992 (FPS) operated under the Firefighters Pension Scheme (Amendment) (No 2) (England) Order 2006.
- ii. New Firefighters Pension Scheme 2006 (NFPS) operated under the Firefighters Pension Scheme (England) Order 2006.
- iii. The Firefighters Pension Scheme 2015 as set out in the Firefighters Pension Scheme (England) Regulations 2014 (SI 2014/2848).
- iv. The Retained Modified Pension Scheme – Firefighters who are employed as an on-call firefighter during the period 1st July 2000 to 5th April 2006 are eligible to join under this scheme with different benefits. Employees can pay the historic contributions for the qualifying period.

Injury Awards - The Firefighters' Compensation Scheme 2006

This is for those employees that left employment with the Authority on ill health and is administered in the same manner as the above two schemes. Injury awards and awards payable on the death of a firefighter attributable to a qualifying injury are not part of the Firefighters' Pension Scheme because they are payable irrespective of whether an employee is a member of the scheme. New tax rules with effect from 1st April 2006 prevent injury awards from being part of the Pension Scheme Regulations and the opportunity was taken to move the injury awards into a separate Firefighters' Compensation Scheme 2006 with all injury

awards previously covered by the FPS being paid from the Authority's Income and Expenditure account, not the Pension Fund.

Transactions Relating to Retirement and Injury Benefits

The Authority recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Authority is required to make against Council Tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement during the year.

Following a review of public service pension schemes in 2011 by Lord Hutton, all public service pension schemes were reformed with effect from the 1st April 2015. The LGPS was reformed one year earlier in 2014.

The reforms included transitional protections for those members who were the closest to retirement and applied to all active members of schemes who were within 10 years of their Normal Pension Age on the 1st April 2012. This was implemented by allowing those members to retain membership of the pre-reformed schemes, whilst all other members were moved into the new and less generous arrangements. For the LGPS in England and Wales, all members who joined the new 2014 scheme after the 1st April 2014 but were members within 10 years of normal retirement age were given a "better of both" promise so their benefits earned after 1st April 2014 would at least be as valuable in terms of value when pensions could be drawn, as though they had remained in the 2008 scheme.

In December 2018 the Government lost a Court of Appeal case (the McCloud/Sargeant judgement) which found that the transitional protection arrangements put in place for both Firefighters and Judges in regard to pension schemes were age discriminatory.

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 considering the increased value because of the McCloud remedy, scheme cost control valuation outcomes will show greater costs than otherwise would have been expected.

The cost cap mechanism for the 2016 valuation of the Firefighters' Pension scheme is no longer in place and the calculation complete, with the outcome being no changes to benefits or contributions.

The Guaranteed Minimum Pension (GMP) is a portion of pensions that was accrued by individuals who were contracted out of the State Second Pension Scheme prior to 6th April 1997. The rate at which GMP was accrued and the date it is payable is different for men and women, meaning there is inequality for male and female members who have GMP. In

October 2018, the High Court ruled that equalisation for the effect of unequal GMPs is required, meaning that there is a duty to equalize benefits for men and women. No estimation of the potential impact on the Firefighters Scheme is available and GAD is of the view that the position on GMP equalisation for LGPS is very different from Fire Authorities, not least because of the impact of the different retirement ages. As a result, the impact is expected to be lower than that of the LGPS.

The results of the above have been reflected in the following tables:

Local Government Pension Scheme

Funded Benefits 2023/24 £000	Unfunded Benefits 2023/24 £000	Total 2023/24 £000	Comprehensive Income and Expenditure Statement	Funded Benefits 2024/25 £000	Unfunded Benefits 2024/25 £000	Total 2024/25 £000
-2,340	-	-2,340	Service Cost Comprising:	-2,400	-	-2,400
-26	-	-26	Current Service Cost	-11	-	-11
			Past service cost			
-9	-13	-22	Financing and Investment Income and Expenditure:	55	-12	43
			Net Interest Expense			
-2,375	-13	-2,388	Total Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement	-2,356	-12	-2,368
3,967	-	3,967	Return on plan assets (excluding the amount included in net interest)	-1,140	-	-1,140
1,378	7	1,385	Actuarial gains and losses arising on changes in demographic assumptions	629	1	630
3,152	3	3,155	Actuarial gains and losses arising on changes in financial assumptions	15,431	14	15,445
-1,635	-10	-1,645	Actuarial gains and losses due to liability experience	-698	-2	-700
-5,349	-	-5,349	Adjustment loss due to restriction of surplus	-14,202	-	-14,202
1,513	-	1,513	Total Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement	20	13	33
-862	-13	-875	TOTAL	-2,336	1	-2,335

Funded Benefits 2023/24 £000	Unfunded Benefits 2023/24 £000	Total 2023/24 £000	Movement in Reserves Statement	Funded Benefits 2024/25 £000	Unfunded Benefits 2024/25 £000	Total 2024/25 £000
-2,375	-13	-2,388	Reversal of net charges to the Surplus or Deficit for the provision of services for post-employment benefits in accordance with the code	-2,356	-12	-2,368
2,086	35	2,121	Employer's contributions payable to scheme	2,336	37	2,373
-289	22	-267	TOTAL	-20	25	5

Firefighters' Pension Scheme

1992 (FPS) 2023/24 £000	2006 (NFPS) 2023/24 £000	2015 (FPS) 2023/24 £000	Injury Awards 2023/24 £000	Total 2023/24 £000	Comprehensive Income and Expenditure Statement	1992 (FPS) 2024/25 £000	2006 (NFPS) 2024/25 £000	2015 (FPS) 2024/25 £000	Injury Awards 2024/25 £000	Total 2024/25 £000
-	-	-4,260	-180	-4,440	Service Cost Comprising:	-	-	-4,290	-190	-4,480
-	-	-4,930	-	-4,930	Current Service Cost	-	-	-5,050	-	-5,050
					Cost covered by employee contributions					
-46,040	-1,810	-2,000	-930	-50,780	Financing and Investment Income and Expenditure:	-47,560	-1,900	-2,710	-920	-53,090
					Net Interest Expense					
-46,040	-1,810	-11,190	-1,110	-60,150	Total Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement	-47,560	-1,900	-12,050	-1,110	-62,620
-	-	-	-	-	Actuarial gains and losses arising on changes in demographic assumptions	1,630	180	530	-	2,340
18,550	800	1,920	350	21,620	Actuarial gains and losses arising on changes in financial assumptions	85,670	6,530	17,270	1,360	110,830
-33,450	-670	-6,610	130	-40,600	Actuarial gains and losses due to liability experience	50	260	3,260	830	4,400
-14,900	130	-4,690	480	-18,980	Total Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement	87,350	6,970	21,060	2,190	117,570
-60,940	-1,810	-11,190	-1,110	-79,130	TOTAL	39,790	5,070	9,010	1,080	54,950

1992 (FPS)	2006 (NFPS)	2015 (FPS)	Injury Awards	Total	Movement in Reserves Statement	1992 (FPS)	2006 (NFPS)	2015 (FPS)	Injury Awards	Total
2023/24	2023/24	2023/24	2023/24	2023/24		2024/25	2024/25	2024/25	2024/25	2024/25
£000	£000	£000	£000	£000		£000	£000	£000	£000	£000
-46,040	-1,810	-11,190	-1,110	-60,150	Reversal of net charges to the Surplus or Deficit for the provision of services for post-employment benefits in accordance with the code	-47,560	-1,900	-12,050	-1,110	-62,620
-18	-1	10,804	1,589	12,374	Employer's contributions payable to scheme	-	-	14,580	1,787	16,367
49,648	27	206	-9,615	40,266	Retirement benefits payable to pensioners	49,894	68	1,077	-12,335	38,704
3,590	-1,784	-180	-9,136	-7,510	TOTAL	2,334	-1,832	3,607	-11,658	-7,549

The cumulative amount of the re-measurement of the net defined liability recognised in the Comprehensive Income and Expenditure Statement to the 31st March 2025 is a gain of £52.615m (2023/24 loss of £80.005m).

Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plans is as follows:

Local Government Pension Scheme

Funded Benefits 2023/24 £000	Unfunded Benefits 2023/24 £000	Total 2023/24 £000		Funded Benefits 2024/25 £000	Unfunded Benefits 2024/25 £000	Total 2024/25 £000
88,617	267	88,884	Present Value of the defined benefit obligation	76,676	229	76,905
-93,966	-	-93,966	Fair Value of plan assets	-96,484	-	-96,484
-5,349	267	-5,082	Sub total	-19,808	229	-19,579
5,349	-	5,349	Unrecognised asset	19,808	-	19,808
-	267	267	Net liability arising from defined benefit obligation	-	229	229

Asset Ceiling

IFRIC 14 - IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction is considered to be relevant for West Yorkshire Fire & Rescue Authority due to a net LGPS pension asset that has been reported by management's actuary in 2023/24 and 2024/25.

The cause for the LGPS asset being reported is an increase in the discount rate assumption and a decrease in the rate of pension increase (CPI) assumption. This has led to an increase in the real discount rate and improvement in the LGPS balance sheet position. It should be noted that IAS 19 requires the discount rate assumption to be based on the pension fund holding exclusively high-quality corporate bonds which is not representative of the asset-mix held by West Yorkshire Pension Fund. Therefore, the IAS 19 asset position reported may not be a true representation of the underlying funding position, which is more closely related to the level of future contributions.

The original IAS 19 calculations from the actuary indicated a net pension asset of £19.8m prior to the asset ceiling adjustment. Management's actuary has produced an IFRIC 14 asset ceiling calculation based on the assumption that the LGPS scheme regulations require a minimum level of contributions to continue to be paid over the lifetime of the scheme, referred to as a minimum funding requirement. The period over which the net asset ceiling calculation has been performed is assumed to be uncapped based on the principles that the LGPS remains open to new entrants.

Economic benefit arising from negative secondary (past service) contributions has been allowed in the calculation. Secondary contributions per the rates and adjustments schedule are -0.4% in 2024-25, thereby reducing overall contributions in that year. From 2025-26, secondary contributions are 0%. Primary contributions (future service) are assumed to be payable in perpetuity in line with minimum funding requirement principles. IFRIC 14 has considered any future economic benefits available from the improved LGPS IAS 19 accounting position and whether these support the recognition of an asset.

The computation indicates a negative asset ceiling (indicative liability) which has been capped at £nil in line with IFRIC 14 principles. The calculated position is considered appropriate on the grounds that this is the first year that a pension asset has existed and there is a degree of uncertainty as to the sustainability of this position. By adopting no asset/no liability accounting position, significant fluctuations between an asset and liability can be prevented in coming years until a greater understanding of any economic benefits available from the net pension asset can be obtained. West Yorkshire Fire & Rescue Authority will also observe developments across the local government sector in terms of appropriately accounting for the substance of the LGPS net pension asset and capture relevant experience in future LGPS pension estimates, as appropriate.

Firefighters' Pension Scheme

1992 (FPS) 2023/24 £000	2006 (NFPS) 2023/24 £000	2015 (FPS) 2023/24 £000	Injury Awards 2023/24 £000	Total 2023/24 £000		1992 (FPS) 2024/25 £000	2006 (NFPS) 2024/25 £000	2015 (FPS) 2024/25 £000	Injury Awards 2024/25 £000	Total 2024/25 £000
1,025,930	40,580	53,670	19,900	1,140,080	Present Value of the defined benefit obligation	936,270	34,320	42,020	17,450	1,030,060
-	-	-	-	-	Fair Value of plan assets	-	-	-	-	-
1,025,930	40,580	53,670	19,900	1,140,080	Net liability arising from defined benefit obligation	936,270	34,320	42,020	17,450	1,030,060

Included within the present value of the defined benefit obligation of the 2006 (NFPS) is an estimated liability for the Retained Firefighters Modified Pensions' Scheme of £5.650m (£7.150m in 2023/24).

The net liability relating to the defined Benefit Pension Schemes recognised in the Balance Sheet at 31st March 2025 is -£1,030.3m (2023/24 -£1,140.3m), which is made up of scheme liabilities totalling -£1,012.9m (2023/24 -£1,228.9m) less scheme assets £76.7m (2023/24 £88.6m).

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets

West Yorkshire Fire & Rescue Authority employs a building block approach in determining the rate of return on Fund Assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at the 31st March 2025.

Local Government Pension Scheme

Funded Benefits 2023/24 £000	Unfunded Benefits 2023/24 £000	Total 2023/24 £000		Funded Benefits 2024/25 £000	Unfunded Benefits 2024/25 £000	Total 2024/25 £000
87,216	-	87,216	Opening fair value of scheme assets	93,966	-	93,966
4,070	-	4,070	Interest income	4,492	-	4,492
			Re-measurement gain (loss):			
3,967	-	3,967	The return on plan assets, excluding the amount included in the new interest expense	-1,140	-	-1,140
2,121	36	2,157	Contributions from employers	2,336	37	2,373
788	-	788	Contributions from employees into the scheme	865	-	865
-4,196	-36	-4,232	Benefits paid	-4,035	-37	-4,072
93,966	-	93,966	Closing fair value of scheme assets	96,484	-	96,484

For more information on the scheme's assets, please visit
[Investments | West Yorkshire Pension Fund](#)

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligations)

Local Government Pension Scheme

Funded Benefits 2023/24 £000	Unfunded Benefits 2023/24 £000	Total 2023/24 £000		Funded Benefits 2024/25 £000	Unfunded Benefits 2024/25 £000	Total 2024/25 £000
-88,440	-289	-88,729	Opening balance at 1 April	-88,617	-267	-88,884
-2,340	-	-2,340	Current Service Cost	-2,400	-	-2,400
-	-	-	Transfers in	-	-	0
-4,079	-13	-4,092	Interest Cost	-4,180	-12	-4,192
-788		-788	Contributions from scheme participants	-865	-	-865
			Re-measurement gain (loss):			
1,378	7	1,385	Actuarial (gains)/losses arising from changes in demographic assumptions	629	1	630
3,152	3	3,155	Actuarial (gains)/losses arising from changes in financial assumptions	15,431	14	15,445
-1,635	-10	-1,645	Actuarial (gains)/losses on liabilities -experience	-698	-2	-700
-26	-	-26	Past Service Cost	-11	-	-11
4,161	35	4,196	Benefits paid	4,035	37	4,072
-88,617	-267	-88,884	Closing Balance at 31 March	-76,676	-229	-76,905

Firefighters' Pension Scheme

1992 (FPS) 2023/24 £000	2006 (NFPS) 2023/24 £000	2015 (FPS) 2023/24 £000	Injury Awards 2023/24 £000	Total 2023/24 £000		1992 (FPS) 2024/25 £000	2006 (NFPS) 2024/25 £000	2015 (FPS) 2024/25 £000	Injury Awards 2024/25 £000	Total 2024/25 £000
-1,014,620	-39,130	-39,270	-20,570	-1,113,590	Opening balance at 1 April	-1,025,930	-40,580	-53,670	-19,900	-1,140,080
-	-	-4,260	-180	-4,440	Current Service Cost	-	-	-4290	-190	-4,480
-	-	-300	-	-300	Transfers in	-	-	-300	-	-300
-46,040	-1,810	-2,000	-930	-50,780	Interest Cost	-47,560	-1,900	-2,710	-	-52,170
-	-	-4,930	-	-4,930	Contributions from scheme participants	-	-	-5,050	-920	-5,970
-	-	-	-	-	Re-measurement gain (loss):					
-	-	-	-	-	Actuarial (gains)/losses arising from changes in demographic assumptions	1,630	180	530	-	2,340
18,550	800	1,920	350	21,620	Actuarial (gains)/losses arising from changes in financial assumptions	85,670	6,530	17,270	1,360	110,830
-33,450	-670	-6,610	130	-40,600	Actuarial (gains)/losses on liabilities -experience	50	260	3,260	830	4,400
-	-	-	-	-	Past Service Cost	-	-	-	-	-
49,630	230	1,780	1,300	52,940	Benefits paid	49,870	1,190	2,940	1,370	55,370
-1,025,930	-40,580	-53,670	-19,900	-1,140,080	Closing Balance at 31 March	-936,270	-34,320	-42,020	-17,450	-1,030,060

The significant assumptions used by the actuary are as follows:

Key Financial Assumptions

Local Government Pension Scheme 2023/24	Firefighters' Pension Schemes 2023/24		Local Government Pension Scheme 2024/25	Firefighters' Pension Schemes 2024/25
2.60%	2.60%	Rate of inflation CPI	2.50%	2.70%
3.85%	3.85%	Rate of increase in salaries	3.75%	3.45%
2.60%	2.60%	Rate of increase in pensions	2.50%	2.70%
4.80%	4.75%	Rate for discounting scheme liabilities	5.80%	5.65%
2.60%	3.85%	Pension accounts revaluation rate	2.50%	3.45%

Key Demographic Assumptions

Local Government Pension Scheme 2023/24	Firefighters' Pension Schemes 2023/24	Mortality Assumptions	Local Government Pension Scheme 2024/25	Firefighters' Pension Schemes 2024/25
21.0	21.3	Longevity at 65 for current pensioners:	20.9	21.3
24.2	21.3	Men	24.1	21.3
		Women		
22.3	22.9	Longevity at 65 for future pensioners:	21.8	22.7
25.2	22.9	Men	24.8	22.7
		Women		

Commutation Assumptions

Local Government Pension Scheme 2023/24	Firefighters' Pension Schemes 2023/24		Local Government Pension Scheme 2024/25	Firefighters' Pension Schemes 2024/25
75%	20% - 25%	Take up option to convert annual pension into retirement lump sum	75%	20% - 25%

Asset Allocations

Local Government Pension Scheme 2023/24	Long term expected rate of return on assets	Local Government Pension Scheme 2024/25
79.0%	Equities	79.6%
2.9%	Property	2.8%
8.6%	Government Bonds	8.3%
4.2%	Corporate Bonds	3.9%
4.0%	Cash	2.9%
1.3%	Other	2.5%

The LGPS pension asset sub-group where estimation uncertainty is likely to be material has been identified as Private Equity Investments. The table below shows the impact on the Authority's share of investments held.

2024/25	Assessed Valuation Range (+/-)	31-Mar-25 £000	Value on Increase £000	Value on Decrease £000
Assets valued at Level 3				
Private Equity Investments				

This table will be updated following the publication of West Yorkshire Pension Fund Accounts.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Local Government Pension Scheme

Local Government Pension Scheme	Increase in assumption	Decrease in assumption
Impact on the Defined Benefit obligation in the scheme	£000	£000
Longevity (increase or decrease in 1 year)	1,687	-1,687
Rate of general increase in salaries (increase or decrease by 0.1%)	153	-153
Rate of increase in pensions (increase or decrease by 0.1%)	1,073	-1,073
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	-1,227	1,227

Firefighters' Pension Scheme 1992

Firefighters' Pension Scheme 1992	Increase in assumption	Decrease in assumption
Impact on the Defined Benefit obligation in the scheme	£000	£000
Longevity (increase or decrease in 1 year)	23,000	-23,000
Rate of general increase in salaries (increase or decrease by 0.5%)	4,000	-4,000
Rate of increase in pensions (increase or decrease by 0.5%)	57,000	-57,000
Rate for discounting scheme liabilities (increase or decrease by 0.5%)	-56,000	56,000

Firefighters' Pension Scheme 2006

Firefighters' Pension Scheme 2006	Increase in assumption	Decrease in assumption
Impact on the Defined Benefit obligation in the scheme	£000	£000
Longevity (increase or decrease in 1 year)	1,000	-1,000
Rate of general increase in salaries (increase or decrease by 0.5%)	2,000	-2,000
Rate of increase in pensions (increase or decrease by 0.5%)	3,000	-3,000
Rate for discounting scheme liabilities (increase or decrease by 0.5%)	-4,000	4,000

Firefighters' Pension Scheme 2015

Firefighters' Pension Scheme 2015	Increase in assumption	Decrease in assumption
Impact on the Defined Benefit obligation in the scheme	£000	£000
Longevity (increase or decrease in 1 year)	1,000	-1,000
Rate of general increase in salaries (increase or decrease by 0.5%)	2,000	-2,000
Rate of increase in pensions (increase or decrease by 0.5%)	3,000	-3,000
Rate for discounting scheme liabilities (increase or decrease by 0.5%)	-5,000	5,000

Asset and Liability Matching (ALM) Strategy

West Yorkshire Pension Fund who manages the pension fund on our behalf do not currently have any formal asset liability matching strategies such as annuities or longevity swaps to manage risks. West Yorkshire Pension Fund reviews the mix of assets held after each triennial valuation, to ensure there is an appropriate balance between the expected return from those assets and the risk that outcomes will not meet expectations.

Impact on the Authority's Cash Flows:

The objectives of the scheme are to keep employers' contributions at a constant rate as far as possible. The Authority has agreed a strategy with the pension fund to achieve a funding level of 100% over the longer term. The management of the pension cash flows is set out in West Yorkshire Pension Fund's Funding Strategy Statement which identifies how employers pension liabilities are best met going forward, supports the regulatory requirement to maintain stable employer contribution rates and makes a prudent long-term view of funding those liabilities. Within 2025/26 the Authority expects to make contributions of £18.594m across all schemes.

Local Government Pension Scheme

The Local Government Pension Scheme will need to take account of the national changes to the scheme under the Public Pensions Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31st March 2014 (or service after 31st March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

Firefighters' Pension Scheme 1992, 2006 & 2015

The Authority receives a top up grant from Central Government which reimburses the cost of the 2015 Firefighters' pension scheme. This grant is received in July which is based on 80% of the estimated pensions deficit for 2024/25 plus the remainder of the 2023/24 grant. The amount received in July 2024 was £43.3 million which the Authority uses to manage its pension cash flows during the year.

Note 39. Contingent Liabilities

On 31st March 2025, the Authority has the following contingent liabilities where it is not possible to quantify the financial implications for the Authority:

- 1) Two employment tribunal cases were brought against the Government in relation to possible discrimination in the implementation of transitional protection following the introduction of the reformed 2015 public service pension schemes from 1st April 2015. Transitional protection enabled some members to remain in their pre-2015 schemes after 1st April 2015 until retirement or the end of a pre-determined tapered protection period. The claimants challenged the transitional protection arrangements on the grounds of direct age discrimination, equal pay and indirect gender and race discrimination.

The first case (McCloud) relating to the Judicial Pension Scheme was ruled in favour of the claimants, while the second case (Sargeant) in relation to the Fire scheme was ruled against the claimants. Both rulings were appealed and as the two cases were closely linked, the Court of Appeal decided to combine the two cases. In December 2018, the Court of Appeal ruled that the transitional protection offered to some members as part of the reforms amounts to unlawful discrimination. On 27th June 2019 the Supreme Court denied the Government's request for an appeal in the case.

On 16th July 2020, the Government published a consultation on the proposed remedy to be applied to Firefighters' Pension Schemes and LGPS benefits in response to the McCloud and Sargeant cases. The consultation closed on 8th October 2020 and HMT published their response to their consultation on 4th February 2021, confirming their approach to remedying age discrimination, in line with their proposals. The liability calculations have been updated to be in line with the agreed final remedy.

Firefighters' Pension Schemes

The final remedy will apply to those members that were in active service on or prior to 31st March 2012 and on or after 1st April 2015. At retirement, these members will be given a choice in which scheme they wish to accrue benefits over the remedy period, 1st April 2015 to 31st March 2022. To make that choice all members will be automatically defaulted to the legacy scheme during the remedy period and the reformed scheme benefits kept as an underpin. From 1st April 2022, everyone is assumed to accrue benefits in the CARE scheme.

Given the uncertainty in how members' benefits will accrue over the remedy period, with elements such as future salary increases, preferences for early/late retirement over more pension, then there are many assumptions that must be made in order to determine which scheme the member will choose to accrue benefits in at retirement.

It is assumed that members would choose the scheme that had the highest present value of the benefits that would accrue over the remedy period under each member's legacy scheme and the CARE scheme. Where retirement dates are different it is assumed that early retirement factors to the CARE benefits to bring in line with the assumed retirement age of the legacy scheme would occur. Where the member's legacy scheme retirement age is lower than 55 it is assumed that the member would remain in their legacy scheme. The effect of this adjustment to the McCloud allowance is a very slight reduction to the overall liability.

LGPS

The Scheme Advisory Board, with consent of the Ministry of Housing, Communities and Local Government (MHCLG), commissioned GAD to report on the possible impact of the McCloud/Sargeant judgement on LGPS liabilities and in particular, those liabilities to be included in local authorities' accounts as at 31st March 2019. This followed an April 2019 CIPFA briefing note which said that local authorities should consider the materiality of the impact. This analysis was to be carried out on a "worst-case" basis, (i.e. what potential remedy would incur the highest increase in costs/liabilities). The results of this analysis are set out in GAD's report dated 10th June 2019.

Although GAD were asked to carry out their analysis on a "worst-case" basis, there are several other potential outcomes to the case which would potentially inflict less cost to the Employer. For example, the solution proposed by the Government would only apply the underpin to all members who were active on 31st March 2012. This would have less impact than GAD's scenario (which also includes any new joiners from 1st April 2012).

- 2) Public liability claims relating to the period when the Authority's public liability insurers were Independent Insurers, which has gone out of business. The Authority is not aware of any such claims, but it has no insurance against them.
- 3) The ruling in the *Ville de Nivelles V Rudy Matzak* case in February 2018 may have financial implications in the methodology in which we make payments for our On-Call Duty System. The European Court Judge ruled that limitations imposed on Matzak by having to respond to the fire station within 8 minutes, limits his 'personal and social interests' and that his on call must be considered working time.

Following the Supreme Court decision in the landmark case of *Tomlinson-Blake v Royal Mencap* on the minimum entitlement to minimum wage for sleep-in-shifts, the risk posed by the Matzak ruling is somewhat reduced. The Supreme Court made a clear distinction between "actual work" and "availability for work", this ruling determined that the time that the care worker (Tomlinson-Blake) was asleep whilst at

work could not be counted as working time in line with the National Minimum Wage Regulations 2015, regulation 32.

An On-Call Firefighter in West Yorkshire must be available to respond to an emergency call within a specified time. However, working arrangements are similar to care support workers as there will be times when they are not undertaking “actual work” whilst they are providing on call duties.

The judgement is currently being assessed by the Fire Legal Network with a view to seeking leading council opinion. Until the outcome of the opinion is reached the financial consequences cannot be quantified.

4) Mid and West-Wales Pension Dispute

At the end of March 2019, the High Court ruled on Firefighters’ pensionable pay in the case against Mid and West Wales Fire and Rescue Authority. The main issue in this case surrounds payments for duty systems and additional responsibilities which have previously been interpreted as ‘temporary’ because the Fire & Rescue Authority could change the duty system. Because the regulations themselves do not provide a definition of ‘temporary’, the application of the pensionable pay regulations has long been an issue for the Firefighters’ Pension Scheme with confusion over the correct interpretation of ‘temporary’ in regulations.

The Authority are now awaiting guidance from the Local Government Association (LGA) in order to understand how the rules should be implemented and to review if there is any historic impact on Firefighters’ pensions in West Yorkshire.

5) O'Brien v Ministry of Justice

On 7th November 2018, the Court of Justice of the European Union (CJEU) ruled in favour of Mr O’Brien in a case concerning discrimination against part-time judges in the calculation of pensions. The ruling concluded that service prior 7th April 2000 (the deadline for the Part Time Workers Directive (PTWD) being transposed into UK law) must be considered under the PTWD for the purpose of calculating a retirement pension. The decision in this case is also applicable to on-call firefighters. This will provide the opportunity for staff who were employed at any time between 7th April 2000 and 30th June 2000 (this period was not included in the first exercise carried out in 2014/15), plus any on-call firefighters who were employed between 1st July 2000 and 5th April 2006, to access a pension. This will be done through a second options exercise that will now take place. The regulations to implement the second options exercise in England will be drafted by the Home Office and consulted on before they are laid before Parliament. The timings for the second options exercise are currently unknown although the Home Office has a maximum period of 18 months to draft, consult, and introduce the necessary secondary legislation.

Note 40. Contingent Assets

Sale of Fire Appliances

The Authority replaced its entire fleet of 58 fire appliances during 2024/25. The surplus fire appliances were sold initially by closed bids from other Fire and Rescue Services and the remaining will be sold at public auction.

Sale of Service Delivery Centre

Once the new control system is operational, control employees based at the Service Delivery Centre (SDC) will move to the new FSHQ at Birkenshaw, this will leave SDC unoccupied. No decision has been made on the disposal of SDC, but it is expected that it will be put up for sale during 2025/26. This will generate a capital receipt but the quantity and timing of this receipt is unknown.

West Yorkshire Fire and Rescue Authority

Pension Fund

The Authority administers and pays Firefighters' pensions and is required to manage a Firefighters' Pension Fund Account. The fund is an unfunded pension scheme and consequently has no investment assets. It provides for the payment of defined retirement benefits to members, or their dependents, from Firefighters' and employer contributions. The fund is topped up and balances to nil as necessary by government grant if contributions are insufficient to meet the cost of retirement benefits.

The Firefighters' Pension Fund has the legal status of a pension fund which was established under the Firefighters' Pension Scheme (Amendment) (England) Order 2006.

The table below shows the overall sum of the Top Up Grant to be funded from Central Government.

2023/24 £000	Contributions Receivable	2024/25 £000
	From employer	
-10,786	Normal	-14,580
-260	Ill Health	-399
-30	Pensions Abatement	-21
-4,940	From Members	-5,090
-16,016		-20,090
	Transfers in	
-296	Individual transfers in from other schemes	-309
	Benefits Payable	
45,087	Pensions	49,381
6,558	Lump Sums	4,603
	Payments to and on account leavers	
-	Individual transfers out to other schemes	-
35,333	Net amount payable for the year	33,585
-35,333	Top Up Grant payable by the Government	-33,585
-		-

The table below presents the net asset statement as at 31st March 2025.

2023/24 £000	Net current assets and Liabilities	2024/25 £000
	Current Assets	
1,428	Top up grant receivable from Government	-
513	Recoverable overpayments of pension	213
	Cash	8,033
	Current Liabilities	
-1	Pensionable Pay Creditor to Home Office	-
-	Top up Grant payable to Government	-8,246
-1,940	Cash (Overdrawn)	-
-		-

Overview of the Pension Fund

The Pension Fund Statements have been compiled in accordance with the Code, as detailed in the accounting policies. The above statements do not take account of the liabilities for future retirement benefits, which are recognised in the main accounts of the Authority in Note 39 on Defined Benefit Pension Schemes.

The Firefighters' Pension Account has the legal status of a pension fund which was established under the Firefighters' Pension Scheme (Amendment) (England) Order 2006.

WYFRA Pension Account

There are three Pension Schemes currently administered by the Authority:

1. Firefighters' Pension Scheme 1992 (FPS) operated under the Firefighters' Pension Scheme (Amendment) (No 2) (England) Order 2006
2. New Firefighters' Pension Scheme 2006 (NFPS) operated under the Firefighters' Pension Scheme (England) Order 2006
3. The Firefighters' Pension Scheme 2015 as set out in the Firefighters' Pension Scheme (England) regulations 2014 (SI 2014/2848)

In addition to the three schemes above the Authority also operates a Retained Firefighters' Modified Pension Scheme. This scheme was established in response to the settlement between the National Joint Council (NJC) for Local Authority Fire and Rescue Services and the Fire Brigades Union (FBU) in relation to the Part Time (Prevention of Less Favourable Treatment Regulations) 2000, reached in March 2011.

The Government during 2014/15 introduced the terms of the Retained Firefighters' Pension Settlement that offers pension entitlement for all employees who were employed as On-Call Firefighters between 1st July and 5th April 2006 inclusive. The pension benefits are incorporated within the Pension Scheme 2006 (NFPS). It does not constitute a new scheme, rather a modified section of the NFPS with different benefits.

The pension schemes are unfunded meaning that there are no investment assets built up to meet the pension liabilities and cash must be generated to meet actual payments as they fall due. Entrants to the service since 1st April 2015 are eligible to join the 2015 scheme, a new career average scheme with a normal retirement age of 60. Existing members were either transferred to the 2015 scheme on the 1st April 2015 or will transition to the 2015 scheme at a later date. This is referred to as tapered protection. In the case of Firefighters who were within 10 years of retirement on 1st April 2012, they will remain in either the 1992 (FPS) or the 2006 (NFPS), both of which are final salary schemes.

Pensionable Pay

Following the ruling under the Norman V Cheshire case, the Authority has agreed that some allowances payable to employees who meet pre-determined criteria are pensionable. The Authority has back-dated pension contributions owing for 6 years. This has resulted in a total liability of £0.475m. The Pension Top-up grant received from the Government will be reduced by £0.001m (shown in note 27 – Provisions) of contributions recovered in the year.

West Yorkshire Pension Fund (WYPF) administers and pays Firefighters' pensions on behalf of the Authority under the arrangement of a Service Level Agreement. The account is an unfunded pension scheme and has no investment assets to support its liabilities. It provides for the payment of defined retirement benefits to members, or their dependants, from firefighter and employer contributions during the year and the deficit is topped up annually by Central Government in the form of a grant. This means that the Pension Fund Account balances to nil.

The impact of an increase in annual pension payments arising from McCloud / Sargeant is determined through The Firefighters' Pension Scheme (England) Order 2006. These require a Fire Authority to maintain a pension fund into which employee and employer contributions are paid and out of which pension payments to retirees are made. If the pension fund does not have enough funds to meet the cost of pensions in year, the amount required to meet the deficit is then paid by the Secretary of State to the Fire Authority in the form of a Central Government Top-up grant.

Employees' and employers' contribution levels are based on percentages of pensionable pay set nationally by Central Government and are subject to revaluation by the GAD. These are detailed in the table below:

	2024/25 2015 Scheme
Employer	36.70%
Employee	11% - 14.5%

West Yorkshire Fire membership of the Pension Fund as at 31st March 2025 is as follows:

Category of Member	1992 (FPS)	2006 (NFPS)	2015 Scheme
Contributors	-	-	1,032
Deferred Pensioners	97	180	247
Pensioners	2,387	97	88

WYFRA Pension Fund Accounting Policies

The Pension Fund Accounts for the year ended 31st March 2025 are presented in the format as laid down in the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 issued by the Chartered Institute of Public Finance and Accountancy. The accounting policies adopted in the production of the Pension Fund Account follow those that are used to prepare the Authority's primary statements.

Accruals

The Accounts have been prepared on an accruals basis.

Benefits and Refunds

Benefits and Refunds are accounted for in the year in which they become due for payment.

Transfer Values

Transfer values are those sums paid to, or received from, other schemes, and the Firefighters' Pension scheme outside England, for individuals, and relate to periods of previous pensionable employment. Transfer values received and transfer values paid are accounted for on a receipts and payments basis.

Current Assets

Debtors are raised for known contributions due at the 31st March 2025.

Current Liabilities

Creditors are raised for employer and employee contributions received into the Fund up to the 31st March 2025 and the Top-up grant due from Central Government.

Long Term Pension Obligations

Details of the Authority's long-term pension obligations in respect of the Firefighters' Pension Scheme are in note 39 in the Statement of Accounts.

Glossary of Terms

Accruals

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Amortisation

Written off over a suitable period of time, usually in line with the useful life of an asset.

Asset

An item owned by the Authority, which has a monetary value. Assets can be current or non-current.

- Current Assets – are consumed or will cease to have value within the next financial year.
- Non-Current Asset – provide benefits to the organisation for a period of more than one year.

Audit

An independent examination of the Authority's activities, either internally or externally by our appointed auditor Deloitte LLP.

Budget

A statement defining in financial terms the Authority's plans over a specified period. The budget is prepared as part of the process of setting the precept.

Capital Expenditure

Expenditure on the acquisition of a fixed asset or expenditure which adds to and not merely maintains the value of an existing fixed asset.

Capital Adjustment Account

This account provides a balancing mechanism between the different rates at which assets are depreciated and financed.

Capital Financing Costs

Each service is charged with an annual capital charge to reflect the cost of fixed assets used in the provision of services.

Capital Financing Requirement

This measures the underlying need to borrow to finance capital expenditure.

Capital Receipts

These are the proceeds from the sale of capital assets and are treated in accordance with statutory provisions.

Community Risk Management Plan (CRMP)

This is a strategy for managing risk within West Yorkshire. It leads to formulation of a strategic framework for managing community risk. The CRMP is underpinned by a suite of detailed risk indicators and demographic information which reflects key risks for both the community and Firefighters.

Commutation

This is where a member of the pension scheme gives up part of their pension in exchange for an immediate lump sum payment.

Consistency

The concept is that the accounting treatment of like items within an accounting period and from one period to the next is the same.

Contingent Liability

A possible obligation which exists at the Balance Sheet date, whose existence will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events. Where a material loss can be estimated with reasonable accuracy a liability is accrued in the financial statements. If, however, a loss cannot be accurately estimated, or its occurrence is not considered sufficiently probable to accrue it, the obligation is disclosed in a note to the Balance Sheet. Examples of contingent liabilities include legal claims pending settlement.

Corporate Governance

This is concerned with the Authority's accountability for the stewardship of resources, risk management and relationship with the community. It encompasses policies on fraud, whistle blowing and corruption.

Creditors

Amounts owed by the Authority for work done, goods received, or services rendered but for which payment has not been made at the balance sheet date.

Current Service (Pensions) Cost

The current service cost is an estimate of the true economic cost of employing people in a financial year, earning years of service that will eventually entitle them to a pension when they retire. It measures the full liability estimated to have been generated in the year (at today's prices) and is thus unaffected by any fund established to meet liabilities in surplus or deficit.

Debtors

Amounts of money are due to the Authority but are unpaid at the balance sheet date.

Depreciated Replacement Cost

A method of valuation based on the gross cost of replacing the asset/building less an allowance for depreciation.

Default

The failure to fulfil the obligation to repay a financial instrument with corrective action required to prevent potential future credit losses.

Deferred Liabilities

These represent the outstanding obligations on finance leases.

Deferred Premiums and Discounts

These are payment penalties (premiums), or gains (discounts) incurred on certain loans that have been repaid prematurely. The premium or discount is equal to the present value of the difference between the remaining payments, which would have been made on the repaid loan, and the amount that could be received if the sum prematurely repaid was re-advanced at the current rate on a new loan for a period equal to the unexpired term of the original loan.

Defined Benefit Pension Scheme

Retirement benefits are determined independently of the investments of the scheme and employers have obligations to make contributions where assets are insufficient to meet employee benefits. Accounted for by recognising liabilities as benefits are earned (i.e. employees work qualifying years of service) and matching them with the organisation's attributable share of the scheme's investments.

Depreciation

The wearing out, consumption, or other reduction in the useful economic life of a fixed asset, whether arising from use, effluxion of time or obsolescence through technological or other changes.

De-recognition

The removal of financial assets that have previously been recognised in the balance sheet. A financial asset is de-recognised when the contractual rights to the cash flows from the financial asset have been expired or transferred.

Donated Asset

A donated asset is an asset that is transferred to/from the organisation for no monetary exchange.

Earmarked Reserve

An amount set aside for a specific purpose to be expended in future years.

Events After the Balance Sheet Date

Events after the Balance Sheet date are those events, favourable and unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue (i.e. Authorised by the Authority's Chief Finance and Procurement Officer).

Expected Rate of Return on Assets (Pensions)

The expected return is a measure of the return on the investment assets held by the scheme for the year. It is not intended to reflect the actual realised return by the scheme, but a longer-term measure, based on the value of assets at the start of the year (taking into account movement in assets during the year) and an expected return factor.

Fair Value

This is the amount that an asset could be bought or sold for between parties; the current fair value of an asset can be evidence that the assets have been valued fairly.

Financial Instruments

This is any contract that gives rise to a financial asset of one entity and a financial liability or equity of another. The term covers both financial assets (e.g. loans receivable) and financial liabilities (e.g. borrowings).

Fixed Assets

Tangible assets that yield benefits to the Authority and the services it provides for a period of more than one year.

Funded Pension Scheme

A Funded Pension Scheme is one in which the future liabilities for pension benefits are provided for by the accumulation of assets held externally to the employer's business. The

Authority's employees, with the exception of Firefighters, are covered by such a scheme, which is managed on its behalf by West Yorkshire Pension Fund.

Government Grants

Grants made by Central Government towards either revenue or capital expenditure to support the cost of the provision of the Authority's services. These grants may be given specifically towards the cost of a particular defined service or to support the general revenue expenditure of the Authority (known as Revenue Support Grant).

Impairment

This is a specific reduction on an Authority's Balance Sheet that adjusts the value of the Authority's assets. This would normally be to reflect the fall in economic prices or a reduction in the economic benefit of an asset.

Intangible Assets

These are non-financial fixed assets that do not have a physical substance but are identifiable and utilised by the Authority through legal or custody rights.

International Financial Reporting Standards

These are the accounting standards that have been adopted from 2010/11 onwards.

Interest Cost (Pensions)

For a defined benefit scheme, the expected increase during the period in the present value of scheme liabilities because the benefits are one period closer to settlement.

Inventories

The amount of unused or unconsumed stocks held in expectation of future use.

Leasing

A method of financing capital expenditure which allows the Authority to use, but not own an asset. A third party (the lessor) purchases the asset on behalf of the Authority (the lessee) which then pays the lessor a rental over the life of the asset.

A finance lease substantially transfers the risks and rewards of ownership of a fixed asset to the lessee. An operating lease is any lease other than a finance lease.

Liability

A liability is where an Authority owes payment to an individual or organisation. There are two types:

- Current Liability – an amount which will become payable or could be called within the next accounting period.
- Deferred Liability – an amount which, by arrangement is payable beyond the next year at some point in the future, or to be paid off by an annual sum over a period of time.

Market Value

The monetary value of an asset determined by current market conditions.

Materiality

The concept that the Statement of Accounts should include all amounts which, if omitted or misstated, could be expected to lead to distortion of the financial statements to a reader of the statements.

Minimum Revenue Provision (MRP)

Represents the statutory minimum amount that must be charged to revenue in each financial year to repay external borrowings.

Modern Equivalent Asset (MEA)

An asset which provides similar function and equivalent utility to the asset being valued, but which is of a current design and constructed or made using current materials and techniques.

National non-domestic rates (NNDR)

Business rates are the commonly used name of non-domestic rates, a tax on the occupation of non-domestic property.

Net Book Value

This is the gross cost of an asset adjusted for depreciation.

Net Current Replacement Cost

The cost of replacing or recreating an asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

Net Realisable Value

The open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses of realising the asset.

Non-Distributed Costs

These are overheads from which no service now benefits. Costs that may be included are certain pension costs and expenditure on certain unused assets.

Non-Operational Assets

Fixed assets held by the Authority but not directly occupied, used, or consumed in the delivery of services. Examples of non-operational assets are assets that are surplus to requirements, pending sale or redevelopment.

Operational Assets

Fixed assets held and occupied, used, or consumed by the Authority in the direct delivery of services for which it has either a statutory or discretionary responsibility.

Past Service (Pensions) Costs

Past service costs are a non-periodic cost, arising from decisions taken in the current year, but whose financial effect is derived from years of service earned in earlier years.

Discretionary benefits, particularly added years, awarded on early retirement are treated as past service costs.

Pensions Account Revaluation Rate

In a career average revalued earnings scheme each member builds up a pension based on their pensionable pay for that year. The pensions earned each year are added to the member's pension's account which is then adjusted for the cost-of-living CPI inflation. The pensions account revaluation rate assumptions are set to be equal to the CPI inflation assumption and is used to estimate the future value of the pension account.

Precept

This is a charge levied by a Local Authority which is collected on its behalf by another Authority. It does this by adding the precept to its own Council Tax and paying over the appropriate cash collected.

Provision

An amount set aside to provide for a liability, which is likely to be incurred, but the exact amount and the date on which it will arise is uncertain.

Prudence

The concept that revenue is not anticipated but is recognised only when it is realised in the form of cash or of other assets, the ultimate cash realisation of which can be assessed with reasonable certainty.

Public Works Loan Board (PWLB)

This is a Central Government Agency which provides loans for one year and above to Authorities at interest rates only slightly higher than those at which the Government itself can borrow.

Related Parties

Two or more parties are related parties when at any time during a financial period:

- one party has direct or indirect control of the other party: or
- the parties are subject to common control from the same source; or
- one party has influence over the financial and operational policies of the other party to an extent that the other party might be always inhibited from pursuing its own separate interests: or
- The parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Reserves

A reserve is an amount set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years.

Revaluation Reserve

This reserve recognises revaluation gains recognised since April 2007.

Revenue Expenditure

This is money spent on the day to day running costs of providing services. It is usually of a recurring nature and produces no permanent asset.

Service Reporting Code of Practice (SeRCOP)

SeRCOP is reviewed annually to ensure that it develops in line with the needs of modern Local Government, Transparency, Best Value and public services reform. This is increasingly important as Transparency initiatives are expected to become more sophisticated and to evolve constantly.

Settlements and Curtailments (Pensions)

Settlements and curtailments are non-periodic costs. They are events that change the pension liabilities but are not normally covered by actuarial assumptions, for example a reduction in employees through a transfer or termination of an operation.

Tax Income Guarantee (TIG)

Due to COVID19 the Authority's precept income has reduced due to deficits on council tax and business rates income. The TIG compensates for this by way of a Central Government grant which is allocated on the basis of 75% of those irrecoverable losses on both council tax and business rates income.

Unfunded Pension Scheme

An unfunded pension scheme is one in which liabilities for pension benefits are charged to the employer's revenue account in the year in which they arise and are not financed from investments held. The Authority operates such a scheme for its Firefighters.

Useful Life

This is the period over which the Authority will derive benefits from the use of a fixed asset.