

# **2025/26 Annual Statement of Accounts (DRAFT)**



## **West Yorkshire Fire & Rescue Service**

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

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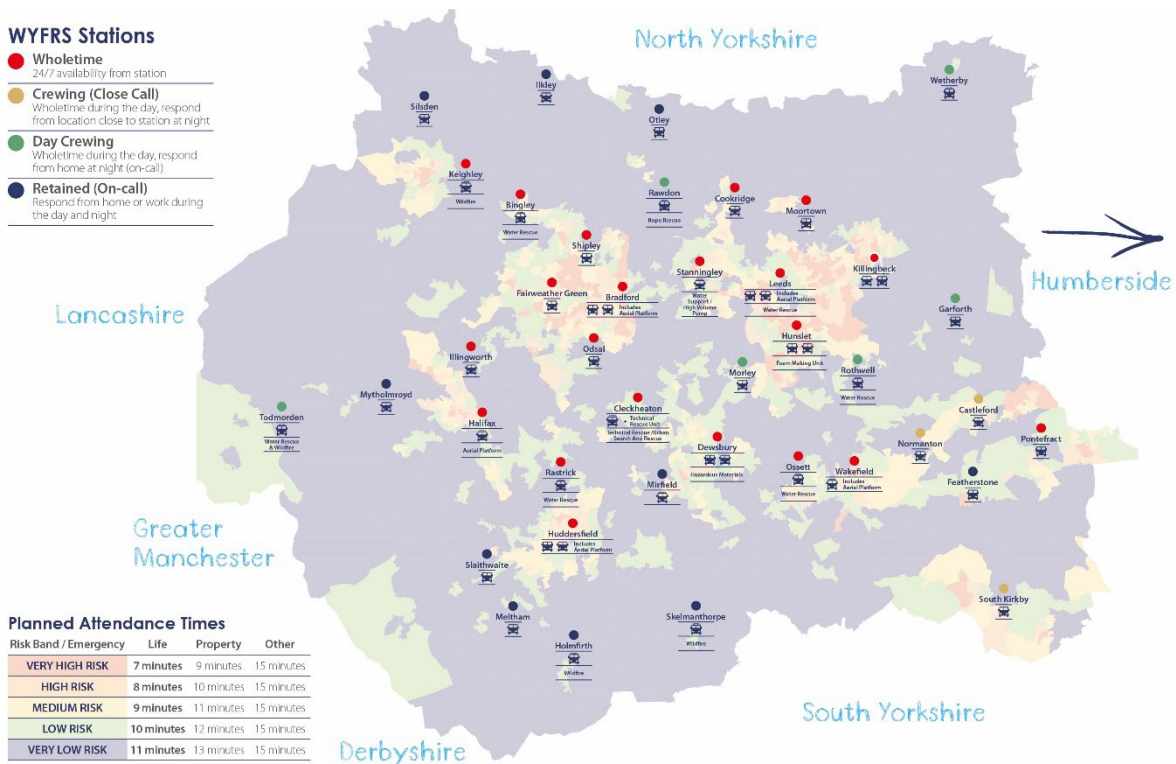
# Narrative Report

## Purpose

The purpose of this statement is to present a picture of the performance of West Yorkshire Fire and Rescue Authority for 2025/26. 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.



The Authority employed 950 wholetime firefighters, 141 on-call firefighters, 45 control staff and 344 support staff on the 31<sup>st</sup> of March 2026.

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 third lowest precept at Band D of all stand-alone fire and rescue authorities in England and is proud of its record as a high performing service.

The fire services activities are governed by 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.

Your Fire and Rescue 2025-28 has been developed using the National Fire Chiefs Council (NFCC) Community Risk Management Plan (CRMP) Fire Standard Methodology.

By adopting this methodology, we ensure that our CRMP:

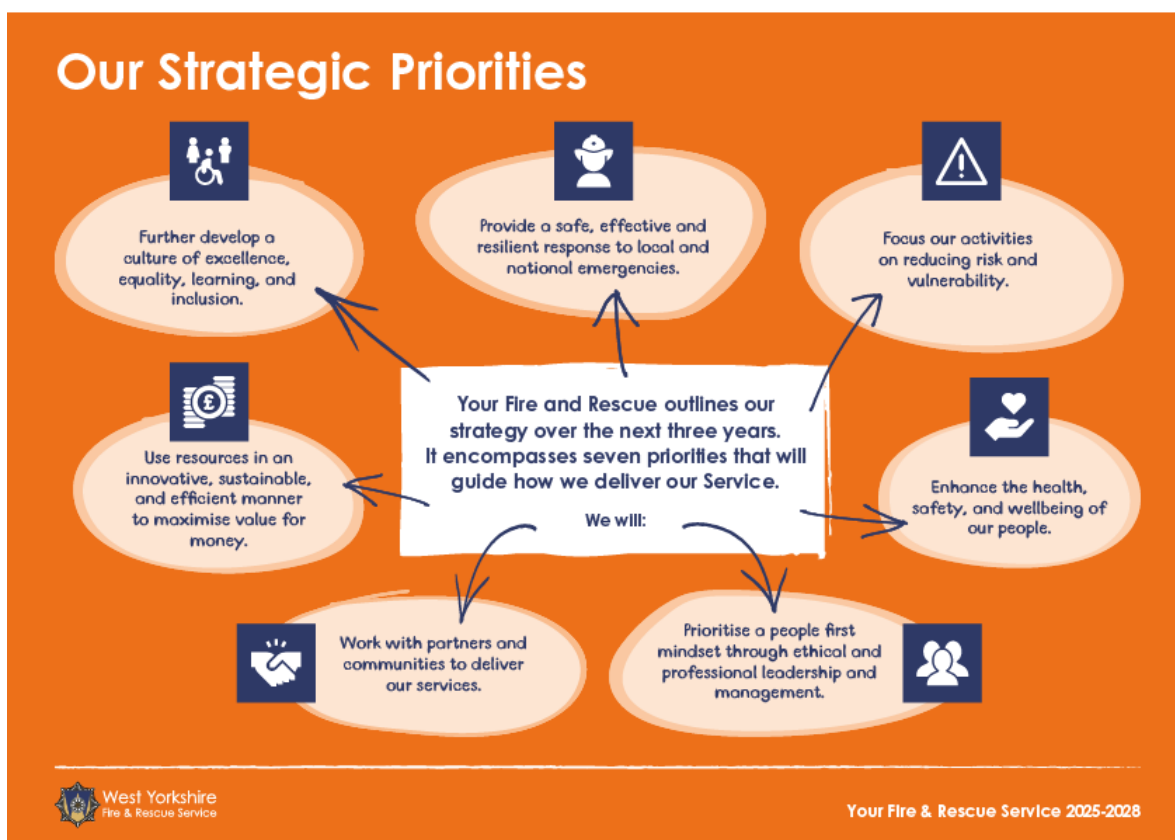
- Demonstrates how protection, prevention and response activities have and will be used collectively to prevent and/or mitigate fires and other incidents to reduce the impact on our community, firefighters and promotes economic well-being.
- Effectively consults and engages with our communities, FRS staff and stakeholders at appropriate stages of our community risk management planning process.
- Uses a robust risk analysis process to support evidenced, transparent and inclusive decision making regarding resource deployment.
- Ensures resource deployment decisions are balanced against an assessment of internal and external resource availability and other key organisational influences that inform the overall strategic planning process.

Your Fire and Rescue 2025-28 include:

- A compilation of foreseeable fire and rescue-related hazards.
- The deployment of resources for prevention, protection, and response measures.
- Our Service's priorities, outlining how resources will be allocated to mitigate these risks.

The ambition of West Yorkshire Fire & Rescue Service (WYFRS) is 'Making West Yorkshire Safer'. To achieve this, we must identify and understand the current and future risks and challenges faced by our local communities.

Your Fire and Rescue 2025-28 sets out our strategic priorities for the next three years which are:



Our Strategic Risk Assessment examines all potential and foreseeable risks allowing us to use planning, policies and decision making to mitigate them. WYFRA ensures that the Service has appropriate governance arrangements in place and that risk and performance are being effectively managed.

## 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.

## **Behaviours Framework**

From an initial idea contained within the focus groups arising from the Culture Survey a Behaviours Framework has been developed. Using best practice alongside extensive focus groups and workshops to ensure we integrate employee voice throughout our framework will ensure we not only do things right and do the right things but that everyone understands 'how' they should behave and treat one another – our behaviours. Our values will be retired as we absorb them within our behaviours and expectations. A pilot for our new framework is underway and once all the suggestions and insights are gathered a final version will be validated and launched. Our Behaviours Framework furthers our work to embed the Core Code of Ethics and makes clear to everyone, through our objective descriptors behaviours we expect as a minimum and what we mean by role model behaviours.

## **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 were 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. We used this data to develop our 12 Month People Plan, which was delivered in the year ending March 2026 and is a forerunner to our new 2026-2028 People and Culture Strategy.

We continue to support and develop our managers and leaders across the organisation. Work continues to extend our range of manager focused workshops designed to ensure our leaders and managers support our transition to the desired culture alongside ongoing work to embed leadership and management learning throughout our promotions process (Crew Managers and above), balancing key operational competencies with the knowledge and skills required to be a great WYFRS Manager.

The new Employee Engagement Survey was launched in May. This asks our workforce to share with us how they are feeling, what's important to them and also to enable them to share insights and ideas for how we can improve further. In May we will also carry out a further Barrett's Values culture assessment to track the progress since our 2024 survey and to consider new insights.

## People & Culture Strategy

The WYFRS P&C Strategy (2025-2028) recently launched, with a series of commitments already underway within the first year of the strategy and all actions and workstreams are aligned with the Community Risk Management Plan. The Strategy sets out five overarching priorities:

- People and Resourcing
- High-performing Inclusive Culture
- Health, Safety, Wellbeing and Resilience
- Skills, Ambitious and Professional People
- Digital Transformation or People-Related Activity

The strategy outlines short and long term people focused commitments to ensure WYFRS continues our journey to outstanding and puts our people at the heart of all we do. Over each year of the strategy a series of regular updates will be shared with our workforce.

## Performance and Activity

In 2025/26, the service responded to 25,990 incidents, an increase of 7.23% when compared to 2024/25, the following table details the type of incidents attended:

Incident Type	2024/25	2025/26	% Variance
Deliberate Fires	5,331	6,400	20.05
Actual Rescues	1,181	1,202	1.78
Dwelling Fires	971	980	0.93
Non-Domestic Building Fires	381	371	-2.62
Prevalence of False Alarms	10,474	10,218	-2.44
Fire Related Injuries	173	164	-5.20
Road Traffic Collisions	598	599	0.17
Malicious Fire Alarms	264	227	-14.02
Other incidents not formally reported	4,865	5,829	19.82
<b>Total incidents</b>	<b>24,238</b>	<b>25,990</b>	<b>7.23%</b>

2025 was the hottest and sunniest year on record. This contributed to a period of exceptionally high demand with 2,502 more incidents attended in the first six months of year when compared to the same period in 2024/25. The predominant incident type responsible for the increase was outdoor fires involving refuse and grassland.

In 2025/26 West Yorkshire Fire and Rescue Service have spent an additional 4,741 hours at incidents compared to the previous year. This does impact on the time available for

prevention and protection activities, however, changes have been made to make more time available for training, prevention and protection activities.

WYFRS undertakes a Safe and Well programme to improve the safety and wellbeing of people in their homes. In this reporting period, the service has delivered 10,741 safe and well visits. This is a reduction compared to the previous year; however, 902 people refused a safe and well check and 2,744 cases were cancelled by the homeowner prior to the visit being undertaken.

We have seen a reduction in the number of Site-Specific Risk Inspections (SSRIs) undertaken by service delivery teams, other premises-based work delivered such as the development and audit of Tactical Information Plans (TIPs) for our more complex buildings such as hospitals, larger chemical sites and high-rise buildings continues to be undertaken.

During 2025/26, service delivery teams undertook the following:

Visit Type	2024/25	2025/26	% Variance
Safe & Well Visits	12,632	10,741	-14.9%
Site Specific Risk Inspections	3022*	2627	-13.1%
<b>Total Visits</b>	<b>15,654</b>	<b>13,368</b>	<b>-14.6%</b>

\*This figure was incorrectly reported as 2,532 due to a database fault.

In 2025/26 we continued to see an increase in fires related to Lithium-Ion batteries. Campaigns concentrating on usage and purchasing of safe lithium-ion products have been undertaken to engage members of our community who are most at risk from this type of incident. The safe use, storage and charging of batteries is discussed during Safe and Well visits and the Fire Investigation Team reported 23 Lithium-Ion related products to the Office for Product Safety and Standards.

Aligned to other risks faced across West Yorkshire, the service has delivered:

- 415 bonfire safety talks
- 441 school talks
- 211 water safety events
- 77 road safety events
- 550 community engagement events

November is traditionally a month where we see high demand primarily due to Halloween and bonfire period. In 2025/26 a significant multiagency campaign spearheaded by the Protection and Prevention Teams led to a 18.2% reduction in demand for our services in November when compared to the previous year. Learning from this campaign will inform our future risk reduction activities.

We continue to see threats of arson directed 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. In 2025/26 we have responded to 71 requests for an urgent safe & well where it is thought a person is at immediate threat of arson.

In the year 2024/25 a new policy for responding to commercial false alarms was approved by the Fire authority. This continues to show positive results with Commercial false alarm mobilisations dropping from 3,559 in 2023/24 to 1819 in 2025/26. This is a 48.9% reduction in this incident type.

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

Our Fire Protection Team continues to deliver its statutory responsibilities through the implementation of Risk Based Intervention Programme (RBIP), ensuring available resources are targeted towards those premises that present the highest risk to communities across West Yorkshire. With approximately 83,000 buildings within the county falling under fire safety legislation, the RBIP applies an evidence-led methodology to prioritise inspection activity towards higher-risk premises and those where regulatory intervention is most likely to improve compliance and public safety.

Specialist fire safety inspectors carry out audits and inspections, working constructively with building owners and Responsible Persons to ensure premises are safe for occupants, employees, and the wider public. In addition to enforcement and inspection activity, the team supports compliance by responding to all relevant Building Regulations consultations, providing specialist fire safety advice, and contributing to initiatives aimed at reducing the impact of unwanted fire signals and persistent false alarms. As a metropolitan fire and rescue service, West Yorkshire Fire & Rescue Service also retains statutory responsibilities for the certification of petrol filling stations and the licensing of fireworks and explosives storage.

The introduction of the Building Safety Act 2022 and the establishment of the Building Safety Regulator (BSR) has led to a significant expansion in Fire Protection duties. Working collaboratively with Fire and Rescue Services across the Yorkshire and Humber region, we have contributed to the development and operation of a regional BSR team. This team supports the BSR in its role as the lead regulator for new and existing higher-risk residential buildings, engaging in multi-disciplinary teams to review building control applications, fire strategies, and safety cases for high rise buildings.

Work undertaken in support of the BSR is delivered on a charge-back basis, however, in the early stages of the regime there has been insufficient activity to achieve full cost recovery. To address this, central government funding has been made available to Fire and Rescue Services to bridge the shortfall, covering staff costs, training, and accreditation.

During 2025/26, the Fire Protection workforce has continued to grow in response to increasing regulatory demand. We have made significant progress in strengthening capacity and resilience within the team by recruiting new staff through the development of apprenticeship pathways, supported by the apprenticeship levy. This approach has enabled the team to recruit and develop new fire safety professionals while managing training costs and securing longer-term sustainability of the workforce.

Alongside local delivery, the Fire Protection Team continues to play an active role at a national and regional level. Officers work closely with the National Fire Chiefs Council (NFCC) to support the development of national policy and guidance relating to fire safety

regulation, enforcement, and building design. The Service also maintains strong working relationships with central government departments through involvement in remediation activity, supporting efforts to improve the safety of existing residential buildings. This work has expanded through closer collaboration with the West Yorkshire Combined Authority under the direction of the West Yorkshire Mayor, with the potential to unlock future funding opportunities to further support remediation and building safety activity across the region.

## **Key Achievements in 2025/26**

There continues to be global financial economic turmoil with the ongoing war in Ukraine and more recently the war in Iran which has placed pressure on the cost of goods and services, specifically fuel.

The UK is continuing to face difficult economic times with high inflation, higher interest rates than that compared to pre covid 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**

In Spring 2025 all support services relocated back into the newly developed FSHQ site. 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.

The rebuild of Keighley Fire Station commenced in January 2023 and was completed in January 2026. 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 November 2025 following a three year project, the Authority's replacement command and control system became operational. The system is the UK's first fully cloud-based digital mobilising system, delivering a streamlined process, robust and resilient platform for confident, professional call handling and dispatch. The new system reduces unplanned downtime, lessens reliance on external services for resilience, and is fully Emergency Service Network compliant.

In addition, the Authority successfully delivered other several key capital schemes in 2025/26:

- Completion of the facilities upgrade at Rawdon Fire Station and Bradford Fire Station dormitories and showers.
- Upgrade of outdated and inefficient boilers on fire stations.
- Replacement of appliance bay doors
- Replacement of personal computers (PC's)
- Completion of the transfer of the Data Centre from the Service Delivery Centre at Bramley to Ossett fire station following the relocation of Control Operations to FSHQ.
- Completion of the roll out of firefighter structural PPE to all operational staff
- Purchase of body worn cameras for operational staff.

Following the replacement of the entire fleet of fire appliances in 2024/25, the Authority took the opportunity to donate six of the old appliances to Ukraine in June 2025. This was part of a larger convey of appliances and equipment that was coordinated by the NFCC, Fire Aid and the Fire Industry Association.

During 2025/26, there were 23 whole-time firefighter retirements and 41 wholetime recruits which resulted in a whole-time strength of 950 on the 1<sup>st</sup> of April 2026. In addition, the Authority recruited 15 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 work within the communities of West Yorkshire to target under-represented groups to apply for our firefighter recruitment vacancies. In 2025/26 we have recruited 5 female firefighters and 9 were ethnically diverse, although this is positive, there is still more Positive Action work to do in 2026/27.

### **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 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 contained 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 in the progress of implementation, progress against which was monitored and reported to the Fire Authority quarterly.

In preparation for the fourth inspection which commenced in May 2026, a series of internal "Journey to Outstanding" activities have been undertaken. The Journey to Outstanding workstream provides a structured evidence based approach to driving continuous improvement across West Yorkshire Fire and Rescue in preparation for and beyond the HMICFRS inspection.

The results of fourth inspection will be published in late Autumn 2026.

## 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 Authority's 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.

## Organisational Strategy

The Authority' delivers its strategic priorities through a structured Programme of change, comprising a series of programmes and projects designed to improve efficiency, effectiveness and organisational capability while maintaining public safety and service delivery. This underpins our ambition to Make West Yorkshire Safer and supports continuous improvement across operational, enabling and corporate functions.

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.

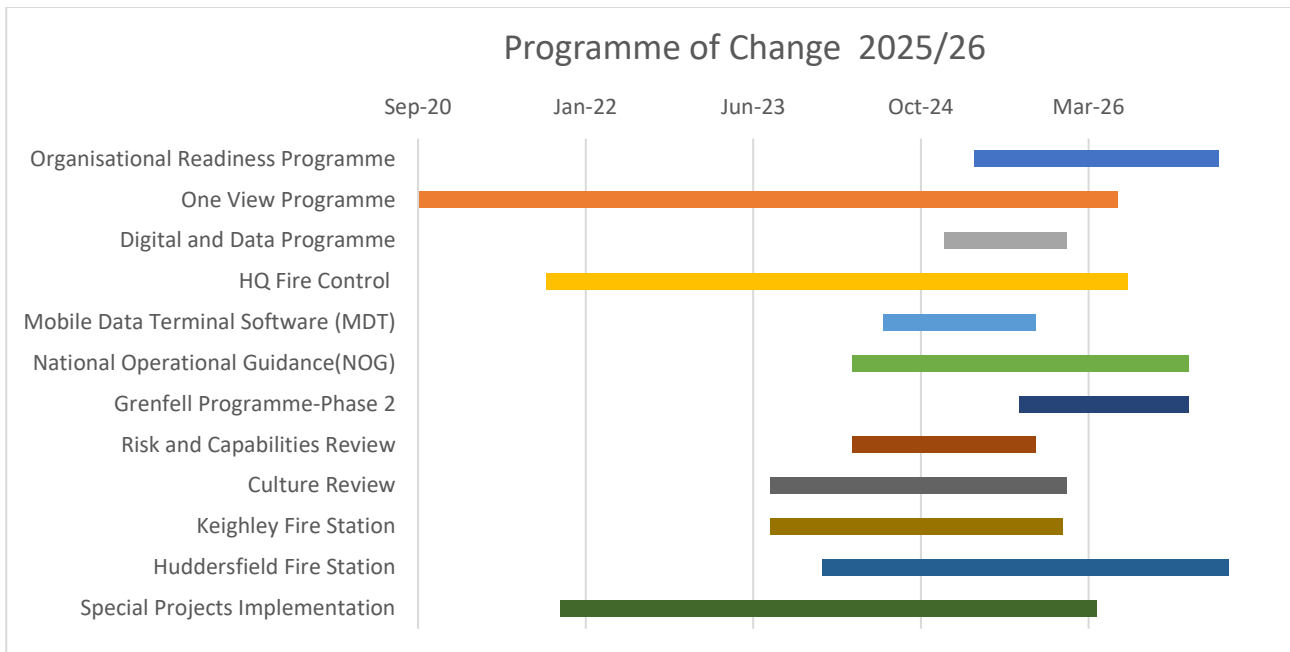
Projects within the Programme of Change are delivered in line with WYFRS Project and Change Management Framework which embeds benefits management to ensure that investment in change activity is focused on delivering value, not just outputs. Intended benefits are identified through the business case and reviewed as projects progress into evaluation or transition into business as usual.

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 2025/26. For those projects that span a number of financial years, these are included within the Medium-Term Financial Plan.

Lower-level change activity continues to be managed within departments and districts as part of business as usual and is not included within the Programme of Change.

The Programme of Change for 2025/26 comprises a range of ongoing and newly approved projects designed to deliver the Authority's strategic priorities. The programme includes projects continuing from previous financial years, a new strategic programme and a small number of projects transitioning into evaluation or business as usual.

The high-level timeframe of the Programme of Change for 2025/26 is summarised in the chart below:



## Ongoing projects carrying into 2025/26

**OneView Programme** – Aiming to enhance transparency and decision-making, this programme focuses on improving access to and utilisation of performance and management information. By streamlining reporting processes and integrating data sources, OneView supports managers in monitoring progress, identifying areas for improvement, and ensuring that vital information is readily available for operational and strategic planning.

**Digital and Data Programme** – This programme is dedicated to transforming the organisation’s technological landscape by modernising systems and strengthening digital capability. Leveraging Power Platforms and innovative data solutions, it aims to streamline workflows, promote data-driven decision-making, and enhance operational efficiency across all departments.

**HQ Fire Control (Mobilising and ICCS)** – Focused on replacing the mobilising and incident command systems, this project ensures greater resilience and operational effectiveness. Upgrading these critical systems will improve emergency response coordination, streamline communications, and provide enhanced support for frontline staff during incidents.

**Mobile Data Terminal (MDT) Software** – This initiative involves the replacement of the MDT solution, aligning it with the new control system and supporting operational crew on the ground. The updated software will provide crews with reliable access to vital information, improving situational awareness and enabling more efficient incident management.

**National Operational Guidance (NOG)** – This project aims to improve access to operational policy, guidance, and training materials for staff. By consolidating resources and making them easier to locate and understand, the NOG initiative helps ensure that personnel can operate in line with best practice and maintain high standards of safety and compliance.

**Grenfell Programme – Phase 2** – Building upon the outcomes of Phase 1 of the Grenfell Inquiry, this phase addresses outstanding national and organisational requirements. The

programme focuses on implementing recommendations, improving safety standards, and embedding lessons learned to enhance future preparedness and response.

**Risk and Capabilities Review** – This review ensures that specialist resources and organisational capabilities remain closely aligned to evolving risks. By regularly assessing and adapting approaches, the Authority can maintain effective responses to emerging threats and better safeguard the community.

**Culture Review** – This project is focused on embedding improvements in organisational culture, aligning practices with sector and inspectorate expectations. Efforts include promoting positive values, enhancing staff engagement, and fostering a supportive working environment that encourages continuous improvement and innovation.

**Keighley Fire Station** – The delivery of a new, fit-for-purpose fire station at Keighley will replace the existing outdated facility. The project aims to provide modern accommodation, improved training spaces, and enhanced operational support for firefighters, ultimately strengthening service provision in the area.

**Huddersfield Fire Station** – This major estates' project is focused on upgrading operational accommodation and facilities at Huddersfield Fire Station. It will ensure that staff benefit from a safe, efficient, and modern working environment, supporting both day-to-day operations and emergency responses.

**Special Projects Implementation** – This initiative focuses on deploying research outcomes to improve the fleet, appliances, and station designs. By implementing evidence-based changes, the Authority seeks to optimise operational effectiveness, enhance safety, and future-proof its infrastructure.

## **New projects for 2025/26**

A new Organisational Readiness Programme has been approved by Full Authority and added to the Programme of Change for 2025/26. The programme provides a strategic framework for a range of interrelated projects focused on strengthening service readiness, including risk, governance, operational assurance, policy and guidance, leadership, learning and organisational standards. The program brings together related change activity to ensure a coordinated and consistent approach to organisational readiness.

## **Projects transitioning to Evaluation/Business as Usual**

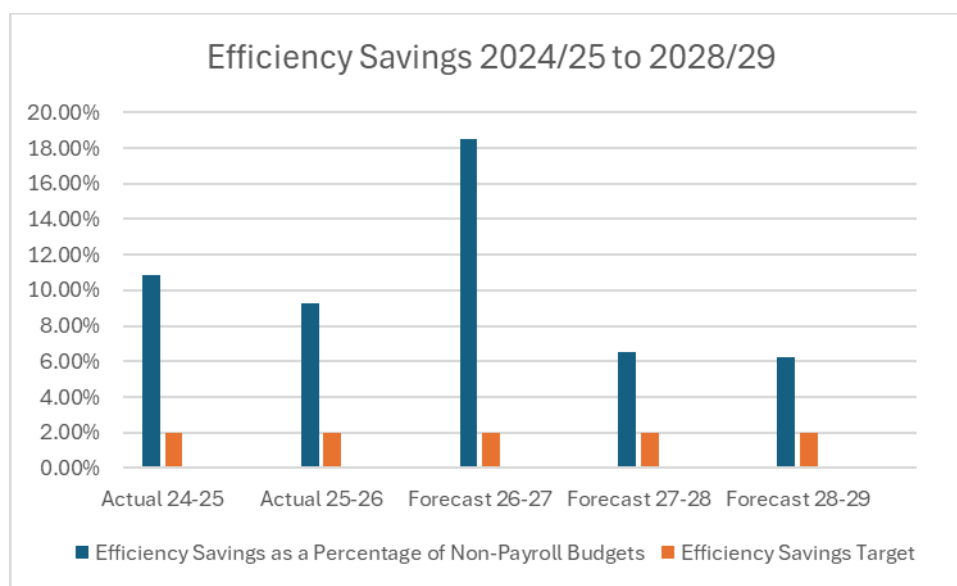
During 2025/26 several projects within the Programme of Change are transitioning out of delivery. The FSHQ Redevelopment Programme and Grenfell Programme Phase 1 have moved into evaluation, with a focus on capturing learning and realising intended benefits. The Microsoft 365 project has transitioned into business as usual.

# Efficiency and Productivity Plan 2025/26

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](http://www.westyorkshirefire.gov.uk).

The graph below shows the efficiencies realised in 2024/25 and 2025/26 and planned for the next three years to 2028/29 compared against the 2% efficiencies target against non-pay related budgets. The Authority has comfortably exceeded the target with the average savings amounting to 10.27%.



The Authority continuously looks to seek 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 15 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 2025/26 had 40 fire stations, 46 fire engines and employed 950 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 2025/26 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 increases to fire funding to the Treasury.

This business case report, named the Fire Spending Proposal, was updated in September 2024 to reflect the current budgetary pressures affecting Fire and Rescue Authorities and was submitted to the Treasury to support additional and sustained funding for the fire sector. In return the fire sector will continue to deliver the efficiency and productivity commitments made in the last spending review.

The business case highlighted the cost pressures that are currently being faced across the sector:

- Increases in costs associated with fire reform such as new national fire standards, NJC reform and the College of Fire and Rescue.
- Potential that the new costing regime for the Building Safety Regulator is not cost neutral and could incur additional costs for the Authority if all work is not chargeable.
- Costs associated with achieving environmental targets such as net zero and costs incurred which are due to extreme weather conditions from flooding and wildfires.
- Costs associated with recommendations that fall out of the Grenfell Tower Phase 2 report which was published in September 2024.
- The fire standard on driver training and section 19 of the Road Safety Act has created additional driver training requirements which requires additional resources.

The business case requested the following to be considered in the Local Government Finance Settlement for 2025/26:

- Precept flexibility of £5 on a band D property, the current increase without holding a referendum is 2.99%. A £5 precept will provide the Authority with an additional

£2.4m of council tax funding from that included in the 2025/26 Medium-Term Financial Plan.

- All grants continue to be fully paid, are rolled into core funding, and uplifted by CPI inflation. The receipt of annual grants does cause financial uncertainty as these have been subject to reductions in recent years. For example, the services grant has reduced from £1.7m to £0.173m over the past 3 years, a reduction of some 90%.
- Reintroduction of capital funding, Fire and Rescue Services unlike Local Authorities and the Police receive no capital funding. All capital expenditure has to be funded by either internal or external borrowing.

The business case was supported by a letter from the Chair of the Authority to MPs, and Ministers at MHCLG, the Home Office and the Treasury.

Although the business case did not lead to increased funding, the Secretary of State did provide Fire and Rescue Authorities the dispensation to increase the precept by £5 for a Band D property. The Authority approved the £5 precept increase in February 2025 resulting in a Band D precept of £84.49.

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

The core funding settlement for 2025/26 was calculated by taking the prior year's settlement and uplifting it by the September 2025 CPI which was 1.7%. This resulted in an additional £0.648m of central government funding from that received in 2024/25.

The revenue budget included areas of growth, and a provision for foreseen cost pressures, totalling £1.292m. The Authority set a balanced budget for 2025/26 meaning that planned expenditure was matched by funding without the need to use reserves.

Our funding in 2025/26 from Central and Local Government came from the following sources:

<b>Funding source</b>	<b>£000</b>
<b>Central Government</b>	
Revenue Support Grant	21,137
Business Rates Top Up	18,703
Section 31 Grant	3,145
Pension Grant	2,977
Under Indexing Grant	3,768
National Insurance Grant	699
<b>Local Government</b>	
Precept	58,584
Business Rates Local Share	8,492
Business Rates Surplus	468
Collection Fund Deficit	-353
<b>Total Funding</b>	<b>117,620</b>

Business Rates Surplus – This is the Authority’s share of the estimated surplus 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.

## **Spring 2025 Spending Review**

On 11 June 2025, the Chancellor of the Exchequer, Rachel Reeves MP, announced the outcome of the Spending Review 2025. The Spending Review set out revenue funding allocations for each Government department over the next three years (2026-27 to 2028-29) with an additional fourth year for capital allocations.

At the same time, consultation on the government’s proposed approach to local authority funding reform through the Local Government Finance Settlement from 2026/27 was released, this is called the Fair Funding Review 2.0. This review has resulted in a new funding allocation methodology to take account of the different needs and costs faced by local authorities in urban and rural areas, and the ability of individual local authorities to raise Council Tax. This proposed methodology will determine the allocation to local authorities and fire of the total amount allocated to the MHCLG in the local government finance settlement.

The proposal in the Fair Funding Review 2.0 is that funding is to be allocated to local authorities and fire using control totals which is a formula based on previous year’s spending. 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.

## **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 £3.891m to contingencies during the year. These were approved at Finance and Resources Committee in July and October 2025 and February 2026.

In addition, £4.078m of capital schemes were slipped into 2025/26 from the previous financial year, £1.017m was removed from the plan and £8.139m was slipped from 2025/26 into 2026/27. 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 2025/26 are shown in the table below:

Description	Revenue Budget	Outturn	Planned Transfer to/from reserves	Total Net Expenditure	Variance
	£000	£000	£000	£000	£000
<b>Employees</b>					
Operational Staff	71,695	71,571	-	71,570	-124
Support Staff	15,956	15,947	-	15,947	-9
Pensions	1,637	1,360	276	1,636	-1
Training	1,477	1,296	-	1,296	-181
Other Employee Expenses	642	681	-	681	39
<b>Premises</b>	5,550	5,557	-62	5,495	-55
<b>Transport</b>	2,469	2,393	-	2,393	-76
<b>Supplies and Services</b>	7,214	7,339	-235	7,104	-110
<b>Contingency</b>	6,044	-	6,044	6,044	-
<b>Support Services</b>	395	362	-	362	-33
<b>Capital Charges</b>	7,367	7,367	-	7,367	-
<b>Expenditure</b>	<b>120,446</b>	<b>113,873</b>	<b>6,023</b>	<b>119,895</b>	<b>-550</b>
<b>Income</b>	<b>-3,250</b>	<b>-3,458</b>	<b>-</b>	<b>-3,458</b>	<b>-208</b>
<b>Net Cost of Service</b>	<b>117,196</b>	<b>110,415</b>	<b>6,023</b>	<b>116,437</b>	<b>-758</b>
Budgeted increase in Reserves		6,023			
Additional contribution to capital financing		560			
Increase in Grant received to budget		622			
<b>Overall Financial Position</b>		<b>117,620</b>			
Funding		<b>117,620</b>			
<b>Net Financial Position</b>		<b>-</b>			

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 2025/26 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.

### Training (£0.181m)

Due to the higher than budgeted number of leavers (both operational and support staff) the Authority was unable to deliver planned training courses in 2025/26.

## **Supplies and Services (£0.110m)**

The main variances related to underspends on clothing (£0.151m), reflecting increased stock levels to support uniform issuing requirements, and the feasibility study for the redevelopment of Huddersfield Fire Station (£0.105m), which was affected by delays in the capital programme. These were partly offset by an overspend on operational equipment (£0.114m), where servicing costs were higher than expected.

## **Contingency (£6.044m)**

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.

£0.560m of revenue underspend has been transferred to the capital finance earmarked reserve to support the capital plan.

## **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 £64.385m. 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
<b>Total Net Expenditure in Outturn Report</b>	116,437
Accumulated Absences	-239
Capital items	2,978
Grant Funded Activities	-311
Transfer to reserve	-6,023
Pension Costs	-48,457
<b>Cost of Services CIES</b>	<b>64,385</b>

## General Fund Balances

The Authority's opening general fund balance on the 1<sup>st</sup> of April 2025 was £5.700m.

Description	Opening Balance 01/04/2025 £000	Movements 2025/26 £000	Closing Balance 31/03/2026 £000
General Fund	5,700	-	5,700
Earmarked Reserves	24,674	5,867	30,541
Capital Receipts Reserve	85	-	85
Capital Grants Unapplied Account	5	-	5
<b>TOTAL</b>	<b>30,464</b>	<b>5,867</b>	<b>36,331</b>

## Earmarked Reserves

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

- Completion of the FSHQ site.
- Supporting the ICT Data and Digital strategy.
- Licensing costs relating to our existing command unit.

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 £11,786m on capital during 2025/26 against a revised approved capital plan of £14,097m. Details of expenditure by directorate is shown in the table below:

Directorate	Department	Original Capital Plan 2025/26 £000	Approved Virements, Removals and Additions 2025/26 £000	Slippage c/fwd to 2026/27 £000	Revised Capital Plan 2025/26 £000	Outturn 2025/26 £000	Variance £000
Service Support	Property Services	11,008	300	-5,270	6,038	4,012	-2,026
Service Support	DDaT	1,456	-151	-70	1,235	1,004	-231
Service Support	Logistics	4,375	-498	-413	3,464	3,941	477
Service Support	Training Centre	80	-17	-	63	55	-8
People and Culture	Human Resources	40	-40	-	-	-	-
People and Culture	OHSU	34	-	-	34	18	-16
Service Delivery	Operations	4,449	-	-2,386	2,063	1,857	-206
Service Delivery	Fire Safety	400	-	-	400	485	85
Finance & Procurement	Finance	800	-	-	800	414	-386
	<b>TOTAL</b>	<b>22,642</b>	<b>-406</b>	<b>-8,139</b>	<b>14,097</b>	<b>11,786</b>	<b>-2,312</b>

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 2025/26, capital expenditure of note, was spent on:

- Completion of FSHQ development costing £0.641m
- The rebuild of Keighley Fire Station costing £1.597m.
- The refurbishment of Rawdon Fire Station costing £0.421m.
- The refurbishment of Bradford Fire Station costing £0.425m.
- EV Charging points £0.263m
- Computer replacement programme £0.335m
- The vehicle replacement program totalling £2.259mm.
- The replacement of the Command-and-Control mobilising system costing £1.142m.
- The replacement of operational PPE £1.450m

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

<b>Funding</b>	<b>£000</b>
Revenue Contributions	2,255
Earmarked Reserves	1,331
Capital Receipts	1,008
Internal Borrowing	7,192
<b>TOTAL</b>	<b>11,786</b>

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 £14.3m 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 £30.530m in 2025/26.

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 31<sup>st</sup> March 2026 was £40.187m of which £38.187m was owed to the Public Works Loans Board and £2m in the form of a LOBO with Dexia.

The Authority earned £1.175m in income from its investments during 2025/26 (£1.509m 2024/25). The reduction in investment income is due to the fall in interest rates during 2025/26 and reducing cash balances due to the payment of high value capital schemes. The final balance of short-term investments as of the 31<sup>st</sup> March 2026 was £0.00m (£0.00m 2024/25).

# 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 increased by £5.867m to £36.331m whilst the deficit of Unusable Reserves have decreased by £28.625m 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 31<sup>st</sup> March 2026 and includes the figures on 31<sup>st</sup> March 2025 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 £891.860m, however this includes the liabilities under the unfunded firefighters' pension schemes totalling £1,000,480m 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 £108.620m.

## **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 £14.920m.

## **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 153-156.

# **Future Challenges and Corporate Risks**

## **Future Funding**

Although the Authority will receive a three year funding settlement from 2026/27 to 2028/29 with the flexibility to increase the precept by £5 over the settlement period, there are still some uncertainties regarding funding.

As part of the spending review, the government has committed to review the fire funding formula which is the methodology by which funding allocated to the fire sector is distributed amongst the forty four fire and rescue services. Depending on the outcome of this review, this could have either a favourable or adverse effect on the funding allocation from 2026/27.

In addition, there is no certainty that a precept increase of £5 will be approved by the fire authority in 2027/28 and 2028/29. A series of funding scenarios have been calculated that show the impact of a £5 precept increase, a 2.99% increase and the worst case scenario of a precept freeze. If a £5 precept increase is approved by members this will enable the authority to put growth into the service, alternatively a 2.99% increase and a precept freeze will require the authority to find efficiencies within its budget.

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 77% 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 4% in 2025/26 which was 0.8% over the agreed pay award of 3.2%. This saving enabled the service to run a mini budget review in June 2025 which saw new bids amounting to £0.524m being approved. For 2026/27, every 1% increase in the pay award over and above budget provision costs an additional £0.733m 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 2026/27 base employee budgets.

Unfortunately, this increase in pension contributions is not fully funded by MHCLG, the amount of grant received in 2025/26 totalling £2.977m, amounted to a shortfall of £0.769m equating to 79% being funded by grant. This grant has not been increased by the corresponding pay award of 4% and will be paid cash flat in 2026/27. However, because the grant is not included in our core funding, there is always uncertainty regarding the continuation of the grant, as this is subject to MHCLG submitting a bid to the Treasury each year to secure the funding.

In addition, there are the financial burdens from the O'Brien/Matthews case which effects our on-call firefighters. The Matthews case has introduced a second options exercise for on-call firefighters to join the Firefighters Pension Scheme 2006 from the start date of their employment. This has posed an administrative burden on the Authority and changes to employers' contribution rates will be included in the 2024 Government Actuary Department (GAD) actuarial valuation. These increases will take effect from April 2027 and will need to be factored into the Medium Term Financial Plan.

- **Grants not Included in Core Funding**

The Authority has received one off grants in 2025/26, 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.

- **Inflation**

Although inflation is reducing, the impact of inflation is continuing to have an impact on the Authority, there has been no reduction in the cost of goods and services during the current financial 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 major refurbishment 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

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 costs associated with implementing net zero targets.

## **Delivery of Investments in the Revenue Budget 2026/27**

The Fire Authority approved a revenue budget in February 2026 which includes several service developments to be implemented in 2025/26. A total of £1.559m of revenue growth bids were approved during the budget setting process, so that this growth meets the Authority’s service needs, each bid has to be clearly linked to one or more of the CRMP priorities. In addition, £0.368m 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](http://www.westyorksfire.gov.uk)).

The Authority's Code of Corporate Governance is consistent with the CIPFA/SOLACE framework *Delivering Good Governance in Local Government*. The framework sets out seven principles of good governance which provide the basis for our governance annual review reported in this statement.

The principles of good governance are:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B. Ensuring openness and comprehensive stakeholder engagement.
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes.
- E. Developing the Authority's capacity, including the capability of leadership and the individuals within the organisation.
- F. Managing risks and performance through robust internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

# How we apply the seven principles of good governance

## **A. Integrity, ethical values and the rule of law –**

We promote high standards of conduct for Members and officers through our Constitution, Members' and Officers' Codes of Conduct, the Member–Officer relations protocol, and clear decision-making and delegation arrangements. We maintain anti-fraud and corruption arrangements, a whistleblowing policy, and complaints procedures, and we ensure legal and professional advice is available to support lawful, ethical decision-making.

## **B. Openness and comprehensive stakeholder engagement –**

We operate an open committee system, publish reports and minutes, and make key governance documents available to the public. We engage communities and partners through consultation on the Community Risk Management Plan, customer feedback activity (including surveys following incidents and prevention activity), and collaboration with partners, including through local community safety partnerships and the Tri-Service Collaboration Board.

## **C. Defining outcomes for sustainable economic, social and environmental benefits –**

Our ambition and strategic priorities are set out in “Your Fire and Rescue Service 2025–2028” (the Community Risk Management Plan) and supported by the Workforce Plan and Medium-Term Financial Plan. These frameworks define the outcomes we seek for communities, the environment and the organisation, and they provide the basis for planning, resource allocation and performance reporting.

## **D. Determining the interventions necessary to optimise outcomes –**

We use evidence and risk information (including our risk model and risk banding) to determine the most effective mix of prevention, protection and response activity across West Yorkshire. The Strategic Action Plan and Programme of Change translate priorities into deliverable interventions, managed through our governance and portfolio arrangements, with progress and benefits monitored and reported through established boards, the Executive Leadership Team, the Strategic Leadership Team and committees.

## **E. Developing organisational capacity, including leadership capability –**

We maintain clear leadership and management structures through the Executive Leadership Team and the Senior Leadership Team, supported by member briefings, training and induction. We invest in workforce planning, learning and development, and we strengthen organisational capacity through service planning, structured change

management and assurance activity, including preparing for external inspection and implementing continuous improvement approaches.

#### **F. Managing risks and performance through internal control and strong public financial management –**

We operate a robust internal control environment, including financial procedure rules, procurement controls and information governance arrangements. We manage performance through established performance reporting and assurance arrangements, and we manage risk through our corporate risk matrix and formal review processes overseen by the Risk Management Strategy Group and the Audit Committee. Financial planning, budget monitoring, treasury management and compliance with the CIPFA Financial Management Code support sustainability and value for money.

#### **G. Transparency, reporting and audit to deliver effective accountability –**

We support accountability through transparent reporting, published governance information and regular performance and financial reporting to Members in public meetings. We are subject to internal audit and external audit scrutiny, and we respond constructively to external inspection. Our Audit Committee provides independent challenge and oversight of governance, risk management, internal control and assurance, and we use learning from assurance activity to improve.

In publishing this statement, the Authority fulfils the requirement under regulation 4(2) of the Accounts and Audit Regulations 2015 that accompanies the 2025/26 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 2026 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](http://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 is supported by a Senior Leadership Team which, in addition to the Executive Leadership Team 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 2025-2028". This document is the Authority's Community Risk Management Plan, 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.westyorksfire.gov.uk](http://www.westyorksfire.gov.uk)

The Authority's ambition and strategic priorities are:

Ambition: 'Making West Yorkshire Safer'

Strategic Priorities:

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. Your Fire and Rescue 2025-28 has a dedicated website which is visible both internally and externally. The website hosts the Community Risk Management Plan document and the associated supporting structures such as the Strategic Action Plan, Strategic Risk Assessment, departmental strategies and district plans.

The Strategic Action Plan tracks and monitors 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 Delivery 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.

Bi-annual strategic review workshops take place 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.

Objectives are embedded within district plans, departmental plans, and station plans, ensuring clear alignment of district and station level action plans to the Community Risk Management Plan.

Executive and Strategic Leadership team utilise the Strategic Action Plan, Strategic Risk Assessment and Performance Management Framework to monitor performance and progress across the service. These tools enable leaders to identify areas for improvement, mitigate risks, and ensure alignment with corporate objectives. A performance-focused Strategic Leadership Team meeting is held every quarter, providing a dedicated forum for reviewing performance data, discussing challenges, and implementing actions to address any issues. This ongoing process ensures performance and progress are continually monitored, with accountability maintained and timely interventions made to support the achievement of service priorities.

## **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 15th of December 2025. This resulted in the Authority maintaining full compliance against all 57 elements of the standard of which 40 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.

## **Serious Violence Duty**

As of the 31<sup>st</sup> 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.

## **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**

The Authority is systematically reviewing and assuring the resources and capabilities across the county through the Community Risk Management Planning 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.

The Risk Based Planning Assumption process is a fundamental aspect of the Authority's approach to resource management and service delivery. It involves the systematic identification and assessment of potential risks within the community, allowing the Authority to make informed decisions regarding the allocation of resources and operational priorities. By analysing historical incident data, demographic information, and emerging threats, the process ensures that planning assumptions remain robust, proportionate, and responsive to changing community needs. This approach supports the Authority in delivering targeted interventions, enhancing community safety, and optimising efficiency across West Yorkshire.

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

Before the Community Risk Management Plan 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 2025/26 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 Community Risk Management Plan.

OneView, the organisation's performance management, provides live reporting data for a range of response, prevention, protection activities and also includes the Authority's absence and attendance data. Reports provided by OneView are presented to members at the Community Safety Committee and Full Authority meetings.

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.

## **Effective Financial Planning and Management**

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 Executive Leadership Team and 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 calculated 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 Strategic Risk Assessment provides a single, integrated view of risk across WYFRS, bringing together corporate, operational and foreseeable risks into one coherent, evidence-based assessment.

It enables the Service to understand the nature, scale and interdependencies of risk, rather than viewing risks in isolation, ensuring that decision-making reflects the full complexity of the operating environment.

The Strategic Risk Assessment uses a structured and transparent approach, including:

- Consolidation of multiple risk registers into one organisational view.
- Use of PESTLEO (political, economic, social, technological, environmental, legal and organisational) analysis to assess external drivers and emerging risks.
- Assessment of likelihood, impact and organisational capability to respond.
- Prioritisation of risk to focus resources and effort effectively.

### **Role in Governance and Risk Management**

The Strategic Risk Assessment is a core component of the WYFRS governance framework, ensuring that risk is fully embedded in how the Service plans, delivers and assures its activity.

It supports governance by:

- Informing the Community Risk Management Plan, helping define strategic priorities based on risk.
- Providing a shared, organisation-wide understanding of risk, supporting consistent decision-making.
- Enabling leadership teams (e.g. Strategic Leadership Team / Executive Leadership Team) to prioritise resources, investment and action.
- Supporting transparency and accountability, through clear visibility of key risks and mitigation.
- Linking risk directly to performance management and delivery planning.

The Strategic Risk Assessment ensures that risk sits at the heart of governance, bringing together intelligence, analysis and organisational insight to support informed decision-making.

It provides the foundation for a risk-led, evidence-based approach to planning and assurance, ensuring WYFRS remains proactive, resilient and aligned to its strategic priorities.

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.

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 feeds into a wider Organisational Learning and Organisational Assurance process. This process is further strengthened and coordinated by the Organisational Learning Hub, which acts as a central repository and facilitator for sharing, analysing, and embedding lessons learned across the service. The Organisational Learning Hub ensures that learning from incidents, audits, and reviews is systematically captured and disseminated, promoting continuous improvement throughout West Yorkshire Fire and Rescue Service. In addition to reality testing for operational incidents, the Authority has developed whole organisation assurance processes tailored for non-operational and enabling functions. These processes are designed to mirror the principles and methodology of reality testing but are adapted to suit the specific needs and contexts of departments such as People, Finance and DDAT as well as other enabling function across the service. By conducting targeted assurance reviews, gathering feedback from staff and stakeholders, and identifying learning opportunities, these processes help to ensure that all aspects of the organisation, both frontline and enabling, are subject to rigorous evaluation and improvement. Findings and recommendations from these assurance activities are reported to the relevant management teams and contribute to the Authority's overarching commitment to organisational effectiveness and robust governance.

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

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 and was rated as Good in seven areas, Adequate in three areas, and there was one Requires Improvement in Preventing Fires and Other Risks. The HMICFRS also 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.

As a result of the third inspection, the Authority was issued with seven Areas for Improvement; all of these have now formally been signed off as completed.

The 20 recommendations from the Spotlight Values and Culture themed inspection have all been completed as have the 13 of the 15 recommendations for the Standards of Behaviour in the Fire and Rescue Service: Handling Misconduct themed inspection.

Following the release of the State of Fire and Rescue Report –The Annual Assessment of Fire and Rescue Services in England 2024-2025 in November 2025, 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.

Our Round 4 inspection started in March 2026 with fieldwork within service starting in May 2026.

### 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 the Executive Leadership Team 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 2025/26, eleven

of the fourteen planned audits were completed (each concluded with a positive assurance opinion), two have been deferred into 2026/27 and one has been postponed. As part of the SLA, unused audit days can either be deferred into the following financial year or a refund is provided. 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 Internal Audit Strategy and Charter which was presented to the Audit Committee in April 2026.

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 Executive Leadership Team 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 2025/26.

## 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 2025/26.
- 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

The following governance issues were included in the 2024/25 annual governance statement and remain for 2025/26. The narrative has been updated for 2025/26 following the annual review of governance arrangements.

### Financial Uncertainty

Following the Chancellor's Spending Review, the Authority received a three-year funding settlement in February 2026 which sets out central government funding from 2026/27 to 2028/29 which includes the flexibility to increase the precept by £5 on a Band D domestic council tax property each year. This has provided some certainty regarding funding levels which will enable some longer term financial planning, for the first time in seven years. Nonetheless, there still remains some uncertainty around some central government grants that are not rolled into the core central government funding allocation.

In addition, as part of the Spending Review there is a commitment by government to review the Fire Funding Formula which is the mechanism by which funding is distributed amongst the forty four fire and rescue services in England. This formula has not been reviewed or updated since 2013 and it is unknown what financial impact that may have on funding allocations from 2026/27.

## **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 2024/25 was published in November 2025. 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 RUELE from the UK statute book. Under the RUELE Act, RUELE 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 RUELE 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 would 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.

## **Significant Governance Issues 2026/27**

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:

### **The English Devolution and Community Empowerment Act 2026**

This piece of legislation follows on from the Government white paper on English devolution, a significant governance issue that was signposted in the 2024/25 annual governance statement. This bill brings significant changes to Local Government arrangements and transfers of power from Westminster to England's regions.

Under this legislation, the West Yorkshire Mayor will become accountable for the Authority and it will no longer be governed by the existing Fire Authority. Although no date has been confirmed the expected date of transition will be the 1st April 2028.

## **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.

Following our review of the Grenfell Phase 2 report, its recommendations and reflecting on the broader learning and perspective brought by the release of the Phase 2 report, 15 objectives were reopened from the Phase 1 action plan and have been carried forward into Phase 2 along with the 11 Fire and Rescue Service monitored recommendations from the Phase 2 report, meaning in total 26 objectives within the Phase 2 action plan. To late April 2026, 14 objectives from the original 26 have been closed.

We are continuing to work with partners and stakeholders locally, regionally and nationally, including the National Fire Chiefs Council. The Grenfell Phase 2 project is running alongside the Organisational Readiness Programme as part of the services commitment to learn from and improve our existing understanding, knowledge and response to high-rise building fires.

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

On the 30th September 2024, the Account and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits. These regulations require audited financial statements to be published by a specific date, for the year ended 31st March 2026 this is the 31st January 2027.

Due to the lack of audit assurance regarding the opening balances as of the 1st of April 2023, the authority received a disclaimed opinion on its opening balances for the year ended 31st March 2024 and 31st March 2025. Nonetheless, Grant Thornton have obtained appropriate assurance over the “in-year” income and expenditure transactions.

It is planned that following the conclusion of the 2025/26 audit of the Statement of Accounts that some audit work is undertaken on the transactions which affected usable reserves that were posted in 2022/23. Providing this positive assurance is obtained it will enable the authority to return to receiving unqualified, clean accounts from 2026/27.

## 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.

John Roberts  
Chief Fire Officer / Chief Executive  
Dated:

Alison Wood  
Director of Finance and Procurement  
Dated:

Councillor Downes  
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 2026, and its income and expenditure for the year then ended.

Alison Wood CPFA  
Director of Finance and Procurement  
Dated:

Authority Approval of Accounts  
Chair of Audit Committee

# Audit Opinion

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# Main Financial Statements

## Comprehensive Income and Expenditure Statement for the year ended 31<sup>st</sup> March 2026

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.

Gross Expenditure Restated £000	2024/25 Gross Income Restated £000	2024/25 Net Expenditure Restated £000	Comprehensive Income and Expenditure Statement	Note	2025/26 Gross Expenditure £000	2025/26 Gross Income £000	2025/26 Net Expenditure £000
34,346	-2,338	32,008	Service Delivery		36,733	-2,320	34,413
18,494	-1,413	17,081	Service Support		18,220	-941	17,279
10,851	-	10,851	FSHQ Impairment		-	-	-
-	-	-	Keighley Impairment		3,125	-	3,125
5,404	-495	4,909	People and Culture		4,382	-331	4,051
180	0	180	Chief Fire Officer		190	-1	189
2,553	-10	2,543	Finance and Procurement		3,469	-466	3,003
2,323	-45	2,278	Corporate Services and Governance		2,334	-9	2,325
<b>74,151</b>	<b>-4,301</b>	<b>69,850</b>	<b>Cost of Services</b>		<b>68,453</b>	<b>-4,068</b>	<b>64,385</b>
581	-169	412	Other Operating Expenditure	10	1,023	-1,008	15
54,923	-1,513	53,410	Financing and Investment Income and Expenditure	11	58,637	-1,176	57,461
-	-112,791	-112,791	Taxation and Non-Specific Grant Income	12	-	-117,620	-117,620
<b>129,655</b>	<b>-118,774</b>	<b>10,881</b>	<b>Net Deficit on the Provision of Services</b>		<b>128,113</b>	<b>-123,872</b>	<b>4,241</b>
		-2,740	Impairment losses on non-current assets charged to the Revaluation Reserve				-571
		-117,603	Remeasurement of the Net Defined Benefit Liability				-38,162
		<b>-120,343</b>	<b>Other Comprehensive Income and Expenditure</b>				<b>-38,733</b>
		<b>-109,462</b>	<b>Total Comprehensive Income and Expenditure</b>				<b>-34,492</b>

## 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 2025/26	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
<b>Balance as at 1<sup>st</sup> April 2025</b>		<b>30,374</b>	<b>85</b>	<b>5</b>	<b>30,464</b>	<b>-956,816</b>	<b>-926,352</b>
Total Comprehensive Income and Expenditure		-4,241	-	-	-4,241	38,733	34,492
Adjustments between accounting basis and funding basis under regulations	9	10,108	-	-	10,108	-10,108	-
<b>Increase / Decrease in 2025/26</b>		<b>5,867</b>	<b>-</b>	<b>-</b>	<b>5,867</b>	<b>28,625</b>	<b>34,492</b>
<b>Balance as at 31<sup>st</sup> March 2026</b>		<b>36,241</b>	<b>85</b>	<b>5</b>	<b>36,331</b>	<b>-928,191</b>	<b>-891,860</b>

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
<b>Balance as at 1<sup>st</sup> April 2024</b>		<b>31,686</b>	<b>85</b>	<b>5</b>	<b>31,776</b>	<b>-1,067,590</b>	<b>-1,035,814</b>
Total Comprehensive Income and Expenditure		-10,881	-	-	-10,881	120,343	109,462
Adjustments between accounting basis and funding basis under regulations	9	9,569	-	-	9,569	-9,569	-
<b>Increase / Decrease in 2024/25</b>		<b>-1,312</b>	<b>-</b>	<b>-</b>	<b>-1,312</b>	<b>110,774</b>	<b>109,462</b>
<b>Balance as at 31<sup>st</sup> March 2025</b>		<b>30,374</b>	<b>85</b>	<b>5</b>	<b>30,464</b>	<b>-956,816</b>	<b>-926,352</b>

## Balance Sheet as at 31<sup>st</sup> March 2026

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 2025	Balance Sheet	Note	31 March 2026
£000			£000
131,632	Property, Plant and Equipment	13	133,002
1,128	Right of Use Asset	36	1,008
2,573	Intangible Assets	15	3,290
<b>135,333</b>	<b>Long Term Assets</b>		<b>137,300</b>
1,082	Assets held for sale	16	101
855	Inventories	19	985
10,045	Short Term Debtors	20	14,587
17,029	Cash and Cash Equivalents	21	15,483
<b>29,011</b>	<b>Current Assets</b>		<b>31,156</b>
-1,291	Bank Overdraft	21	-563
-1,149	Short Term Borrowing		-3,142
-16,032	Short Term Creditors	25	-16,961
-296	Grants Receipts in Advance – Revenue		-273
-382	Short Term Lease Liability	36	-429
-493	Provisions (less than 1 year)	26	-577
<b>-19,643</b>	<b>Current Liabilities</b>		<b>-21,945</b>
-40,187	Long Term Borrowing		-37,437
-26	Capital Grants Receipts in Advance		-428
-551	Long Term Lease Liability	36	-26
-1,030,289	Net Liability related to Defined Benefit Pension Schemes	38	-1,000,480
<b>-1,071,053</b>	<b>Long Term Liabilities</b>		<b>-1,038,371</b>
<b>-926,352</b>	<b>Net Liabilities</b>		<b>-891,860</b>
30,464	Usable Reserves	27	36,331
-956,816	Unusable Reserves	29	-928,191
<b>-926,352</b>	<b>Total Reserves</b>		<b>-891,860</b>

## 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 2025 Restated	Cash Flow Statement	Note	31 March 2026
£000			£000
<b>18,961</b>	<b>Cash and Cash Equivalents at the beginning of the Reporting Period</b>	<b>21</b>	<b>15,738</b>
-10,881	Net Surplus / (Deficit) on the Provision of Services		-4,241
33,630	Adjustment to the Net Surplus / (Deficit) on the Provision of Services for non-cash	22	16,506
-172	Adjustment for items included in the Net Surplus / (Deficit) on the Provision of Services that are investing and financing activities	22	-1,008
<b>22,577</b>	<b>Net Cash Flows from Operating Activities</b>		<b>11,257</b>
-25,411	Net Cash Flows from Investing Activities	23	-10,641
-389	Net Cash Flows from Financing Activities	24	-1,434
<b>-3,223</b>	<b>Net Increase or (Decrease) in Cash and Cash Equivalents</b>		<b>-818</b>
<b>15,738</b>	<b>Cash and Cash Equivalents at the end of the Reporting Period</b>		<b>14,920</b>

# Notes to the Main Financial Statements

## Note 1. Accounting Policies

### General Principles

The Statement of Accounts summarises the Authority's transactions for the 2025/26 financial year and its position at the year end of 31<sup>st</sup> March 2026.

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 2025/26 and the Service Reporting Code of Practice 2025/26. 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.

## Prior Period Adjustments, changes in accounting policies and estimates and errors

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.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the authority's financial position or financial performance. Where a change is made, it is normally applied retrospectively (unless not material or stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Exceptionally, the 2025/26 Code provides that

changes to the valuation of non-investment assets as set out in the Code will be applied prospectively, with no restatement of prior year figures.

## **Charges to Revenue for Non-Current Assets**

Front line services and support services are charged 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.

## **Accounting for council tax and NDR**

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the collection fund adjustment account and included as a reconciling item in the Movement in Reserves Statement. The Balance Sheet includes the authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals. Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

## **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 in exchange for those benefits and are charged on an accruals basis to the appropriate service segment.

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 six 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.
- 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.

### **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.

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).

#### 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 10 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.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and summary of gains and losses are not permitted to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the capital adjustment account.

## **Inventories**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the weighted average costing formula.

## **Leases**

### **The authority as lessee**

The authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

### **Initial measurement**

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise

- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

### **Subsequent measurement**

The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method.

The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

### **Low value and short lease exemption**

As permitted by the Code, the authority excludes leases: • for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and • with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

### **Lease expenditure**

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed. Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

### **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:

- Assets under construction – historical cost
- Surplus assets and assets held for sale – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- Operational assets including all fire stations - depreciated replacement cost (DRC) is used as an estimate of current value.

From 1<sup>st</sup> April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment.

The Authority formally valued 100% of its assets in 2024/25 via an external valuations team. The Code requires authorities to revalue their assets every five years with annual indexation applied to assets during the four intervening years.

Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation with a desktop revaluation in year three.

In intervening years, valuations are also carried out when there is a major natural disaster and/or there are major refurbishments. This is determined and set out within the letter of engagement between the Authority and external valuer.

## 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.

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 and/or when they become operational.

Depreciation is calculated on the following bases

- Land and Buildings - New Buildings and Refurbishments 21-50 years.
- Vehicles, Plant and Equipment – straight- line allocation over the following estimated lives:
  - Fire Appliances 15 years.
  - Operational Equipment 5-15 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.

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) 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. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of 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 non-current 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.

## **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.

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

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.

Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (eg from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

### **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 £5.7m.

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.

## 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 2025/26 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.

The standards introduced by the 2026/27 Code where disclosures are required in the 2025/26 financial statements, in accordance with the requirements of the Code are:

- Amendments to FRS102 The Financial Reporting Standard applicable in the UK (Amendments to Heritage assets) issued in March 2024. This is not applicable to West Yorkshire Fire & Rescue.
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

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

## 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 indicate 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.
- Under IFRS 16 – Leases, several critical judgments and estimates have been made which affect the recognition, measurement, and disclosure of lease transactions. These are detailed as follows:
  - i. Identifying a Lease – judgement has been made when determining whether a contract contains a lease following the CIPFA Code of Practice.
  - ii. Lease Term – judgment has been made when determining the lease term, including options to extend or terminate.
  - iii. Discount Rate – the PWLB Certainty Rate has been used as the discount rate to use in measuring lease liabilities, as this most reasonably reflects the lessee incremental borrowing rate.
  - iv. Low-Value Leases – low-value lease would have an asset value of less than £10,000.
  - v. Short-Term Leases – short-term lease would have a lease term of 12 months or less and no purchase option.
  - (1) Non-Lease Components – lease components have been separated from non-lease components (e.g. maintenance services) where possible
  - vii. Subsequent Measurement – judgment has been made when assessing whether changes to lease terms or conditions constitute a lease modification.

## **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 31<sup>st</sup> March 2026 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
<b>Property, Plant and Equipment</b>	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 £1.573m for every year that the useful lives have to be reduced.
<b>Provisions</b>	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 <sup>st</sup> March 2026 the provision for the non-payment of council tax debtors and National Non-Domestic Rates (NNDR) is £5.231m (£4.794m 2024/25). This may rise in the current economic climate due to inability to pay Council Tax.
<b>Pensions Liability</b>	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 £61.000m. However, the assumptions interact in complex ways and changes to other estimates and actuarial assumptions may produce a different impact on the total liability.
<b>Fair Value Measurements</b>	At the 31 <sup>st</sup> March 2026 the Authority had a balance of sundry debtors for £0.458m. 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 £0.458m as at the 31 <sup>st</sup> March 2026. 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 2025/26.

## **Note 5a. Prior Year Adjustments**

The Fire Authority changed the way in which it has accounted the following:

### **Annual Pensions Grant**

The Pension Grant received in 2024/25 has historically been included as Income within Service Delivery to arrive at Cost of Services Gross Income and Net Expenditure.

In 2025/26 this Grant has now been treated as a Non -Specific Grant and is now included in the 'Taxation and Non-specific Grant Income' shown below Cost of Services.

This adjustment does not impact on the Income disclosed as Net Deficit on the Provision of Services.

### **Directorate Changes**

During 2025/26 the Authority changed its management reporting structure. The Strategic Development and Project Management Departments moved from the Service Support Directorate to the Corporate Services and Governance Directorate.

To aid the understanding of the accounts and to make information comparable, the Authority has recalculated 2024/25 figures on the basis of the 2025/26 management reporting structure. This resulted in a change in the comparatives for 2024/25 of £960k in expenditure from Service Support to Corporate Services.

£292k costs and £300k of income from Secondments have also moved from the Finance and Procurement Directorate to the People and Culture Directorate.

Overall there has been no change to the total cost of services.

Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Comprehensive Income and Expenditure Statement 2024/25	Expenditure Adjustments £000	Income Adjustments £000	Gross Expenditure Restated £000	Gross Income Restated £000	Net Expenditure Restated £000
34,347	-5,459	28,888	Service Delivery		3,121	34,347	-2,338	32,009
19,454	-1,413	18,041	Service Support	-961		18,493	-1,413	17,080
10,851	-	10,851	Impairment FSHQ site			10,851		10,851
5,112	-195	4,917	People and Culture	292	-300	5,404	-495	4,909
180	-	180	Chief Fire Officer			180		180
2,845	-310	2,535	Finance and Procurement	-292	300	2,553	-10	2,543
1,362	-45	1,317	Corporate Services and Governance	961		2,323	-45	2,278
<b>74,151</b>	<b>-7,422</b>	<b>66,729</b>	<b>Cost of Services</b>	<b>0</b>	<b>3,121</b>	<b>74,151</b>	<b>-4,301</b>	<b>69,850</b>
581	-169	412	Other Operating Expenditure			581	-169	412
54,923	-1,513	53,410	Financing and Investment			54,923	-1,513	53,410
-	-109,670	-109,670	Income and Expenditure			-	-112,791	-112,791
			Taxation and Non-Specific Grant Income		-3,121			
<b>129,655</b>	<b>-118,774</b>	<b>10,881</b>	<b>Net Deficit on the Provision of Services</b>	<b>0</b>	<b>-3,121</b>	<b>129,655</b>	<b>-118,774</b>	<b>10,881</b>
		-2,740	Impairment losses on non-current assets charged to the Revaluation Reserve - FSHQ					-2,740
		-117,603	Remeasurement of the Net Defined Benefit Liability					-117,603
		<b>-120,343</b>	<b>Other Comprehensive Income and Expenditure</b>					<b>-120,343</b>
		<b>-109,462</b>	<b>Total Comprehensive Income and Expenditure</b>					<b>-109,462</b>

## **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 2026. Where events taking place before this date provided information about conditions existing at the 31st March 2026, 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 2026 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.

<b>Expenditure and Funding Analysis 2025/26</b>	<b>Outturn reported to the Fire Authority</b>	<b>Adjustments to arrive at the amount chargeable to the General Fund</b>	<b>Net Expenditure Chargeable to the General Fund</b>	<b>Adjustments between Funding and Accounting Basis (Note 7)</b>	<b>Net Expenditure in the Comprehensive Income and Expenditure Statement (Note 8)</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Service Delivery	76,690	-2,252	74,438	-36,900	37,538
Service Support	21,271	-4,670	16,601	678	17,279
People and Culture	5,381	800	6,181	-2,130	4,051
Chief Fire Officer	415	-2	413	-224	189
Finance and Procurement	10,315	-1,143	9,172	-6,169	3,003
Corporate Services and Governance	2,365	-41	2,324	1	2,325
<b>Net Cost of Services</b>	<b>116,437</b>	<b>-7,308</b>	<b>109,129</b>	<b>-44,744</b>	<b>64,385</b>
Other Income and Expenditure	-122,864	7,308	-115,556	54,852	-60,144
<b>Net Deficit on the Provision of Services</b>	<b>-5,867</b>	<b>-</b>	<b>-5,867</b>	<b>10,108</b>	<b>4,241</b>
Opening General Fund Balance (including Earmarked Reserves) as at 31st March 2025			30,464		
Surplus on General Fund in year			5,867		
<b>Closing General Fund Balance (Including Earmarked Reserves) as at 31st March 2026</b>			<b>36,331</b>		

<b>Expenditure and Funding Analysis 2024/25 Restated</b>	<b>Outturn reported to the Fire Authority</b>	<b>Adjustments to arrive at the amount chargeable to the General Fund</b>	<b>Net Expenditure Chargeable to the General Fund</b>	<b>Adjustments between Funding and Accounting Basis (Note 7)</b>	<b>Net Expenditure in the Comprehensive Income and Expenditure Statement (Note 8)</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Service Delivery	71,627	-3,811	67,816	-38,928	28,888
Service Support	20,334	-3,252	17,082	11,810	28,892
Employment Services	5,240	-115	5,125	-208	4,917
Chief Fire Officer	400	-	400	-220	180
Finance and Procurement	13,131	-4,177	8,954	-6,419	2,535
Corporate Services and Governance	1,294	23	1,317	-	1,317
<b>Net Cost of Services</b>	<b>112,026</b>	<b>-11,332</b>	<b>100,694</b>	<b>-33,965</b>	<b>66,729</b>
Other Income and Expenditure	-110,714	11,332	-99,382	43,534	-55,848
<b>Net Deficit on the Provision of Services</b>	<b>1,312</b>	<b>-</b>	<b>1,312</b>	<b>9,569</b>	<b>10,881</b>
Opening General Fund Balance (including Earmarked Reserves) as at 31 <sup>st</sup> March 2023			31,776		
Surplus on General Fund in year			-1,312		
<b>Closing General Fund Balance (Including Earmarked Reserves) as at 31<sup>st</sup> March 2025</b>			<b>30,464</b>		

## 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.

<b>Adjustments from General Fund to arrive at Comprehensive Income &amp; Expenditure Statement amounts (2025/26)</b>	<b>Adjustment for Capital Purposes (1)</b>	<b>Net change for the Pensions Adjustments (2)</b>	<b>Other Differences (3)</b>	<b>Total Adjustments</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Service Delivery	6,463	-43,763	400	-36,900
Service Support	3,222	-2,536	-8	678
Employment Services	17	2,162	15	-2,130
Chief Fire Officer	-	-228	4	-224
Finance and Procurement	-6,162	-	-7	-6,169
Corporate Services and Governance	-	-	1	1
<b>Net Cost of Services</b>	<b>3,540</b>	<b>-48,689</b>	<b>405</b>	<b>-44,744</b>
Other Operating Expenditure – a	16			16
Finance and Investment Income and Expenditure – b	-	56,810	-62	56,748
Taxation and Non-Specific Grant Income and Expenditure – c	-1,331	-	-581	-1,912
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement surplus or deficit</b>	<b>2,225</b>	<b>8,121</b>	<b>-238</b>	<b>10,108</b>

<b>Adjustments from General Fund to arrive at Comprehensive Income &amp; Expenditure Statement amounts (2024/25)</b>	<b>Adjustment for Capital Purposes (1)</b>	<b>Net change for the Pensions Adjustments (2)</b>	<b>Other Differences (3)</b>	<b>Total Adjustments</b>
	<b>Restated £000</b>	<b>Restated £000</b>	<b>Restated £000</b>	<b>Restated £000</b>
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
<b>Net Cost of Services</b>	<b>977</b>	<b>-43,025</b>	<b>750</b>	<b>-41,298</b>
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
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement surplus or deficit</b>	<b>-17,362</b>	<b>7,778</b>	<b>696</b>	<b>-8,888</b>

### (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 (IAS 19) 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)	2024/25 £000	2025/26 £000
Employees	40,787	42,650
Other Service Expenses	15,545	15,094
Support Services	352	362
Capital Charges	17,467	10,345
Disposal of Fixed Assets	581	1,023
Interest Payments	54,923	58,637
<b>Total Expenditure</b>	<b>129,655</b>	<b>128,111</b>
Government Grants and Contributions	-5,298	-2,299
Other Non-Government Grants	-11	-21
Customer and Client Receipts	-2,113	-1,746
Fixed Assets Sales Proceeds	-169	-1,008
Interest Receivable and Similar Income	-1,513	-1,176
Taxation and Non-Specific Grant Income	-109,670	-117,620
<b>Total Income</b>	<b>-118,774</b>	<b>-123,870</b>
<b>Net Deficit on the Provision of Services</b>	<b>10,881</b>	<b>4,241</b>

## **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.

2025/26	General Fund balance £000	Capital Receipts Reserve £000	Capital Grants Applied £000
<b>Adjustments to Revenue Resources</b>			
Pensions Costs (Transferred to (or from) the pension reserve)	8,120	-	-
Financial Instruments (Transferred to the accumulated financial instruments adjustments account)	-62	-	-
Council Tax & NNDR (Transfers to or from the collection fund adjustment account)	-581	-	-
Holiday Pay (Transferred to the accumulated absences reserve)	-239	-	-
Reversal of Entries included in the surplus or deficit on the provision of Services in relation to the capital expenditure	11,369	-	-
<b>Total adjustments to revenue reserve</b>	<b>18,607</b>	<b>-</b>	<b>-</b>
<b>Adjustments between capital &amp; revenue resources</b>			
Statutory Provision for the repayment of debt (transfer to the capital adjustment account)	-3,905	-	-
Capital expenditure financed from Revenue balance (transfer to the capital adjustment account)	-3,586	-	-
<b>Total adjustments between revenue &amp; capital resources</b>	<b>-7,491</b>	<b>-</b>	<b>-</b>
<b>Adjustments to capital resources</b>			
Use of the capital receipts reserve to finance capital expenditure	-	<b>-1,008</b>	-
Application of capital grants to finance capital expenditure	-	-	-
<b>Total Capital Resources</b>	<b>-</b>	<b>-1,008</b>	<b>-</b>
<b>Total Adjustments 2025/26</b>	<b>11,116</b>	<b>-1,008</b>	<b>-</b>

2024/25	General Fund balance £000	Capital Receipts Reserve £000	Capital Grants Applied £000
<b>Adjustments to Revenue Resources</b>			
Pensions Costs (Transferred to (or from) the pension reserve)	7,885	-	-
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)	-56	-	-
Reversal of Entries included in the surplus or deficit on the provision of Services in relation to the capital expenditure	18,264	-	-
<b>Total adjustments to revenue reserve</b>	<b>26,524</b>	<b>-</b>	<b>-</b>
<b>Adjustments between capital &amp; revenue resources</b>			
Statutory Provision for the repayment of debt (transfer to the capital adjustment account)	-3,577	-	-
Capital expenditure financed from Revenue balance (transfer to the capital adjustment account)	-13,206	-	-
<b>Total adjustments between revenue &amp; capital resources</b>	<b>-16,783</b>	<b>-</b>	<b>-</b>
<b>Adjustments to capital resources</b>			
Use of the capital receipts reserve to finance capital expenditure	-	<b>-169</b>	-
Application of capital grants to finance capital expenditure	-	-	<b>-3</b>
<b>Total Capital Resources</b>	<b>-</b>	<b>-169</b>	<b>-3</b>
<b>Total Adjustments 2024/25</b>	<b>9,741</b>	<b>-169</b>	<b>-3</b>

## Note 10. Other Operating Expenditure

2024/25 £000		2025/26 £000
581	Net Book value of non-current assets	1,023
-169	Sale Proceeds	-1,008
<b>412</b>	<b>(Gains)/Losses on the disposal of non-current assets</b>	<b>15</b>

## Note 11. Financing and Investment Income & Expenditure

2024/25 £000		2025/26 £000
1,876	Interest Payable and similar charges	1,827
53,047	Pensions interest cost	56,810
-1,513	Interest Receivable and similar income	-1,176
<b>53,410</b>	<b>TOTAL</b>	<b>57,461</b>

Interest receivable and similar income represents the amount of interest earned on the Authority's revenue balances in 2025/26.

## Note 12. Taxation and Non-Specific Grant Income

2024/25 Restated £000		2025/26 £000
-53,940	Council Tax Income	-58,231
-7,835	Non Domestic Rates	-8,960
-51,013	Non ring fenced Government Grants	-50,429
-3	Capital Grants and Contributions	-
<b>-112,791</b>	<b>TOTAL</b>	<b>-117,620</b>

## Note 13. Property, Plant and Equipment

Movements (2025/26)	Land & Buildings	Vehicles, Plant & Equipment	Assets under Construction	Surplus Assets	Total
	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>					
<b>1 April 2025</b>	<b>95,469</b>	<b>40,459</b>	<b>8,910</b>	<b>1,516</b>	<b>146,354</b>
Additions	3,419	6,078	314	-	9,811
Accumulated Depreciation & Impairment write out to gross carrying amount	-2,564	-	-	-	-2,564
Revaluation recognised in the Revaluation Reserve	571	-	-	-	571
Revaluation recognised in the Deficit on the provision of services	736	-	-	-	736
De-recognition – Disposals	-6	-346	-	-	-352
Assets reclassified (to)/from Assets Under Construction	5,059	3,848	-8,907	-	-
Assets reclassified (to)/from Held for Sale	-	-89	-	-	-89
<b>31 March 2026</b>	<b>102,684</b>	<b>49,950</b>	<b>317</b>	<b>1,516</b>	<b>154,467</b>
<b>Depreciation &amp; Impairment</b>					
<b>1 April 2025</b>	<b>725</b>	<b>-15,447</b>	<b>-</b>	<b>-</b>	<b>-14,722</b>
Depreciation charge	-2,826	-3,752	-	-	-6,578
Accumulated Depreciation & Impairment write out to gross carrying amount	2,564	-	-	-	2,564
Impairment (Losses)/Reversals recognised in the Surplus/Deficit on the Provision of Services	-3,125	-	-	-	-3,125
Derecognition – Disposals	-	307	-	-	307
Other movements in Depreciation and Impairment	-	89	-	-	89
<b>31 March 2026</b>	<b>-2,662</b>	<b>-18,803</b>	<b>-</b>	<b>-</b>	<b>-21,465</b>
<b>Net Book Value</b>					
<b>31 March 2025</b>	<b>96,194</b>	<b>25,012</b>	<b>8,910</b>	<b>1,516</b>	<b>131,632</b>
<b>31 March 2026</b>	<b>100,022</b>	<b>31,147</b>	<b>317</b>	<b>1,516</b>	<b>133,002</b>

In 2025/26 an impairment provision has been made for the newly refurbished Keighley Fire Station as a result of the costs being higher than the DRC valuation as at 31st March 2026.

<b>Cost</b>	<b>2024/25</b>	<b>2024/25</b>	<b>Asset</b>	<b>Cost</b>	<b>2025/26</b>	<b>2025/26</b>
<b>£000</b>	<b>Valuation</b>	<b>Impairment</b>		<b>£000</b>	<b>Valuation</b>	<b>Impairment</b>
	<b>£000</b>	<b>£000</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>
5,121	3,456	1,665	Spen Valley Fire Station	-	-	-
23,093	14,764	8,329	WYFRS HQ Building	-	-	-
3,429	2,572	857	TRTC	-	-	-
-	-	-	Keighley Fire Station	6,271	3,146	3,125
<b>31,643</b>	<b>20,792</b>	<b>10,851</b>		<b>6,271</b>	<b>3,146</b>	<b>3,125</b>

Movements (2024/25)	Land & Buildings	Vehicles, Plant & Equipment	Assets under Construction	Surplus Assets	Total
	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>					
<b>1 April 2024</b>	<b>72,192</b>	<b>39,277</b>	<b>35,273</b>	<b>1,118</b>	<b>147,860</b>
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	2,740	-	-	-	2,740
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	6,186	31,624	-	-
Assets reclassified (to)/from Held for Sale	-575	-5,841	-	-	-6,416
<b>31 March 2025</b>	<b>95,469</b>	<b>40,459</b>	<b>8,910</b>	<b>1,516</b>	<b>146,354</b>
<b>Depreciation &amp; Impairment</b>					
<b>1 April 2024</b>	<b>-221</b>	<b>-23,714</b>	<b>-</b>	<b>-</b>	<b>-23,935</b>
Depreciation charge	-2,440	-3,447	-	-	-5,887
Accumulated Depreciation write out to gross carrying amount	14,325	2,657	-	-	16,982
Impairment (Losses)/Reversals recognised in the Revaluation Reserve	-88	-	-	-	-88
Impairment (Losses)/Reversals recognised in the Surplus/Deficit on the Provision of Services	-10,851	-66	-	-	-10,917
Derecognition – Disposals	-	3,789	-	-	3,789
Other movements in Depreciation and Impairment	-	5,334	-	-	5,334
<b>31 March 2025</b>	<b>725</b>	<b>-15,447</b>	<b>-</b>	<b>-</b>	<b>-14,722</b>
<b>Net Book Value</b>					
<b>31 March 2024</b>	<b>71,971</b>	<b>15,563</b>	<b>35,273</b>	<b>1,118</b>	<b>123,925</b>
<b>31 March 2025</b>	<b>96,194</b>	<b>25,012</b>	<b>8,910</b>	<b>1,516</b>	<b>131,632</b>

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 5-15 years
- Fixtures and Fittings 10 years
- Computer Equipment 5 years

## **Capital Commitments**

At the 31st March 2026, the Authority has several contracts for the construction or enhancement of property, plant and equipment in 2025/26 and future years budgeted to cost £1.725m. Similar commitments at 31 March 2025 were £4.233m.

The major commitments as at 31<sup>st</sup> March 2026 are:

- £0.319m in relation to the new Keighley Station build.
- £0.554m in relation to the Huddersfield Station Refurbishment.
- £0.113m in relation to the Illingworth Station Refurbishment.
- £0.185m in relation to the Hunslet Station Refurbishment.
- £0.104m in relation to Undress Uniform.

## **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 valued at 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 1<sup>st</sup> April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment.

The Authority formally valued 100% of its assets in 2024/25 via an external valuations team. The Code requires authorities to revalue their assets every five years with annual indexation applied to assets during the four intervening years.

Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation with a desktop revaluation in year three.

Buildings have been revalued by indices. Land has remained at their last revaluation carried out in 2024/25. Valuations have been carried out on Keighley, Bradford and Rawdon Fire Stations as these have all had major refurbishments.

The total cost or valuation as at 31<sup>st</sup> March 2026 is as follows:

	<b>Land &amp; Buildings</b>	<b>Vehicles, Plant &amp; Equipment</b>	<b>Assets under Construction</b>	<b>Surplus Assets</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Carried at historical cost	2,288	31,147	317	-	33,753
Calculated at Depreciated replacement cost (DRC) at: 31 March 26	96,114	-	-	-	96,114
Value at fair value as at: 31 March 26	-	-	-	1,516	1,516
Value at existing use value as at: 31 March 26	1,620	-	-	-	1,620
	<b>100,022</b>	<b>31,147</b>	<b>317</b>	<b>1,516</b>	<b>133,002</b>

## Note 15. Intangible Assets

The carrying amount of intangible assets is amortised on a straight line basis. The amortisation of £0.2m charged to revenue in 2025/26 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:

2025/26	Software £000	Assets Under Construction £000	Total £000
<b>Balance at 1<sup>st</sup> April 2025:</b>			
Gross carrying amounts	623	2,536	3,159
Accumulated Amortisation	-586	-	-586
Net carrying amount at start of year	37	2,536	2,573
Purchases	-	917	917
Amortisation for the period	-200	-	-200
Other changes	3,453	-3,453	-
<b>Net carrying amount at the end of the year Comprising:</b>	<b>3,290</b>	<b>-</b>	<b>3,290</b>
Cross Carrying Amounts	4,076	-	4,076
Accumulated Amortisation	-786	-	-786
<b>Balance at 31<sup>st</sup> March 2026</b>	<b>3,290</b>	<b>-</b>	<b>3,290</b>

2024/25	Software £000	Assets Under Construction £000	Total £000
<b>Balance at 1<sup>st</sup> March 2024:</b>			
Gross carrying amounts	623	1,523	2,146
Accumulated Amortisation	-529	-	-529
Net carrying amount at start of year	94	1,523	1,617
Purchases	-	1,013	1,013
Amortisation for the period	-57	-	-57
Other changes	-	-	-
<b>Net carrying amount at the end of the year Comprising:</b>	<b>37</b>	<b>2,536</b>	<b>2,573</b>
Cross Carrying Amounts	623	2,536	3,159
Accumulated Amortisation	-586	-	-586
<b>Balance at 31<sup>st</sup> March 2025</b>	<b>37</b>	<b>2,536</b>	<b>2,573</b>

As at 31 March 2026 there were no capital commitments in relation to intangible assets.

## 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.

Movement (2025/26)	Land & Buildings £000	Vehicles £000
<b>Value at 1 April 2025</b>	<b>575</b>	<b>507</b>
Sold during the year	-575	-406
<b>Value at 31 March 2026</b>	<b>-</b>	<b>101</b>

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 27<sup>th</sup> May 2025 and there are 35 fire appliances currently expected to be sold at auction within the next financial year.

Movement (2024/25)	Land & Buildings £000	Vehicles £000
<b>Value at 1 April 2024</b>	<b>-</b>	<b>-</b>
Assets newly classified as held for sale	575	507
<b>Value at 31 March 2025</b>	<b>575</b>	<b>507</b>

## 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 £0.103m (£0.069m at 31st March 2025).

	Non-Current Investments 31 March 2025	Non-Current Investments 31 March 2026	Non-Current Debtors 31 March 2025	Non-Current Debtors 31 March 2026	Current Investments 31 March 2025	Current Investments 31 March 2026	Current Debtors 31 March 2025	Current Debtors 31 March 2026
	£000	£000	£000	£000	£000	£000	£000	£000
Fair Value through profit or loss	-	-	-	-	7,005	5,404	-	-
Amortised Cost	-	-	-	-	10,024	10,079	1,384	435
<b>Total Financial Assets</b>	-	-	-	-	<b>17,029</b>	<b>15,483</b>	<b>1,384</b>	<b>435</b>
Assets not defined as Financial Instruments	-	-	-	-	-	-	8,661	14,152
<b>Total</b>	-	-	-	-	<b>17,029</b>	<b>15,483</b>	<b>10,045</b>	<b>14,587</b>

## Financial Liabilities

Borrowings within the table below include accrued interest of £0.392m (£0.399m at 31st March 2025) and the overdraft position on the bank account £0.563m (£1.291m at 31st March 2025).

	Non-Current Borrowings 31 March 2025	Non-Current Borrowings 31 March 2026	Non-Current Creditors 31 March 2025	Non-Current Creditors 31 March 2026	Current Borrowings 31 March 2025	Current Borrowings 31 March 2026	Current Creditors 31 March 2025	Current Creditors 31 March 2026
	£000	£000	£000	£000	£000	£000	£000	£000
Fair Value through profit or loss	-	-	-	-	-	-	-	-
Amortised Cost	40,187	37,437	-	-	2,440	3,705	2,336	1,631
<b>Total Financial Liabilities</b>	<b>40,187</b>	<b>37,437</b>	<b>-</b>	<b>-</b>	<b>2,440</b>	<b>3,705</b>	<b>2,336</b>	<b>1,631</b>
Liabilities not defined as Financial Instruments	-	-	-	-	-	-	13,696	15,330
<b>Total</b>	<b>40,187</b>	<b>37,437</b>	<b>-</b>	<b>-</b>	<b>2,440</b>	<b>3,705</b>	<b>16,032</b>	<b>16,961</b>

## 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:

	2024/25 Surplus or deficit on the provision of services £000	2025/26 Surplus or deficit on the provision of services £000
Financial Liabilities measured at amortised cost	62	62
<b>Total net gains</b>	<b>62</b>	<b>62</b>
Interest revenue: Financial Assets measured at amortised cost	-1,509	-1,175
Interest expense: Financial Liabilities measured at amortised cost	1,808	1,760
<b>Total Interest expense</b>	<b>299</b>	<b>585</b>
Fee expense: Financial Liabilities that are not at fair value through profit or loss	6	5
<b>Total Fee expense</b>	<b>367</b>	<b>652</b>
<b>Net Gain</b>	<b>334</b>	<b>334</b>

## 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 31<sup>st</sup> March 2026 (nil at 31<sup>st</sup> March 2025).

	Input level in fair value hierarchy	Valuation technique used to measure fair value	2024/25 £000	2025/26 £000
<b>Financial Assets</b>				
Financial Assets held at fair value through profit or loss				
Money Market Funds	Level 1	Quoted prices in active markets	7,005	5,404
<b>Net Gain</b>			<b>7,005</b>	<b>5,404</b>

## 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 2025 £000	Fair Value 31 March 2025 £000	Carrying Amount 31 March 2026 £000	Fair Value 31 March 2026 £000
Fixed Term investments				
Cash and Cash Equivalents	10,000	10,000	10,000	10,000
<b>Total</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>

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 2025 £000	Fair Value 31 March 2025 £000	Carrying Amount 31 March 2026 £000	Fair Value 31 March 2026 £000
<b>Borrowings held at amortised cost</b>				
PWLB	38,937	32,819	38,187	31,230
LOBO	2,000	1,275	2,000	1,214
<b>Total</b>	<b>40,937</b>	<b>34,094</b>	<b>40,187</b>	<b>32,444</b>

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 option was exercised in May 2026 and the loan repaid.

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 31<sup>st</sup> March 2026) 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 £15.380m (£16.960m 31st March 2025). There were no long term deposits with banks and Local Authorities this year (£0.000m 31st March 2025).

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 2025/26.

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

This table does not include accrued interest £0.103m (£0.069m 31st March 2025) or the bank account overdraft balances as at 31st March 2026 (£0.563m) and 31st March 2025 (£1.291m).

This accounts for the variance between the total investments of £15.380m shown in the table below (£16.960m 31st March 2025) and Cash and Cash Equivalents of £14.920m (£15.738m 31st March 2025).

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.

<b>Credit Rating (Short Term)</b>	<b>31 March 2025 £000</b>	<b>31 March 2026 £000</b>
A+ (Fixed Term Bank Deposits)	-	-
AA- (Local Authority Investments)	10,000	10,000
AAAm (Money Market Funds)	6,960	5,380
<b>Total Investments</b>	<b>16,960</b>	<b>15,380</b>

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 31<sup>st</sup> March 2026 that this was likely to occur.

## Customers

The Authority does 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.

<b>Credit Risk</b>	<b>31 March 2025 £000</b>	<b>31 March 2026 £000</b>
Less than three months	-7	-
Three to six months	-118	25
Six months to one year	308	-184
More than one year	482	617
<b>Total</b>	<b>665</b>	<b>458</b>

(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 2025 £000	31 March 2026 £000
Less than one year	3,882	4,416
Between one and two years	750	1,000
Between two and five years	2,500	2,000
Between five and ten years	2,210	2,850
Between ten and fifteen years	4,985	4,405
More than fifteen years	27,742	27,182
	<b>42,069</b>	<b>41,853</b>
<b>Uncertain date</b>	<b>2,000</b>	-

(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. The option was exercised in May 2026 and the loan was repaid.

## Market Risk

	£000
Increase in interest receivable on variable rate	-162
<b>Impact on Surplus or Deficit on the Provision of Services</b>	<b>-162</b>

## 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 31 March 2026, £38.2m of borrowing through the PWLB was at fixed rates (£38.9m as at 31st March 2025). 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, and this was exercised in May 2026.

The fair value of fixed rate borrowings would decrease by around £1.750m 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 £0.162m resulting in a corresponding £0.162m 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 31<sup>st</sup> March 2026 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.

2025/26	Clothing & Uniforms £000	Operational Equipment £000	Petrol & Derv £000	Vehicle Spares £000	Total £000
<b>Balance Outstanding as at 1<sup>st</sup> April</b>	<b>294</b>	<b>269</b>	<b>74</b>	<b>218</b>	<b>855</b>
Purchases Recognised as an expense in the year	464 -316	287 -305	671 -670	180 -181	1,602 -1,472
<b>Balance Outstanding as at 31<sup>st</sup> March</b>	<b>442</b>	<b>251</b>	<b>75</b>	<b>217</b>	<b>985</b>

2024/25	Clothing & Uniforms £000	Operational Equipment £000	Petrol & Derv £000	Vehicle Spares £000	Total £000
<b>Balance Outstanding as at 1<sup>st</sup> April</b>	<b>185</b>	<b>267</b>	<b>65</b>	<b>208</b>	<b>725</b>
Purchases Recognised as an expense in the year	509 -400	103 -101	636 -627	174 -164	1,422 -1,292
<b>Balance Outstanding as at 31<sup>st</sup> March</b>	<b>294</b>	<b>269</b>	<b>74</b>	<b>218</b>	<b>855</b>

## Note 20. Short Term Debtors

The table below shows the amount of short-term debtors as at the 31<sup>st</sup> March 2026:

	31-Mar-25 £000	31-Mar-26 £000
Trade receivables	378	252
Other receivable amounts	799	183
<b>Total</b>	<b>1,177</b>	<b>435</b>
<b>Other Debtors:</b>		
West Yorkshire Firefighters' Pension Fund Account	1,430	5,077
Home Office Pensions Top Up Grant	-	-
Government Grants	98	397
HMRC	974	843
Prepayments	1,480	1,610
Other	20	9
Council Tax	8,852	10,052
Impairment allowance for doubtful debt	-4,469	-4,900
Business Rates	808	1,395
Impairment allowance for doubtful debt	-325	-331
<b>Total</b>	<b>8,868</b>	<b>14,152</b>
<b>Total</b>	<b>10,045</b>	<b>14,587</b>

The Authority does not have a bad debt provision due to the low level of debt written off in year which amounted to £0.012m in 2025/26, (£0.004m in 2024/25). The debts that are written off relate to the non-payment of debtor invoices to customers which were not viable to pursue.

## Note 21. Cash and Cash Equivalents

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

31-Mar-25 £000		31-Mar-26 £000
17,029	Instant Access Interest accounts and Money Market Funds	15,483
-1,291	Bank Current Account	-563
<b>15,738</b>	<b>Total Cash and Cash Equivalents</b>	<b>14,920</b>

## 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 2025 £000		31 March 2026 £000
1,494	Interest Received	1,348
-1,859	Interest Paid	-1,834
<b>-365</b>		<b>-486</b>

31 March 2025 Restated £000		31 March 2026 £000
17,242	Depreciation	10,237
32	Impairment and downward valuations	-736
57	Amortisation	200
3,269	Increase/(decrease) in creditors	-3,115
5,811	(Increase)/decrease in debtors	820
-131	(Increase)/decrease in inventories	-129
7,503	Movement in pension liability	8,121
-153	Other non-cash items charged to the net surplus or deficit on the provision of services	1,108
<b>33,630</b>		<b>16,506</b>

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

31 March 2025 £000		31 March 2026 £000
-	Proceeds from short-term & long-term investment not considered to be cash equivalents	-
-169	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-1,008
-3	Any other items for which the cash effects are investing or financing cash flows	-
<b>-172</b>	<b>Total Cash and Cash Equivalents</b>	<b>-1,008</b>

## Note 23. Cash Flow Statement – Investing Activities

31 March 2025 £000		31 March 2026 £000
-25,587	Purchase of property, plant and equipment, investment property and intangible assets	-11,649
169	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	1,008
-	Proceeds from short-term and long-term investments	-
7	Other receipts from investing activities	-
<b>-25,411</b>	<b>Net cash flows from investing activities</b>	<b>-10,641</b>

## Note 24. Cash Flow Statement – Financing Activities

31 March 2025 £000		31 March 2026 £000
-	Cash receipts of short and long term borrowing	-
-1,000	Repayments of short and long term borrowing	-750
611	Other payments for financing activities	-684
<b>-389</b>	<b>Net cash flows from financing activities</b>	<b>-1,434</b>

## Note 25. Short Term Creditors

The table below shows the amount of short-term creditors as at the 31<sup>st</sup> March 2026:

	31-Mar-25 £000	31-Mar-26 £000
Trade payables	161	229
Other payables	2,175	1,402
<b>Total</b>	<b>2,336</b>	<b>1,631</b>
<b>Other Creditors:</b>		
HMRC	1,470	1,674
West Yorkshire Pension Fund	610	421
Home Office Pensions Top Up Grant	4,882	6,022
Other Receipts in Advance	158	182
Accumulated Absences	697	458
Other	502	530
Council Tax	5,054	5,750
Business Rates	323	293
<b>Sub Total</b>	<b>13,696</b>	<b>15,330</b>
<b>Short Term Creditors Total</b>	<b>16,032</b>	<b>16,961</b>

## 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 £000	Pensionable Pay £000	Other Provisions £000	NDR Provision for Appeals £000	Total £000
<b>Balance at 1 April 2025</b>	<b>59</b>	<b>5</b>	<b>48</b>	<b>381</b>	<b>493</b>
Additional Provisions made in 2025/26	-	-	-	487	487
Amounts used in 2025/26	-5	-	-17	-	-22
Unused Amounts reversed in 2025/26	-	-	-	-381	-381
<b>Balance at 31 March 2026</b>	<b>54</b>	<b>5</b>	<b>31</b>	<b>487</b>	<b>577</b>

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 commissioned a review of its current arrangements in respect of its obligations in the payment of current and future claims, with a decrease of £0.005m to reflect the provision required as at 31st March 2026.

### 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.

### 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 £0.021m due to tax liabilities relating to this payment, which remain in dispute.

The Authority partially resolved a dispute with a supplier for laundry in 2025/26. Settlement of the outstanding invoices took place resulting in a decrease to the provision of £0.017m.

## 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 2025 £000		31 March 2026 £000
5,700	<b>General Fund</b>	5,700
	<b>Earmarked Reserves:</b>	
40	Body Bag Decontamination	40
1,301	Business Rate Appeals	1,301
13,058	Capital Finance Reserve	18,638
27	Council Tax Reform	27
85	Data Transparency	85
187	Enhanced Logistics	187
537	ESMCP	268
395	Insurance Claims	473
2,000	Medium-Term Funding Impact	2,000
1,069	Pay and Prices	1,069
3,142	Pensions Equalisation	3,418
628	Service Support	445
134	Pensions Admin Remedy	134
610	Industrial Action	610
5	Serious Violence Duty	5
1,456	Recruitment	1,841
<b>24,674</b>	<b>Total Earmarked Reserves</b>	<b>30,541</b>
85	Capital Receipts Reserve	85
5	Capital Grants Unapplied Account	5
<b>30,464</b>	<b>Total Usable Reserves</b>	<b>36,331</b>

## Note 28. Transfers to/from Earmarked Reserves

	Balance at 31/03/24	Transfers out 2024/25	Transfers in 2024/25	Balance at 31/03/25	Transfers out 2025/26	Transfers in 2025/26	Balance at 31/03/26
	£000	£000	£000	£000	£000	£000	£000
<b>General Fund</b>	<b>5,700</b>	-	-	<b>5,700</b>	-	-	<b>5,700</b>
Body Bag Decontamination	40	-	-	40	-	-	40
Business Rate Appeals	1,301	-	-	1,301	-	-	1,301
Capital Finance Reserve	15,022	-10,352	8,388	13,058	-1,255	6,835	18,638
Control Room	84	-84	-	-	-	-	-
Council Tax Reform Credits	27	-	-	27	-	-	27
Data Transparency	77	-	8	85	-	-	85
Enhanced Logistics	188	-1	-	187	-	-	187
ESMCP	247	-17	307	537	-269	-	268
Insurance Claims	440	-69	24	395	-	78	473
Medium-Term Funding	2,000	-	-	2,000	-	-	2,000
Impact Reserve	1,069	-	-	1,069	-	-	1,069
Pensions Equalisation	3,461	-319	-	3,142	-	276	3,418
Service Support	641	-82	69	628	-183	-	445
Pensions Admin Remedy	134	-	-	134	-	-	134
Industrial Action	610	-	-	610	-	-	610
Serious Violence Duty	5	-	-	5	-	-	5
Recruitment	640	-	816	1,456	-	385	1,841
<b>Total Earmarked Reserves</b>	<b>25,986</b>	<b>-10,924</b>	<b>9,612</b>	<b>24,674</b>	<b>-1,707</b>	<b>7,574</b>	<b>30,541</b>
Capital Receipts Reserve	85	-	-	85	-	-	85
Capital Grant Unapplied A/c	5	-	-	5	-	-	5
<b>Total Usable Reserves</b>	<b>31,776</b>	<b>-10,924</b>	<b>9,612</b>	<b>30,464</b>	<b>-1,707</b>	<b>7,574</b>	<b>36,331</b>

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. £0.646m was used in 2025/26 for the redevelopment of the Birkenshaw site. A budgeted transfer to reserve of £0.560m took place in 2025/26 (£1.800m 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.

## **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**

This reserve from Central Government is 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. No further grants have been received in 2025/26.

## **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.

Due to delays in the implementation of the new Command and Control System an additional £0.253m was transferred in 2024/25 to the reserve to cover an extension for the current system's licensing arrangements. £0.269m was used to fund the licensing costs in 2025/26.

## **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. Any budget underspend is credited to the reserve.

## **Medium Term Funding Impact Reserve**

There is uncertainty around future grant funding due to the review of the fire funding formula and the uncertainty surrounding the continuity of one-off government grants that are not included in core funding. This reserve will in the short term mitigate the impact of either scenario. 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 would be called upon to manage expenditure increases due to changes in pay awards and inflation. There has been no movement in the reserve during 2025/26.

## **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. In 2025/26 £0.276 of underspend on ill health retirement was credited to the reserve.

## **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 2025/26 to support the continuing workstreams within the ICT digital and data review.

## 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.

## Serious Violence Duty

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

## Recruitment

A new reserve was created in 2023/24 to fund firefighter recruitment that took the Authority above the budgeted establishment for short periods of time. £385k was transferred from the General Fund in 2025/26 to support future recruitment.

## 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 2025 £000		31 March 2026 £000
16,574	Revaluation Reserve	16,721
59,085	Capital Adjustment Account	56,640
-255	Financial Instruments Adjustment Account	-193
-1,030,629	Pensions Reserve	-1,000,587
-894	Collection fund Adjustment Account	-313
-697	Accumulating Compensated Absences Adjustment Account	-459
<b>-956,816</b>	<b>Total Unusable Reserves</b>	<b>-928,191</b>

## 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 1<sup>st</sup> 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.

2024/25 £000		2025/26 £000
14,195	<b>Balance at 1 April</b>	16,574
-361	Difference between fair value depreciation and historical cost depreciation	-424
<b>13,834</b>	<b>Amount written off to the Capital Adjustment Account</b>	<b>16,150</b>
-10,404	Downward Revaluations	-
13,144	Upward Revaluations	571
<b>16,574</b>	<b>Balance at 31 March</b>	<b>16,721</b>

## 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.

2024/25 £000		2025/26 £000
<b>60,033</b>	<b>Balance at 1 April</b>	<b>59,085</b>
-17,242	Charges for depreciation and impairment of non-current assets	-10,237
-1,624	Revaluation losses on property, plant and equipment	-
2,173	Revaluation gains on property, plant and equipment	736
-57	Amortisation of intangible assets	-200
-933	Revenue expenditure funded from capital under statue	-644
-581	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	-1,024
<b>-18,264</b>	<b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement</b>	<b>-11,369</b>
361	Adjusting amounts written out of the Revaluation Reserve	424
<b>-17,903</b>	<b>Net written out amount of the cost of non-current assets consumed in the year</b>	<b>-10,945</b>
169	Use of the Capital Receipts Reserve to finance new capital expenditure	1,008
3	Capital Grants and contributions credited to the Comprehensive Income and Expenditure statement that have been applied to capital financing	-
13,206	Revenue Contributions to Capital outlay	3,586
3,577	Statutory and voluntary provision for the financing of capital investment charged against the General Fund	3,905
<b>16,955</b>	<b>Capital financing applied in the year</b>	<b>8,499</b>
<b>59,085</b>	<b>Balance as at 31 March</b>	<b>56,639</b>

## 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.

2024/25 £000		2025/26 £000
-317	<b>Balance at 1 April</b>	-255
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	62
-255	<b>Balance at 31 March</b>	-193

## 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.

2024/25 £000		2025/26 £000
-1,140,347	<b>Balance at 1 April</b>	-1,030,629
117,603	Re-measurement of the net defined liability/(asset)	38,162
-65,329	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	-66,055
57,444	Employer's pensions contributions and direct payments to pensioners payable in the year	57,935
-1,030,629	<b>Balance at 31 March</b>	-1,000,587

## 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.

2024/25 £000		2025/26 £000
-402	<b>Balance at 1 April</b>	-894
-492	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rate	581
-894	<b>Balance at 31 March</b>	-313

## 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 31<sup>st</sup> 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.

2024/25 £000		2025/26 £000
-753	<b>Balance at 1 April</b>	-697
753	Settlement or cancellation of accrual made at the end of the preceding year	697
-697	Amounts accrued at the end of the current year	-459
-697	<b>Balance at 31 March</b>	-459

## Note 30. Members' Allowances

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

2024/25 £000		2025/26 £000
158	Allowances	168
5	Expenses	7
<b>163</b>		<b>175</b>

## 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
<b>Chief Fire Officer/Chief Exec (John Roberts)</b>	2024/25	£194,903	-	£9,148	£204,051	£73,027	£277,078
	2025/26	£200,948	-	£9,368	£210,316	£74,193	£284,509
<b>Director of Service Delivery (David Walton)</b>	2024/25	£171,569	-	£8,021	£179,590	£65,426	£245,016
	2025/26	£176,837	-	£8,214	£185,050	£66,490	£251,540
<b>Director of Service Support (Nicholas Smith)</b>	2024/25	£151,384	£350	£8,021	£159,755	£57,729	£217,484
	2025/26	£156,032	£420	£8,214	£164,666	£58,668	£223,333
<b>Director of Corporate Services</b>	2024/25	£90,830	-	£5,728	£96,558	£16,278	£112,836
	2025/26	£93,620	-	£5,865	£99,485	£16,851	£116,336
<b>Director of Finance and Procurement</b>	2024/25	£126,153	£6,219	-	£132,372	£22,608	£154,980
	2025/26	£130,027	£6,210	-	£136,237	£23,405	£159,642
<b>(1) Director of People and Culture</b>	2024/25	£20,396	£1,124	-	£21,520	£3,995	£25,515
	2025/26	-	-	-	-	-	-
<b>Director of People and Culture</b>	2024/25	£119,882	£5,760	-	£125,642	£21,099	£146,741
	2025/26	£126,776	£5,865	-	£132,641	£22,820	£155,460

### 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 2024/25	Number of Employees 2025/26
£50,000 - £54,999	129	128
£55,000 - £59,999	85	106
£60,000 - £64,999	47	50
£65,000 - £69,999	35	37
£70,000 - £74,999	9	17
£75,000 - £79,999	4	9
£80,000 - £84,999	2	3
£85,000 - £89,999	9	6
£90,000 - £94,999	1	4
£95,000 - £99,999	-	2
£100,000 - £104,999	-	-
£105,000 - £109,999	3	3
	<b>324</b>	<b>365</b>

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 1<sup>st</sup> of April 2024.

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

Restated 2024/25 £000		2025/26 £000
114	Fees payable to Grant Thornton with regard to external audit services	118
7	Fees payable to Deloitte with regard to external audit services 22/23	-
4	Additional Fees for VFM Audit 22/23	-
-	Audit Build-back	27
-	24-25 IFRS 16 Implementation Review	3
-	23-24 External Audit Fee Variation	7
<b>125</b>		<b>155</b>

## Note 33. Grant Income

The Authority credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2025/26.

2024/25 £000		2025/26 £000
	<b>Credited to Taxation and non-specific Grant Income</b>	
54,389	Council Tax Income	58,584
18,494	Business Rates Top Up Grant	18,703
-650	Collection Fund and NNDR Surplus/(Deficit)	115
8,036	Business Rates Retention (Local Share)	8,492
8,442	Business Rates Reduction (Section 31 Grant)	3,145
-	Indexing Grant	3,768
-	National Insurance Grant	699
174	Services Grant	-
3,120	Pensions Grant	2,977
20,783	Revenue Support Grant	21,137
3	Capital Grants	-
<b>112,791</b>	<b>Total</b>	<b>117,620</b>
	<b>Credited to Services</b>	
207	Apprenticeship Levy	317
294	Local Resilience Forum (LRF)	289
1,150	New Dimension Programme	948
8	Transparency Code Set Up	-
39	Emergency Services Mobile Communications Programme (ESMCP)	-
310	Fire Protection (Building Risk Review)	310
195	Building Safety Regulator	261
-	Redmond Review	29
-	Safe Talk	6
-24	Pension Remedy Grant	-
0	Kent Multi Agency Incident Transfer (MAIT)	13
0	London Fire BSR	99
0	Audit Backstop	27
<b>2,178</b>	<b>Total</b>	<b>2,299</b>

## 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 2025/26 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 2025/26 all returns were nil.

## Officers

The Authority requires each member of the Executive Leadership Team 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 31<sup>st</sup> March 2026 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 staff training and room hire.

The amounts paid to Kirklees Council in 2025/26 are detailed below.

2024/25 £000		2025/26 £000
280	Financial Support Services	286
1	Other Services	2
<b>281</b>		<b>288</b>

## 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.

	2024/25 £000	2025/26 £000
<b>Opening Capital Financing Requirement</b>	<b>51,313</b>	<b>60,753</b>
<b>Capital Investment:</b>		
Property, Plant and Equipment	22,883	9,811
Right of Use Assets – Additions	570	414
Right of Use Assets – IFRS16 Transition	996	-
Intangible Assets	1,013	917
Revenue Expenditure Funded from Capital under Statute	933	644
<b>Sources of Finance:</b>		
Capital Receipts	-169	-1,008
Government Grants and Contributions	-3	-
<b>Sums set aside from revenue:</b>		
Direct Revenue Contributions*	-2,854	-2,255
Earmarked Reserves	-10,352	-1,331
MRP/loan fund principal	-3,577	-3,906
<b>Closing Actual Capital Financing Requirement</b>	<b>60,753</b>	<b>64,039</b>
<b>Explanation of Movement in Year:</b>		
Increase in underlying need to borrow (unsupported by Government financial assistance)	9,440	3,286
<b>Increase in Capital Financing Requirement</b>	<b>9,440</b>	<b>3,286</b>

\*The Capital Financing Reserve and Service Support Reserve helped to fund £1.331m of capital expenditure in 2025/26 and transfers from the revenue underspend contributed towards funding £2.255m of direct revenue contributions.

## Note 36. Leases

### Authority as a lessee

The authority's lease contracts comprise land and buildings, plant and equipment and motor vehicles. Most are individually immaterial, however, material leases relate solely to fleet vehicles used in operational delivery.

## Right-of-use Assets

This table shows the change in the value of right-of-use assets held under leases by the Authority.

Right of use Asset	Vehicles, plant and equipment £000
<b>01 April 2025</b>	<b>1,128</b>
Additions	414
Depreciation	-534
Disposals NPV	-251
Disposals Depreciation	251
<b>31 March 2026</b>	<b>1,008</b>

## Lease Liabilities

	2024/25 £000	2025/26 £000
<b>Balance at 1 April</b>	<b>996</b>	<b>933</b>
Additions	570	414
Lease Repayments	-633	-490
<b>Balance at 31 March</b>	<b>933</b>	<b>857</b>

## Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time periods (measured at the undiscounted amounts of expected cash payments).

	2024/25 £000	2025/26 £000
Less than one year	402	466
Later than one year but not later than five years	668	556
<b>Total</b>	<b>1,070</b>	<b>1,022</b>

## Transactions under leases

The Authority incurred the following expenses and cash flows in relation to leases.

	2024/25 £000	2025/26 £000
Interest expense on lease liability	33	327
Short-term lease expenses	434	293
<b>Cash Flow statement</b>		
Minimum lease payments	633	490

## Authority as a lessor

The Authority holds no leases as a lessor.

## Note 37. Termination Benefits

Within 2025/26 two employees had their contracts amended due to retirement:

1 x Control Staff

1 x Support staff

Details of these payments are included in the table below:

Exit package cost band (including special payments)	Number of Compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
£0 - £20,000	-	-	2	2	-	-	-	-
£20,001 - £40,000	-	-	-	-	-	-	-	-
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001+	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	<b>2</b>	<b>2</b>	-	-	-	-

There were no termination benefits arising from the amendments to the contracts above.

## 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 31<sup>st</sup> March 2014 being linked to final salary, and those after 31<sup>st</sup> 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 1<sup>st</sup> July 2000 to 5<sup>th</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> April 2014 but were members within 10 years of normal retirement age were given a “better of both” promise so their benefits earned after 1<sup>st</sup> 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 6<sup>th</sup> 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 2024/25 £000	Unfunded Benefits 2024/25 £000	Total 2024/25 £000	Comprehensive Income and Expenditure Statement	Funded Benefits 2025/26 £000	Unfunded Benefits 2025/26 £000	Total 2025/26 £000
-2,400	-	-2,400	<b>Service Cost Comprising:</b>	-1,740	-	-1740
-	-	-	Current Service Cost	-	-	-
-11	-	-11	Cost covered by employee contributions	-8	-	-8
			Past service cost			
55	-12	43	<b>Financing and Investment Income and Expenditure:</b>	72	-12	60
			Net Interest Expense			
<b>-2,356</b>	<b>-12</b>	<b>-2,368</b>	<b>Total Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>	<b>-1,676</b>	<b>-12</b>	<b>-1,688</b>
-1,140	-	-1,140	Return on plan assets (excluding the amount included in net interest)	-8,657	-	8,657
629	1	630	Actuarial gains and losses arising on changes in demographic assumptions	-410	-5	-415
15,431	14	15,445	Actuarial gains and losses arising on changes in financial assumptions	1,103	1	1,104
-698	-2	-700	Actuarial gains and losses due to liability experience	-2,784	23	-2,761
-14,202	-	-14,202	Adjustment loss due to restriction of surplus	-7,433	-	-14,202
<b>20</b>	<b>13</b>	<b>33</b>	<b>Total Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>	<b>-867</b>	<b>19</b>	<b>-848</b>
<b>-2,336</b>	<b>1</b>	<b>-2,335</b>	<b>TOTAL</b>	<b>-2,543</b>	<b>7</b>	<b>-2,536</b>

<b>Funded Benefits 2024/25 £000</b>	<b>Unfunded Benefits 2024/25 £000</b>	<b>Total 2024/25 £000</b>	<b>Movement in Reserves Statement</b>	<b>Funded Benefits 2025/26 £000</b>	<b>Unfunded Benefits 2025/26 £000</b>	<b>Total 2025/26 £000</b>
-2,356	-12	<b>-2,368</b>	Reversal of net charges to the Surplus or Deficit for the provision of services for post-employment benefits in accordance with the code	-1,676	-12	<b>-1,688</b>
2,336	37	<b>2,373</b>	Employer's contributions payable to scheme	2,543	32	<b>2,575</b>
-	-	-	Retirement benefits payable to pensioners	-	-	-
<b>-20</b>	<b>25</b>	<b>5</b>	<b>TOTAL</b>	<b>867</b>	<b>20</b>	<b>887</b>

## Firefighters' Pension Scheme

1992 (FPS) 2024/25 £000	2006 (NFPS) 2024/25 £000	2015 (FPS) 2024/25 £000	Injury Awards 2024/25 £000	Total 2024/25 £000	Comprehensive Income and Expenditure Statement	1992 (FPS) 2025/26 £000	2006 (NFPS) 2025/26 £000	2015 (FPS) 2025/26 £000	Injury Awards 2025/26 £000	Total 2025/26 £000
-	-	-4,290	-531	<b>-4,821</b>	<b>Service Cost Comprising:</b> Current Service Cost	-	-	-2,240	83	<b>-2,147</b>
-	-	-5,050	-	<b>-5,050</b>	Cost covered by employee contributions	-	-	-5,340	-	<b>-5,340</b>
-47,560	-1,900	-2,710	-920	<b>-53,090</b>	<b>Financing and Investment Income and Expenditure:</b> Net Interest Expense	-51,500	-1,910	-2,510	-950	<b>-56,870</b>
<b>-47,560</b>	<b>-1,900</b>	<b>-12,050</b>	<b>-1451</b>	<b>-62,961</b>	<b>Total Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>	<b>-51,500</b>	<b>-1,910</b>	<b>-10,090</b>	<b>-867</b>	<b>-64,367</b>
-	-	-	-	-	Return on plan assets (excluding the amount included in net interest)	-	-	-	-	-
1,630	180	530	-	<b>2,340</b>	Actuarial gains and losses arising on changes in demographic assumptions	-	-	-	-	-
85,670	6,530	17,270	1,360	<b>110,830</b>	Actuarial gains and losses arising on changes in financial assumptions	23,160	1,180	3,790	330	<b>28,460</b>
50	260	3,260	830	<b>4,400</b>	Actuarial gains and losses due to liability experience	42,920	-510	-33,240	1,380	<b>10,550</b>
<b>87,350</b>	<b>6,970</b>	<b>21,060</b>	<b>2,190</b>	<b>117,570</b>	<b>Total Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement</b>	<b>66,080</b>	<b>670</b>	<b>-39,450</b>	<b>1,710</b>	<b>39,010</b>
<b>39,790</b>	<b>5,070</b>	<b>9,010</b>	<b>739</b>	<b>54,609</b>	<b>TOTAL</b>	<b>14,580</b>	<b>-1,240</b>	<b>-39,540</b>	<b>843</b>	<b>-25,357</b>

1992 (FPS)	2006 (NFPS)	2015 (FPS)	Injury Awards	Total	Movement in Reserves Statement	1992 (FPS)	2006 (NFPS)	2015 (FPS)	Injury Awards	Total
2024/25	2024/25	2024/25	2024/25	2024/25		2025/26	2025/26	2025/26	2025/26	2025/26
£000	£000	£000	£000	£000		£000	£000	£000	£000	£000
-47,560	-1,900	-12,050	-1,451	<b>-62,961</b>	Reversal of net charges to the Surplus or Deficit for the provision of services for post-employment benefits in accordance with the code	-51,500	-1,910	-10,090	-867	<b>-64,367</b>
-	-	14,580	1,787	<b>16,367</b>	Employer's contributions payable to scheme	-	-	15,404	1,575	<b>16,979</b>
49,894	68	1,077	-12,335	<b>38,704</b>	Retirement benefits payable to pensioners	50,423	35	929	-13,006	<b>38,381</b>
<b>2,334</b>	<b>-1,832</b>	<b>3,607</b>	<b>-11,999</b>	<b>-7,890</b>	<b>TOTAL</b>	<b>-1,077</b>	<b>-1,875</b>	<b>6,243</b>	<b>-12,298</b>	<b>-9,007</b>

The cumulative amount of the re-measurement of the net defined liability recognised in the Comprehensive Income and Expenditure Statement to the 31<sup>st</sup> March 2026 is a loss of £27.893m (2024/25 gain of £52.274m).

## 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 2024/25 £000	Unfunded Benefits 2024/25 £000	Total 2024/25 £000		Funded Benefits 2025/26 £000	Unfunded Benefits 2025/26 £000	Total 2025/26 £000
76,676	229	76,905	Present Value of the defined benefit obligation	81,306	190	81,496
-97,063	-	-97,063	Fair Value of plan assets	-109,696	-	-109,696
<b>-20,387</b>	<b>229</b>	<b>-20,158</b>	<b>Sub total</b>	<b>-28,390</b>	<b>190</b>	<b>-28,200</b>
20,387	-	20,387	Unrecognised asset	28,390	-	28,390
-	<b>229</b>	<b>229</b>	<b>Net liability arising from defined benefit obligation</b>	-	<b>190</b>	<b>190</b>

### 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 2024/25 and 2025/26.

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 £28.4m 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) 2024/25 £000	2006 (NFPS) 2024/25 £000	2015 (FPS) 2024/25 £000	Injury Awards 2024/25 £000	Total 2024/25 £000		1992 (FPS) 2025/26 £000	2006 (NFPS) 2025/26 £000	2015 (FPS) 2025/26 £000	Injury Awards 2025/26 £000	Total 2025/26 £000
936,270	34,320	42,020	17,450	1,030,060	Present Value of the defined benefit obligation	871,290	34,610	78,880	15,510	1,000,290
-	-	-	-	-	Fair Value of plan assets	-	-	-	-	-
<b>936,270</b>	<b>34,320</b>	<b>42,020</b>	<b>17,450</b>	<b>1,030,060</b>	<b>Net liability arising from defined benefit obligation</b>	<b>871,290</b>	<b>34,610</b>	<b>78,880</b>	<b>15,510</b>	<b>1,000,290</b>

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 £5.970m (£5.650m in 2024/25).

The net liability relating to the defined Benefit Pension Schemes recognised in the Balance Sheet at 31<sup>st</sup> March 2026 is -£1,000.5m (2024/25 -£1,030.3m), which is made up of scheme liabilities totalling -£1,081.8m (2024/25 -£1,107m) less scheme assets £81.3m (2024/25 £76.7m).

## 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 31<sup>st</sup> March 2026.

## Local Government Pension Scheme

Funded Benefits 2024/25 £000	Unfunded Benefits 2024/25 £000	Total 2024/25 £000		Funded Benefits 2025/26 £000	Unfunded Benefits 2025/26 £000	Total 2025/26 £000
93,966	-	93,966	<b>Opening fair value of scheme assets</b>	97,063	-	97,063
4,492	-	4,492	Interest income	5,569	-	5,569
			<b>Re-measurement gain (loss):</b>			
-561	-	-561	The return on plan assets, excluding the amount included in the new interest expense	8,078	-	8,078
2,336	37	2,373	Contributions from employers	2,543	32	2,575
865	-	865	Contributions from employees into the scheme	932	-	932
-4,035	-37	-4,072	Benefits paid	-4,489	-32	-4,521
<b>97,063</b>	<b>-</b>	<b>97,063</b>	<b>Closing fair value of scheme assets</b>	<b>109,696</b>	<b>-</b>	<b>109,696</b>

For more information on the scheme's assets, please visit <https://www.wypf.org.uk/>

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

### Local Government Pension Scheme

Funded Benefits 2024/25 £000	Unfunded Benefits 2024/25 £000	Total 2024/25 £000		Funded Benefits 2025/26 £000	Unfunded Benefits 2025/26 £000	Total 2025/26 £000
-88,617	-267	-88,884	<b>Opening balance at 1 April</b>	-76,676	-229	-76,905
-2,400	-	-2,400	Current Service Cost	-1,740	-	-1,740
-	-	-	Transfers in	-	-	-
-4,180	-12	-4,192	Interest Cost	-4,348	-12	-4,360
-865	-	-865	Contributions from scheme participants	-932	-	-932
			<b>Re-measurement gain (loss):</b>			
629	1	630	Actuarial (gains)/losses arising from changes in demographic assumptions	-410	-5	-415
15,431	14	15,445	Actuarial (gains)/losses arising from changes in financial assumptions	1,103	1	1,104
-698	-2	-700	Actuarial (gains)/losses on liabilities -experience	-2,784	23	-2,761
-11	-	-11	Past Service Cost	-8	-	-8
4,035	37	4,072	Benefits paid	4,489	32	4,521
<b>-76,676</b>	<b>-229</b>	<b>-76,905</b>	<b>Closing Balance at 31 March</b>	<b>-81,306</b>	<b>-190</b>	<b>-81,496</b>

## Firefighters' Pension Scheme

1992 (FPS) 2024/25 £000	2006 (NFPS) 2024/25 £000	2015 (FPS) 2024/25 £000	Injury Awards 2024/25 £000	Total 2024/25 £000		1992 (FPS) 2025/26 £000	2006 (NFPS) 2025/26 £000	2015 (FPS) 2025/26 £000	Injury Awards 2025/26 £000	Total 2025/26 £000
-1,025,930	-40,580	-53,670	-19,900	-1,140,080	<b>Opening balance at 1 April</b>	-936,270	-34,320	-42,020	-17,450	-1,030,060
-	-	-4,290	-190	-4,480	Current Service Cost	-	-	-2,240	-150	-2,390
-	-	-300	-	-300	Transfers in	-	-	-130	-	-130
-47,560	-1,900	-2,710	-920	-53,090	Interest Cost	-51,500	-1,910	-2,510	-950	-56,870
-	-	-5,050	-	-5,050	Contributions from scheme participants	-	-	-5,340	-	-5,340
					<b>Re-measurement gain (loss):</b>					
1,630	180	530	-	2,340	Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	-	-	-
85,670	6,530	17,270	1,360	110,830	Actuarial (gains)/losses arising from changes in financial assumptions	23,160	1,180	3,790	1,380	29,510
50	260	3,260	830	4,400	Actuarial (gains)/losses on liabilities -experience	42,920	-510	-33,240	330	9,500
-	-	-	-	-	Past Service Cost	-	-	-	-	-
49,870	1,190	2,940	1,370	55,370	Benefits paid	50,400	950	2,810	1,330	55,370
<b>-936,270</b>	<b>-34,320</b>	<b>-42,020</b>	<b>-17,450</b>	<b>-1,030,060</b>	<b>Closing Balance at 31 March</b>	<b>-871,290</b>	<b>-34,610</b>	<b>-78,880</b>	<b>-15,510</b>	<b>-1,000,290</b>

The significant assumptions used by the actuary are as follows:

## Key Financial Assumptions

Local Government Pension Scheme 2024/25	Firefighters' Pension Schemes 2024/25		Local Government Pension Scheme 2025/26	Firefighters' Pension Schemes 2025/26
2.50%	2.70%	Rate of inflation CPI	2.80%	2.95%
3.75%	3.45%	Rate of increase in salaries	4.05%	3.70%
2.50%	2.70%	Rate of increase in pensions	2.80%	3.70%
5.80%	5.65%	Rate for discounting scheme liabilities	6.20%	6.10%
2.50%	3.45%	Pension accounts revaluation rate	2.80%	3.70%

## Key Demographic Assumptions

Local Government Pension Scheme 2024/25	Firefighters' Pension Schemes 2024/25	Mortality Assumptions	Local Government Pension Scheme 2025/26	Firefighters' Pension Schemes 2025/26
20.9	21.3	<b>Longevity at 65 for current pensioners:</b>	21.9	21.3
24.1	21.3	Men	24.8	21.3
		Women		
		<b>Longevity at 65 for future pensioners:</b>		
21.8	22.7	Men	22.0	22.8
24.8	22.7	Women	25.1	22.8

## Commutation Assumptions

Local Government Pension Scheme 2024/25	Firefighters' Pension Schemes 2024/25		Local Government Pension Scheme 2025/26	Firefighters' Pension Schemes 2025/26
75%	20% - 25%	Take up option to convert annual pension into retirement lump sum	80%	12% - 25%

## Asset Allocations

Local Government Pension Scheme 2024/25	Long term expected rate of return on assets	Local Government Pension Scheme 2025/26
79.6%	Equities	78.6%
2.8%	Property	3.3%
8.3%	Government Bonds	11.4%
3.9%	Corporate Bonds	1.0%
2.9%	Cash	3.2%
2.5%	Other	2.5%

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)	1,789	-1,789
Rate of general increase in salaries (increase or decrease by 0.1%)	81	-81
Rate of increase in pensions (increase or decrease by 0.1%)	1,138	-1,138
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	-1,220	1,220

## 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)	24,000	-24,000
Rate of general increase in salaries (increase or decrease by 0.5%)	3,000	-3,000
Rate of increase in pensions (increase or decrease by 0.5%)	50,000	-50,000
Rate for discounting scheme liabilities (increase or decrease by 0.5%)	-49,000	49,000

## 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%)	4,000	-4,000
Rate of increase in pensions (increase or decrease by 0.5%)	6,000	-6,000
Rate for discounting scheme liabilities (increase or decrease by 0.5%)	-8,000	8,000

## **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 2026/27 the Authority expects to make contributions of £16.774m 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 31<sup>st</sup> March 2014 (or service after 31<sup>st</sup> 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 2025/26 plus the remainder of the 2024/25 grant. The amount received in July 2025 was £30.5 million which the Authority uses to manage its pension cash flows during the year.

## **Note 39. Contingent Liabilities**

On 31<sup>st</sup> March 2026, 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 1<sup>st</sup> April 2015. Transitional protection enabled some members to remain in their pre-2015 schemes after 1<sup>st</sup> 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 27<sup>th</sup> June 2019 the Supreme Court denied the Government's request for an appeal in the case.

On 16<sup>th</sup> 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 8<sup>th</sup> October 2020 and HMT published their response to their consultation on 4<sup>th</sup> 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 31<sup>st</sup> March 2012 and on or after 1<sup>st</sup> April 2015. At retirement, these members will be given a choice in which scheme they wish to accrue benefits over the remedy period, 1<sup>st</sup> April 2015 to 31<sup>st</sup> 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 1<sup>st</sup> 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 31<sup>st</sup> 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 10<sup>th</sup> 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 31<sup>st</sup> March 2012. This would have less impact than GAD's scenario (which also includes any new joiners from 1<sup>st</sup> 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 7<sup>th</sup> 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 7<sup>th</sup> 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 7<sup>th</sup> April 2000 and 30<sup>th</sup> 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 1<sup>st</sup> July 2000 and 5<sup>th</sup> 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.

6) Defined Benefit Pension Schemes/Participation in pension schemes

The Court of Appeal has recently issued its judgment in the Virgin Media case (Virgin Media Ltd v NTL Pension Trustees II Ltd & Ors), which could affect any scheme which was contracted out of the State Second Pension on a final salary basis in the period between 6 April 1997 and 5 April 2016. The case centred on a change to benefits made in 1999 to the way in which deferred members' pensions were revalued in relation to inflation. The impact of the ruling on LGPS liabilities is not known and no adjustments to reflect the impact of the ruling have been made to the financial statements for the year. The Authority will continue to monitor the developments and consider the impact on the LGPS liabilities.

# 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.

2024/25 £000	Contributions Receivable	2025/26 £000
	<b>From employer</b>	
-14,580	Normal	-15,404
-399	Ill Health	-223
-21	Pensions Abatement	-18
-5,090	From Members	-5,513
<b>-20,090</b>		<b>-21,158</b>
	<b>Transfers in</b>	
-309	Individual transfers in from other schemes	-227
	<b>Benefits Payable</b>	
49,381	Pensions	49,999
4,603	Lump Sums	4,141
	<b>Payments to and on account leavers</b>	
-	Individual transfers out to other schemes	-
<b>33,585</b>	<b>Net amount payable for the year</b>	<b>32,755</b>
-33,585	Top Up Grant payable by the Government	-32,755
-		-

The table below presents the net asset statement as at 31<sup>st</sup> March 2026.

2024/25 £000	Net current assets and Liabilities	2025/26 £000
	<b>Current Assets</b>	
-	Top up grant receivable from Government	-
213	Recoverable overpayments of pension	282
4,669	Cash	5,740
	<b>Current Liabilities</b>	
-	Pensionable Pay Creditor to Home Office	-
-4,881	Top up Grant payable to Government	-6,022
-	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 1<sup>st</sup> July and 5<sup>th</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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.

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:

	<b>2025/26 2015 Scheme</b>
Employer	36.70%
Employee	11% - 14.5%

West Yorkshire Fire membership of the Pension Fund as at 31<sup>st</sup> March 2026 is as follows:

Category of Member	1992 (FPS)	2006 (NFPS)	2015 Scheme
Contributors	-	-	1,022
Deferred Pensioners	113	170	248
Pensioners	2,426	129	117

## WYFRA Pension Fund Accounting Policies

The Pension Fund Accounts for the year ended 31<sup>st</sup> March 2026 are presented in the format as laid down in the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 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 31<sup>st</sup> March 2026.

### Current Liabilities

Creditors are raised for employer and employee contributions received into the Fund up to the 31<sup>st</sup> March 2026 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.