



HUMBERSIDE  
Fire Authority

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	<b>Date:</b> 19 March 2026

Dear Member

I hereby give you notice that a meeting of **HUMBERSIDE FIRE AUTHORITY** will be held on **FRIDAY, 27 MARCH 2026** at **10.30AM** at **HUMBERSIDE FIRE & RESCUE SERVICE HEADQUARTERS, SUMMERGROVES WAY, KINGSTON UPON HULL, HU4 7BB.**

The business to be transacted is set out below.

Yours sincerely

**for Lisa Nicholson**  
**Monitoring Officer & Secretary to Fire Authority**

Enc.

## **A G E N D A**

Business	Page Number	Lead	Primary Action Requested
1. Apologies for absence	-	Chairperson	To record
2. Declarations of Interest	-	Chairperson	To declare
3. Minutes of the Authority meeting held on 13 February 2026	(pages 3 - 6)	Chairperson	To approve
4. Minutes of the Appointments and Remuneration Committee on 13 February and 9 March 2026	(pages 7 - 8)	Chairperson	To approve
5. Minutes of Governance, Audit and Scrutiny Committee held on 9 February and 16 March 2026	(pages 9 - 20)	Chair of GAS Committee	To receive
6. Questions by Members	-	Monitoring Officer & Secretary	To receive
7. Communications	-	Chairperson & Chief Fire Officer	To receive

<b>Business</b>	<b>Page Number</b>	<b>Lead</b>	<b>Primary Action Requested</b>
8. Internal Audit Plan 2026/27	(pages 21 - 35)	Internal Audit (TIAA)	To approve
9. Treasury Management and Capital Expenditure Strategy 2026/27	(pages 36 - 74)	Executive Director of Finance/ S.151 Officer	To approve
10. Members Allowances 2026/27	(pages 75 - 78)	Monitoring Officer & Secretary	To approve
11. Pay Policy Statement 2026/27	(pages 79 - 84)	Assistant Director of People and Culture	To approve
12. Gender, Ethnicity and Disability Pay Gap Report 2024/25	(pages 85 - 95)	Assistant Director of People and Culture	To approve
13. Performance Reporting and Service Performance Indicators 2026/27	(pages 96 - 98)	Assistant Chief Fire Officer	To approve
14. Amendment to the Constitution - GAS Committee Review	(pages 99 - 105)	Monitoring Officer & Secretary	To approve
15. Estates Capital Programme - Update	(pages 106 - 111)	Deputy Chief Fire Officer	To receive
16. Chief Fire Officer Update	Verbal	Chief Fire Officer/ Chief Executive	To receive

**HUMBERSIDE FIRE AUTHORITY**

**FRIDAY, 13 FEBRUARY 2026**

**PRESENT:**

**Members**

**Representing East Riding of Yorkshire Council:**

Councillors Bayram, Cantrell, Cary, Dennis, Gill, Heslop-Mullens and Sutton

**Representing Hull City Council:**

Councillors Collinson, Henry, McMurray, Neal and Nicola

**Representing North East Lincolnshire Council:**

Councillors Bonner, Lindley, Patrick and Shepherd

**Representing North Lincolnshire Council:**

Councillors Grant, Ogg and Sherwood

**Officers of Humberside Fire & Rescue Service**

Phil Shillito – Chief Fire Officer/Chief Executive, Niall McKinry – Deputy Chief Fire Officer, Matt Sutcliffe - Assistant Chief Fire Officer, Martyn Ransom - Executive Director of Finance/Section 151 Officer, Donna Chambers - Assistant Director People and Culture, Jason Kirby - Area Manager of People and Culture, Steve Duffield - Area Manager of Emergency Response, Richard Gibson – Area Manager of Service Improvement, Dan Meeke - Area Manager of Resilience and Public Safety, Lisa Nicholson - Monitoring Officer/Secretary and Alison Finn - Committee Manager.

**HMICFRS**

Phil Innis – HMICFRS Service Liaison Lead.

**GAS Committee**

Chris Brown – Chair of the Governance, Audit and Scrutiny Committee

**External Auditors**

Rejoice Mapeto was in (remote) attendance from Forvis Mazar.

The meeting was held at Service Headquarters, Hessle.

A minute's silence was held to remember former Member of the Fire Authority Sue Armitage who had sadly passed away.

**1/26 APOLOGIES FOR ABSENCE** - Apologies for absence were submitted from Bovill, Hofman, Waltham and Jonathan Evison PCC.

**2/26 DECLARATIONS OF INTEREST** - There were no declarations of interest.

**3/26 MINUTES - Resolved** - That the minutes of the meeting of the Authority held on 28 November 2025 be approved as a correct record.

**4/26 UPDATE FROM THE MEETING OF GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE HELD ON 9 FEBRUARY 2026** – The Chairman of the GAS Committee, Chris Brown, provided Members with an update from the Committee’s meeting of 9 February 2026.

**5/26 QUESTIONS BY MEMBERS** - There were no questions by Members.

**6/26 COMMUNICATIONS** – There were no communications

**7/26 FINANCE AND PROCUREMENT UPDATE - PERIOD ENDING 31 DECEMBER 2025** - The Executive Director of Finance/Section 151 Officer submitted a report summarising the current financial position based on information to 31 December 2025.

The summary estimated outturn position for the current financial year based on information to 31 December 2025 was as follows:

CATEGORY	2024/25 OUTTURN PROJECTION
HFA	
Revenue Budget	£0.034m overspend
Capital Programme	£8.437m spend against a £8.156m allocation
Pensions Account	£13.943m deficit

Members took assurance from the report as to the Authority’s financial position for the period ending 31 December 2025.

**Resolved** - That the report be received.

**8/26 MEDIUM-TERM RESOURCE STRATEGY 2026/27 TO 2030/31 AND PRECEPT 2026/27** - The Executive Director of Finance/Section 151 Officer submitted a report summarising the Authority’s budget for 2026/27, with considerations extending into the medium-term, and the recommendation for 2026/27 precept.

The report had been prepared in accordance with the Local Government Finance Act 1992 as amended by the Localism Act 2011 Sections 72 to 79 and the Local Government Finance Act 2012 to allow the Authority to approve:

- The Council Tax Requirement for 2026/27,
- The Council Tax Base figure for 2026/27; and
- The basic amount of Council Tax for 2026/27.

The report also complied with the Local Government Act 2003 and allowed the Authority to approve:

- The financial spending plans that are necessary to support the Authority’s activities [Section 25(1)(a)]; and
- Maintenance of adequate reserves and provisions [Section 25(1)(b)].

There had been a series of reports to the Fire Authority on the budget position for 2025/26 onwards. Reports had been considered at the September, October and December 2025 round of meetings.

The Provisional Local Government Finance Settlement for 2026/27 was released in December 2025 and the key headlines were:

- The assumption that Fire Authorities will make the maximum use of the precept flexibility in the calculation of core spending power.
- Council Tax Referendum threshold of £4.99 or above on a Band D property for Humberside Fire Authority for 2026/27.
- A £0.789m (2.7%) decrease non-Council Tax Funding for the 2026/27 financial year.

The Authority's Medium-Term Resource Strategy had been updated in line with new information that had become available since December 2025. The main examples of that were:

- the Council Tax Base for 2026/27,
- Collection Fund surplus/deficit figures,
- the Capital Programme which is based on the Premises, IT and Vehicles reports for 2026/27 onwards approved at the November 2025 Fire Authority.

**Resolved** - (a) That the 2026/27 precept at a level of £4.99 higher than the level set in 2025/26 on Band D properties be approved, and

(b) that the Medium-Term Resource Strategy 2026/27 - 2030/31, as set out in Appendix 1 of the report, be approved.

*As required under paragraphs 11 and 12 of Schedule 2 Part 11 of the Local Authorities Standing Orders England Regulations 2001, voting was by way of recorded vote:*

**For:** Councillors Bayram, Bonner, Cantrell, Cary, Collinson, Dennis, Gill, Grant, Henry, Heslop-Mullens, Lindley, McMurray, Neal, Nicola, Ogg, Patrick, Shepherd, Sherwood and Sutton

**Against:** None

**Abstentions:** None

For: 19

Against: 0

Abstentions: 0

**9/26 FEES AND CHARGES 2026/27** - The Executive Director of Finance/Section 151 Officer submitted a report summarising the recommended fees and charges for the 2026/27 financial year.

In accordance with relevant Fire Service Acts, Fire Authorities have the discretion to charge for special services performed (where there is no immediate threat of fire) and for services relating to training, fire safety and administration. The total income for the Fire Authority generated through these sources was circa £10k in 2024/25.

**Resolved** - That the revised fees and charges detailed in the report's appendices be approved with effect from 1 April 2026.

**10/26 SCRUTINY TOPICS 2026/27** – The Head of Corporate Assurance submitted a report summarising the eight potential scrutiny topics for the GAS Committee in 2026/27.

The Governance, Audit and Scrutiny (GAS) Committee, in line with their responsibilities set out in Part 2, Article 6, Section 6.4.5 Scrutiny Function and Scrutiny Process (a-f) of the Constitution, was responsible for determining its own work programme, which must remain tightly focused on a short list of topics each year. The Committee determined its work programme using the shortlist of topics approved by the Fire Authority.

The topics, as set out at Appendix 1 of the report, outlined the proposed scrutiny topics for 2026/27, from which six subjects would be selected by the GAS Committee, using clearly defined scopes to guide both the selection process and the focus of scrutiny.

**Resolved** - That the list of shortlisted topics as set out at Appendix 1 of the report be approved for the Governance, Audit and Scrutiny (GAS) Committee to then select six topics for scrutiny as part of its work programme 2026/678.

**11/26 – ESTATES UPDATE** – The Deputy Chief Fire Officer gave Members a verbal update on the Estate held by Humberside Fire Service.

There were 30 sites across the Humberside area and many were in need of improvement having been built in the 1960's. Some sites had already been updated but many were still waiting for changes to meet the needs of the current workforce.

The estate was managed in collaboration with Humberside Police but as part of the capital programme of works, HLM Architects had been awarded the contract to implement the programme of works to ensure the Estate met the needs a modern fire and rescue service. A more detailed report would be brought to the Authority in March 2026.

**Resolved** - That the update be noted.

**12/26 CHIEF FIRE OFFICER UPDATE** - The Chief Fire Officer delivered a verbal update making the following points:

- Local Government Reorganisation– A briefing note was tabled updating Members on the latest position on Local Government Reorganisation (LGR). There were national moves toward unitary authorities and devolution which could legally abolish existing Fire and Rescue Authorities, requiring new statutory governance arrangements. If the proposals for Greater Lincolnshire went ahead this could alter current Service boundaries, which would require significant legal, operational, financial and community-safety implications, and timely legislation to ensure the Service retained lawful authority to operate.
- The Chief Fire Officer had written to the Fire Minister to express the Authority's concerns over the proposal and seeking clarity on the lawful authority on which it could operate.
- The Service had received a letter from the Lord Lieutenant of East Riding of Yorkshire commending the work of those involved in the rescue efforts of the tragic events that occurred in Withernsea.
- HMICFRS Cyber Security Thematic Inspection – The Service was selected alongside three other fire and rescue services and police forces to take part in a thematic inspection on cybersecurity. The inspection took place between 27 and 28 January 2026, following which a debrief took place that provided positive feedback in recognition of the work the Service delivered in this area. No graded judgement would be issued. Instead, the findings from across the three fire and rescue services and police forces would inform a national report with recommendations.
- Letters had been sent to all local venues following the tragic events in Switzerland at Christmas.
- Fire Cadets – The Fire Cadets programme continued to expand, with a sixth unit having now opened. The programme now supported 87 fire cadets.
- Fire Service ambassador - Firefighter Millie Margetts had recently appeared on the TV programme Gladiators, showcasing her as a fantastic advocate for the Service and firefighting profession.
- Neurodiversity awareness - The BBC had run a story on how Crew Manager Sam Heslop's dyslexia condition was supported by the Service.

**Resolved** - that the Chief Fire Officer Update be received.

**HUMBERSIDE FIRE AUTHORITY**  
**APPOINTMENTS AND REMUNERATION COMMITTEE**  
**13 FEBRUARY 2026**

**MEMBERS PRESENT:**

Councillors Sherwood (Chair), Lindley, Nicola, Patrick, Neal and Sutton

Also in attendance:

Phil Shillito - Chief Fire Officer & Chief Executive  
Donna Chambers - HR Advisor  
Alison Finn - Committee Manager

The meeting was held at Humberside Fire and Rescue Service Headquarters.

**1/26 APPOINTMENT OF CHAIR - Resolved** - That Councillor Sherwood be appointed as Chair.

**2/26 DECLARATIONS OF INTEREST** - There were no declarations.

**3/26 EXCLUSION OF THE PRESS/PUBLIC - Resolved** - That the press and public be excluded from the meeting for consideration of the following item on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972.

In making its decision the Authority confirmed that having regard to all the circumstances it was satisfied that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

**4/26 APPOINTMENT OF CHIEF FIRE OFFICER -**

**Resolved** - (a) That the shortlist of candidates be confirmed, and  
(b) that the Committee convene on 9 March 2026 to interview shortlisted candidates.

**HUMBERSIDE FIRE AUTHORITY**  
**APPOINTMENTS AND REMUNERATION COMMITTEE**

**9 MARCH 2026**

**MEMBERS PRESENT:**

Councillors Sherwood (Chair), Lindley, Nicola, Patrick, Neal and Sutton

Also in attendance:

Phil Shillito - Chief Fire Officer & Chief Executive

Donna Chambers - HR Advisor

Samm Campbell - Committee Manager

The meeting was held at Humberside Fire and Rescue Service Headquarters.

**5/26 APPOINTMENT OF CHAIR - Resolved** - That Councillor Sherwood be appointed as Chair.

**6/26 DECLARATIONS OF INTEREST** - There were no declarations.

**7/26 EXCLUSION OF THE PRESS/PUBLIC - Resolved** - That the press and public be excluded from the meeting for consideration of the following item on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972.

In making its decision the Authority confirmed that having regard to all the circumstances it was satisfied that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

**8/26 APPOINTMENT OF CHIEF FIRE OFFICER -**

***Recommended to the Fire Authority*** - That Niall McKiniry be appointed to the post of Chief Fire Officer & Chief Executive.

**HUMBERSIDE FIRE AUTHORITY**  
**GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE**

**9 FEBRUARY 2026**

**PRESENT:** Independent Co-opted Members Chris Brown (Chair), Melissa Dearey, and Gerry Wareham.

**Officers Present:** Matt Sutcliffe – Assistant Chief Fire Officer, Antoinette Diovisalvi – Joint Deputy Chief Finance Officer/Deputy S.151 Officer, Richard Gibson – Area Manager of Services Improvement, Jason Kirby – Area Manager of People and Culture, Dan Meeke – Area Manager of Public Safety and Resilience, Mike Anthony – Head of Organisational Development, Shaun Edwards – Head of Finance, Jamie Morris – Head of Corporate Assurance, Gareth Naidoo – Senior Corporate Assurance Officer, David Robinson – Internal Audit (TIAA), Lisa Nicolson – Monitoring Officer/Secretary, and Rob Close – Committee Manager.

Nigel Saxby (GAS Committee Member) and Rejoice Mapeto (Forvis Mazars) were in remote attendance.

The meeting was held at the Humberside Fire and Rescue Service Headquarters, Kingston upon Hull.

**01/26 APOLOGIES FOR ABSENCE** – Apologies for absence were received from Nigel Saxby and Karen Cowan. With the Chair’s permission, Nigel Saxby was invited to contribute to the meeting remotely

**02/26 DECLARATIONS OF INTEREST** – No declarations of interest were made with respect to any items on the agenda.

**03/26 MINUTES** – The Committee reviewed the previous set of minutes for accuracy.

In relation to minute 29/25, the Committee asked how the payroll services had progressed since contract expiry in December 2025. It was explained that a procurement exercise was currently underway for a payroll service.

In relation to minute 33/25, the Committee asked whether the recruitment campaign had proceeded. It was explained that recruitment had been paused for a period of three months to allow time to consider wider organisational actions, undertake equality, diversity and inclusion activity, and await confirmation of the Service’s funding settlement.

In relation to minute 36/25, the Committee asked when the proposed Member development session would take place on the Committee scrutiny function. It was explained that this would form part of the programme at the start of the 2026/27 municipal year. Members indicated that they would welcome advance notice of the session.

In relation to minute 36/25, the Committee asked when Members would be invited to the next multi-agency debrief. It was explained that Members would be invited when the next debrief took place.

**Resolved** – That the minutes of the meeting held on 10 November 2025 be approved as a correct record, subject to the following amendment:

Minute 38/25 be amended to read, “From a Service perspective, the report *made* several positive...”.

**04/26 INTERNAL AUDIT REPORTS** – The Committee received reports from TIAA, the Authority’s internal auditors, outlining internal audit activity since the previous meeting. It was confirmed that there were no proposed changes to the Internal Audit Plan and there were no instances of fraud reported. Along with the Mid-Year Follow-Up Report, three other audit reports were submitted; Confidence in Using Staff Feedback Mechanisms; Monitoring of Working Hours; and Joint Estates.

Confidence in Using Staff Feedback Mechanisms – Reasonable assurance was provided, with two important recommendations, both of which had been accepted. The robustness of the staff survey evidence was challenged, with assurance sought on the response rate. It was explained that this represented the highest response rate achieved to date, at just over 60 per cent, and that findings had been strengthened through follow-up focus groups, resulting in a robust evidence base.

Monitoring of Working Hours – No assurance was provided, with six urgent recommendations and six important recommendations, all of which had been accepted. The Committee expressed concern given that no assurance had been provided and sought reassurance that risks were now being effectively managed. It was explained that, since the issues had been identified, a range of mitigating actions had been implemented, including training for staff and managers, updated guidance documents, clearer routes for accessing support, and specific guidance relating to fatigue. The Committee further challenged whether there was a formal mechanism for recording and monitoring working hours. It was explained that a system was in place which produced monthly reports, identified concerns, and set out actions where required.

Clarification was sought on whether work with Fire Watch (the HR system) had delivered the intended outcomes. It was explained that further enhancements to the system were still ongoing. Further challenge explored whether alternative solutions were available should progress not be achieved. It was explained that alternative options, including the use of an internal database, were being considered as a contingency.

The Committee challenged the appropriateness of the target dates challenged the appropriateness of the target dates extending to December 2026 for meeting the recommendations. Members were reassured that these had now been brought forward to the end of March 2026. Given the rating of no assurance, the Committee emphasised the importance of continued oversight of the subject and requested a six-month progress update.

Joint Estates – Limited assurance was provided, with six urgent recommendations and three important recommendations, all of which had been accepted. It was explained that a significant proportion of the mitigation depended on a joint agreement which had not yet been finalised, and that this was linked to work being undertaken by external consultants from a capital perspective. Given the limited assurance rating the Committee requested a six-month progress update to seek assurance all actions have either been completed or were on track.

The Mid-Year Follow-Up Report provided a snapshot of progress made against previous audit recommendations as of September 2025. Owing to extenuating circumstances it was not possible for Internal Audit to submit this report to the November 2025 Committee meeting and therefore it was acknowledged that progress and management comments was now dated. Members were assured that progress had been made and that some recommendation had now been completed. Members would be provided with a more up to date picture of progress at its July 2026 meeting when receiving the Year-End report.

**Resolved** – (a) That the internal audits be received, and

(b) That the progress reports against Monitoring of Working Hours and Joint Estates audit recommendations be provided to the Committee in six months' time.

**05/26 FINANCE AND PROCUREMENT UPDATE 2025/26 FOR THE PERIOD ENDING 31 DECEMBER 2025** – The Committee received a report of the Joint Deputy Chief Finance Officer/Deputy Section 151 Officer detailing the current financial position based on information to 31 December 2025. The Committee was advised the overall revenue position had a modest overspend of £34,000. The capital programme showed expenditure of £8.437 million against an allocation of £8.156 million.

The Committee sought clarification on whether underspends on pay should be interpreted positively. It was explained that the Service's current preference was to flag overspends as red, but that this approach would be reviewed. A request was made for future financial reports to more clearly highlight new or emerging updates. Officers committed to move towards reporting by exception where appropriate.

Further clarification was requested regarding pension opt-outs, including whether the implications for staff were being clearly communicated. It was explained that opting out was a personal choice which the organisation could not control, but that staff were provided with information and guidance, including in relation to ill-health retirement.

Procurement of a new financial management system was discussed, with full implementation now being pushed back to April 2028.

**Resolved** – That future report narrative be reported by exception or highlight changes since the previous quarter report.

**Recommended to Fire Authority** – That the Authority takes assurance of its financial position for the period ending 31 December 2025.

**06/26 REVIEW OF ANTI-FRAUD RELATED POLICIES** – The Committee received a report of the Area Manager of Service Improvement, detailing the Service's anti-fraud related policies, including the Anti-Fraud and Corruption Policy, Whistleblowing Policy, Professional Standards Anti-Fraud and Corruption Policy and Professional Standards.

Clarification was sought on the timescale for the consolidation of the anti-fraud related policies into one policy statement. It was envisaged that this work would be completed during the next financial year.

The Committee suggested external anonymous reporting routes, including Crimestoppers, HMRC anonymous reporting and Action Fraud, should be more explicitly referenced within the policies to strengthen staff assurance and confidence in reporting concerns safely.

Clarification was sought on whether incidents of personal fraud disclosed by staff were monitored through organisational arrangements. It was explained that multiple reporting and monitoring channels existed within the policies and the wider suite of related policies.

The Committee referenced the Economic Crime and Corporate Transparency Act 2023 and the use of the term "associated persons" under the Bribery Act 2010 which includes employees, agents and any person performing services for or on behalf of the organisation. It was questioned whether this terminology should be reflected within the policy framework.

It was also suggested that employees should also be encouraged to report none-work related instances of fraud. The Committee was reminded that the Core Code of Ethics that all employees were expected to abide by extended to personal as well as professional affairs. There were also a number of different support routes available to staff to raised concerns, in

particular through the external Fire and Rescue Speak Up service powered by Crime Stoppers.

Clarification was sought on how the effectiveness of the anti-fraud arrangements was monitored in practice. It was explained that the Chair would be informed of any instances of fraud, providing oversight at Committee level.

**Recommended** – That the term “associated persons” under the Bribery Act 2010 be considered including in the relevant anti-fraud related policy.

**Recommended to Fire Authority** – That the Authority takes assurance from the review process undertaken for each anti-fraud related policy.

**07/26 AMENDMENT TO THE CONSTITUTION – PART 2, ARTICLE 2 – MEMBERS OF THE HUMBERSIDE FIRE AUTHORITY** – The Committee received a report from the Monitoring Officer, outlining a proposed change to the Constitution. At its meeting on 28 November 2025, the Humberside Fire Authority (HFA) resolved that Committee should review a proposed amendment to the Constitution concerning the terms of office for Members.

The proposed amendment introduced a new clause to Article 2, specifying that a Member ceases to hold office on HFA, and any entitlement to allowances, immediately upon changing political allegiance. This change was intended to maintain political proportionality and prevent public funds from being paid to individuals who no longer represent the electorate under which they were appointed to HFA.

Membership of fire authorities was based on political proportionality, which reflected the composition of political parties within the appointing constituent authorities. When considering constitutional provisions related to political allegiance, it was essential to distinguish between registered political parties and internal sub-groups or factions within those parties. Political allegiance referred to membership of a registered political party under the Political Parties, Elections and Referendums Act 2000. These parties were recognised for the purposes of proportionality calculations under the Local Government and Housing Act 1989.

Within these main parties, there were informal or organised sub-groups/factions that represent different ideological positions or policy priorities. For the purposes of HFA Constitution, political allegiance refers to membership of a registered political party, or as an independent. Internal factions, sub-groups, or associations within a political party do not constitute a change of political allegiance.

The proposed amendment was driven by the need to uphold financial accountability and democratic integrity within HFA. Membership of the Authority was based on political proportionality, reflecting the composition of political parties within the appointing local authorities. When a Member changes political allegiance, they no longer represent the electorate under which they were appointed to HFA. Continuing to pay allowances in such circumstances would result in public funds being allocated to an individual who no longer fulfils their representative role. By requiring that allowances cease immediately upon a change of political allegiance, HFA ensures that taxpayer money is spent appropriately, aligns with statutory governance principles, and maintains transparency and value for money in the use of public resources.

**Recommended to Fire Authority** – That the Authority approves the proposed amendment to Part 2, Article 2 of the Constitution.

**08/26 SCRUTINY ITEM: MANCHESTER ARENA INQUIRY** – The Committee received a report of the Head of Emergency Preparedness, which detailed the Services response to the Manchester Arena Inquiry, including the national response to its findings and the relevance for Humberside Fire and Rescue Service in terms of emergency preparedness, multi-agency

working and public assurance. It was explained that the Service had reviewed in full the recommendations arising from Volume 2 of the Inquiry, including the twenty-two principal recommendations and the associated agency-specific recommendations, to assess their relevance to the Service's statutory duties, operational responsibilities and governance arrangements. Members were advised that the Inquiry recommendations had been incorporated into the Service's Strategic Improvement Plan, with key themes identified and translated into defined workstreams to ensure that learning was embedded in a structured and auditable way. It was noted that, although a number of recommendations were directed at specific organisations, the Service had considered operational parallels within its own arrangements. This approach ensured that relevant learning was applied proportionately and consistently, strengthening multi-agency interoperability and operational readiness.

The programme of improvements was highlighted to the Committee delivered in response to the Inquiry, including enhancements to command, control, communication and coordination arrangements, alongside improvements in training, exercising and assurance processes, all aligned with national guidance and inspection expectations. Members were advised that progress against the Inquiry-related actions was subject to ongoing governance and oversight through established performance management and assurance frameworks, ensuring that improvements were sustained and reviewed as part of business-as-usual arrangements. Assurance was provided that the actions taken demonstrated a clear commitment to learning from the Manchester Arena Inquiry, strengthening preparedness and resilience, and maintaining a strong focus on public safety, effective partnership working and continuous improvement.

- **Joint Emergency Services Interoperability Principles** - Clarification was sought on the application of Joint Emergency Services Interoperability Principles (JESIP) arrangements in relation to the Connection Live arena in Hull or other high football venues. It was explained that JESIP principles were applied across all high-football venues in partnership with Humberside Police, and that a specific exercise was due to be undertaken in relation to Connection Live to test multi-agency interoperability.
- **Decision-Making Models** - Challenge was raised regarding whether learning from the Covid Inquiry, particularly around decision-making, had prompted consideration of alternative decision-making models. It was explained that JESIP had been adopted to ensure consistent decision-making across emergency services, but that work was also underway through the Local Resilience Forum to promote a systems-based approach. This was intended to avoid rigidity and enable more effective joint working with partner agencies that might operate different decision-making models.

**Recommended to Fire Authority** – (a) That the Authority be assured that the Service has addressed all areas identified as shortcomings within the Manchester Arena Inquiry report and implemented robust measures to prevent any recurrence of the issues identified.

(b) That the Authority be assured that appropriate processes are in place to maintain Joint Emergency Services Interoperability Principles command principles and the multi-agency exercise programme as part of business-as-usual arrangements.

(c) That the Authority be assured of the Service's ability to monitor National Fire Chiefs Council updates and to integrate future national guidance, ensuring that front-line firefighters are provided with the guidance required to support effective operational delivery.

**09/26 SCRUTINY ITEM: PERFORMANCE DEVELOPMENT REVIEWS** – The Committee received a report of the Head of Workforce Development and Culture, which detailed the purpose of the PDR process in supporting individual performance, wellbeing and development, and in ensuring that individual objectives were aligned with the Service's strategic priorities. It was explained that the PDR framework provided a structured and consistent approach for reviewing performance, setting objectives and identifying development needs, and that it formed a key part of the Service's wider people management and assurance arrangements. Members were advised of the current level of PDR completion across the Service and how this was monitored. The presentation highlighted the role of managers in ensuring reviews were completed in a timely and meaningful way, and how oversight arrangements were used to track progress and address gaps.

It was noted that the PDR process supported fairness, consistency and equality, with guidance in place for managers to promote high-quality discussions and ensure that reviews were conducted in line with policy and organisational values. Challenges affecting completion rates were acknowledged, including operational demands and capacity pressures, and outlined the actions being taken to improve consistency and timeliness. These included clearer expectations for managers, reminder processes and escalation where reviews were overdue. The Committee was advised that learning and development needs identified through the PDR process were used to inform training plans and workforce development activity, supporting continuous improvement and capability across the Service. The PDR process remained a central mechanism for performance management, staff engagement and development, and that continued focus was being applied to improving completion rates, the quality of reviews and alignment with organisational objectives.

**360-Degree Feedback and Integration with PDRs** - Clarification was sought on how 360-degree feedback currently operated and how outsourcing the process would work in practice. It was explained that the process had previously been delivered through the T2 Leadership provider, that relied heavily on internal manual input and administration, with limited ability to benchmark outcomes across the sector. A new provider was in the process of being appointed to make the process more efficient and relieve the administrative burden of managing this process. It was explained that the feedback would be linked more closely to the PDR process, enabling individuals to receive structured feedback on leadership behaviours and interpersonal relationships.

- **Health and Safety Training Courses** - Clarification was sought on why a high proportion of Health and Safety course requests, particularly IOSH courses, were being declined. It was explained that IOSH qualifications were a requirement for Crew Managers, but that refresher courses were not always necessary for revalidation. It was also noted that there were cost implications and that course approval was role-specific.
- **Initial Course Requests and Role Relevance** - Further concern was raised regarding the number of initial course requests being declined. It was explained that this was often due to individuals requesting courses that were not relevant to their current role, highlighting a need to improve the quality and clarity of PDR discussions. Members indicated that expectations around development and training requirements needed to be communicated more clearly through the PDR process.
- **Management Accountability** - Clarification was sought on whether staff felt that issues and actions escalated through the PDR process were reported back to them. It was explained that the Service was at an early stage of refreshing the process and that a key focus was ensuring that actions identified were followed through. Members emphasised the importance of accountability and consequences for managers where agreed actions were not delivered. It was

explained that staff would be given greater autonomy and confidence to challenge progression where concerns existed, and that the introduction of the new Quality Assurance Manager would play a key role in ensuring consistency across the process.

- **Consistency and Decision-Making on Course Approvals** - It was noted positively that there appeared to be consistency in the types of training requests being declined. However, concern was raised regarding the lack of clear rationale recorded where requests were not approved. It was explained that the aim was to achieve 100 per cent completion of decisions with an accompanying rationale.
- **Expectations Around Mandatory Training** - Clarification was sought on when many staff should be expected to undertake certain courses. It was explained that mandatory courses were generally completed on promotion, meaning uptake was linked to progression rather than ongoing demand.
- **Training and Support for Managers Conducting PDRs** - Clarification was sought on how managers were trained to conduct effective PDRs. It was explained that online training sessions were delivered via Microsoft Teams, with the intention of reaching all managers and reinforcing guidance on how to carry out effective and meaningful performance development reviews.

**Resolved –**

(a) That the Committee welcomes the decision to outsource the 360-degree feedback process, noting that this is expected to improve the quality, objectivity and developmental value of feedback provided to individuals.

(c) That the Committee recognises the ongoing consultation on the future structure of Organisational Development, which is intended to support more innovative and creative approaches to staff development.

(d) That the Committee supports the Service's continued commitment to continuous improvement in staff development.

**Recommended to Fire Authority –** (e) That the planned improvements to the Performance Development Review (PDR) process, to be implemented following the upgrade of the digital platform, be endorsed.

**10/26 GAS COMMITTEE SCRUTINY PROGRAMME 2025/26** – The Committee Manager submitted a report summarising the Committee's Scrutiny Programme 2025/26.

**Resolved –** That the update be received.

**HUMBERSIDE FIRE AUTHORITY**  
**GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE**

**16 MARCH 2026**

**PRESENT:** Independent Co-opted Members Chris Brown (Chair), Karen Cowan, Melissa Dearey, and Nigel Saxby.

**Officers Present:** Antoinette Diovisalvi – Joint Deputy Chief Finance Officer/Deputy S.151 Officer, Donna Chambers – Assistant Director of People and Culture, Richard Gibson – Area Manager of Service Improvement, Jason Kirby – Area Manager of People and Culture, Dan Meeke – Area Manager of Public Safety and Resilience, Steve Duffield – Area Manager of Emergency Response, Shaun Edwards – Head of Finance, Jamie Morris – Head of Corporate Assurance, Gareth Naidoo – Senior Corporate Assurance Officer, Dominic Purchon – East Riding District Manager, Natalie Simm – EDI Officer, David Robinson – Internal Audit (TIAA), Lisa Nicolson – Monitoring Officer/Secretary, and Rob Close – Committee Manager.

Rejoice Mapeto (Forvis Mazars) was in remote attendance.

The meeting was held at the Humberside Fire and Rescue Service Headquarters, Kingston upon Hull.

**11/26 APOLOGIES FOR ABSENCE** – Apologies for absence were received from Gerry Wareham.

**12/26 DECLARATIONS OF INTEREST** – No declarations of interest were made with respect to any items on the agenda.

**13/26 MINUTES – Resolved** – That the minutes of the meeting held on 9 February 2026 be approved as a correct record, subject to the following amendment:

Minute 06/26 be amended to read, “The Committee suggested external anonymous reporting routes, including Crimestoppers, HMRC anonymous reporting and Action Fraud, should be more explicitly referenced within the policies to strengthen staff assurance and confidence in reporting concerns ~~safely~~ *anonymously*....”.

The Committee sought clarity on the guidance given on Pension opt-outs. It was advised that, while no investment advice was offered, staff were advised of the impact of opting out of the pension scheme might have on their eligibility for ill health retirement.

**14/26 INTERNAL AUDIT REPORTS** – The Committee received reports from TIAA, the Service’s internal auditors, outlining internal audit activity since the previous meeting. It was reported that no amendments had been made to the Internal Audit Plan, no instances of fraud had been identified, and no final audit reports had been issued since the meeting held on 9 February 2026. Members were advised that three audits had commenced during the reporting period, namely ICT Management Controls, Key Financial Control, and the contingency audit on Talent Development, for which draft reports would be issued in due course.

**Resolved** – That the report be received.

**15/26 INTERNAL AUDIT PLAN 2026/27** – The Committee received a report of the Head of Corporate Assurance presenting the draft Internal Audit Plan for 2026/27. The report explained that the Annual Plan set out the proposed audit assignments to be carried out during 2026/27, together with the planned times and high-level scopes for each assignment. It was noted that the audits identified in the Plan would support the Head of Internal Audit’s annual opinion on the overall adequacy and effectiveness of the Service’s framework of governance, risk

management and control, and that the audit scopes had been informed by the Service's assurance framework, risk registers, Service Improvement Plan, His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) findings and recommendations, Fire Standards, National Operational Guidance and key emerging themes.

In presenting the report, the Internal Auditor (TIAA) explained that the total number of audit days had increased from 65 to 72, reflecting an uplift of one day across the global audit plan. Members were advised that the Committee could either proceed with the Plan as presented or, should it wish to retain the previous level of 65 days, remove an audit from the programme. In response, the Head of Corporate Assurance suggested that this point would be given further consideration as part of finalising the Plan.

The Committee also asked whether any additional audit services were expected to be required during the Plan period. In response, the Head of Corporate Assurance advised that none were envisaged at the present time, although this could be explored in future if necessary. The Internal Auditor (TIAA) added that such services were available if required, although it was hoped they would not be needed.

**Recommended to the Fire Authority** – That the Internal Audit Annual Plan 2026/27 be approved.

**16/26 TREASURY MANAGEMENT AND CAPITAL EXPENDITURE STRATEGY 2026/27** – The Committee received a report of the Joint Deputy Chief Finance Officer / Deputy Section 151 Officer presenting the Treasury Management and Capital Expenditure Strategy 2026/27.

The report set out the Prudential Indicators for Treasury Management and Capital and the Treasury Management Strategy Statement proposed for adoption for the financial year 2026/27. The Authority's Constitution required that the Policy Statement was approved by the full Fire Authority and this responsibility could not be delegated. Also outlined was the recommended policy to be adopted in respect of creating the Minimum Revenue Provision (MRP) for 2026/27, in line with the statutory requirements set out in The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 and 2017.

Reference was also made to the liability benchmark, with it being reported that a revenue funding approach to capital expenditure was being used while interest rates remained high. Members were further advised of the indicators relating to the operational boundary and the authorised limit, and were informed that, should borrowing approach the Service's debt limit, Members would be notified accordingly. Attention was also drawn to the indicator concerning borrowing costs charged to the revenue budget, where a level of up to 5 per cent was described as reasonable, and to the maturity structure for borrowing, which was managed so as to avoid borrowing at the same time for cash flow reasons.

In relation to the Investment Strategy, it was reported that security and liquidity remained the Service's priorities. Members were advised that investments were made with a range of counterparties, for periods of no longer than one year, and only with counterparties holding a F1 rating.

In discussion, the Committee raised the potential impact of wider uncertainty on the Service's financial projections, including geopolitical instability and the Fair Funding Review. In response, the Joint Deputy Chief Finance Officer / Deputy Section 151 Officer advised that modelling had been undertaken in relation to conflict in Iran, particularly in respect of possible effects on fuel and utility costs. She explained that the Service was also considering whether discretionary capital expenditure might need to be phased, and that suppliers were being engaged with and contracts kept under review. It was noted, however, that gas prices were fixed until 2027 and electricity prices until 2028, while the fuel contract was due to expire at the end of the 2025/26 financial year and there had been no request to bring this forward.

The Committee explored the Service's approach to borrowing in what was acknowledged to be a volatile environment. In response, the Joint Deputy Chief Finance Officer / Deputy Section 151 Officer explained that the Service had not taken long-term borrowing for some time, instead short term borrowing as and when appropriate. Long-term borrowing was more likely to be considered when interest rates fell to around 2.8 per cent, and that, over the next five-year period, short-term borrowing would be the preferred option.

The Committee requested that future reports make clear which limits were statutory and which reflected local discretion.

The Committee received assurance that there had been no non-specified investments made for periods exceeding one year.

**Recommended to the Fire Authority** – That the Authority approves the Treasury Management Strategy Statement 2026/27.

**17/26 STRATEGIC RISK UPDATE** – The Committee received a presentation from the Head of Corporate Assurance providing an update on the Service's Risk and Opportunity Management framework.

It was explained that risks were identified systematically in a structured way across directorates and projects, with detailed descriptors, ratings for likelihood and impact, and clear assignment of risk owners and responsible persons. This ensured comprehensive coverage and accountability for each risk.

Risks were evaluated using a matrix that combined likelihood and impact to generate a priority score. This enabled the organisation to focus resources on the most critical risks and opportunities, aligning with the Service's risk appetite statements. Each risk was assigned a treatment strategy (accept, treat, transfer, or avoid) and internal control type (preventative, detective, or directive). Mitigations and controls were documented, tested, and regularly reviewed to ensure effectiveness and compliance.

In line with its Constitutional requirements, (Article 6: Governance, Audit and Scrutiny Committee), the Committee was responsible for providing independent advice and recommendations to the Fire Authority on the adequacy of the governance and risk management frameworks, internal controls, and financial reporting. Functions included:

- Reviewing the Annual Governance Statement prior to approval.
- Considering the framework of assurance and ensuring it adequately addresses the risks and priorities of the Authority.
- Monitoring the effective development and operation of risk management, reviewing organisational risk, and monitoring the adequacy of management action in addressing risk-related issues reported to them.
- Reviewing arrangements for the assessment of fraud risks and potential harm from fraud and corruption and monitoring the effectiveness of anti-fraud related policies.

The Committee considered the five strategic risks currently on the Risk and Opportunity Register, with a particular focus on Financial Constraints: National Grant Funding (Risk Reference 2023/24 – Fca).

**Recommended to Fire Authority** – That the Authority takes assurance of the maintenance, monitoring and management of the Risk and Opportunity Management framework, including the identification and management risk.

**18/26 SCRUTINY ITEM: EQUALITY, DIVERSITY AND INCLUSION** – The Committee received a report of the Head of Organisational Development, presented by the EDI Officer, providing an overview of Equality, Diversity and Inclusion following a previous scrutiny request for detailed updates on three key areas: Equality Impact Assessments, EDI Priorities, and Staff Forum Groups. Significant progress had been made since EDI responsibilities transferred to Corporate Assurance and a dedicated EDI Officer was appointed. This had resulted in a strengthened and more consistent equality impact assessment (EIA) process, improved quality assurance, enhanced use of Assurance Monitoring for monitoring, and new guidance to build staff understanding and confidence. Staff forum groups had also been revitalised, with renewed governance, stronger links to Strategic Leadership Team (SLT) Equality Ambassadors and increased activity across four active networks.

The Service had refreshed its statutory EDI priorities for 2025-29 and developed a supporting 12-month delivery plan to ensure actions were aligned with organisational strategy. Work would now focus on improving quantifiable measurement of progress to support transparency, evidence-based decision-making and organisational accountability. Additional developments, including the establishment of the EDI Committee, a comprehensive EDI Hub on SharePoint, and the transition of the EDI Officer role to a permanent position, demonstrated sustained commitment to embedding inclusion and driving positive cultural change across the Service.

The Committee then considered the following areas:

- **Staff Forum Group** - The Committee sought clarification on the position in relation to a dedicated LGBTQ+ Staff Forum Group. In response, the EDI Officer advised that a group of that nature had not had sufficient momentum to continue. She explained that the Service continued to encourage staff involvement in this area through other avenues and was seeking to strengthen its approach, noting that the Service maintained a strong level of engagement with Pride activity. In response to a further question, she did not consider that the absence of a forum reflected a fear of discrimination, but rather the fact that the organisation was relatively small and not highly diverse, meaning that the pool of staff available and willing to establish and sustain such a forum was limited.
- **External Support and Representation** - The Committee asked whether external support or networking opportunities were encouraged. In response, the EDI Officer advised that opportunities for collaboration with police networks were currently being explored, together with the potential for wider national engagement.
- **Wider EDI Leadership and Assurance** - The Committee noted that the EDI Officer had been offered the position of Chair of the NFCC regional EDI Board.

In concluding discussion, the Committee welcomed the benefit of having a dedicated resource in this area and commented positively on the work being undertaken to strengthen the use of Equality Impact Assessments, noting in particular the value of the approach in increasing staff understanding and confidence.

Members commended the Service's approach and progression of its equality, diversity and inclusion responsibilities.

**Recommended to Fire Authority** – That the Authority be assured that the Service's progression of Equality, Diversity and Inclusion (EDI) is performing well.

**19/26 SCRUTINY ITEM: GRENFELL TOWER INQUIRY PHASE 2 REPORT** – The Committee received a report of the East Riding District Manager providing an update on the implications of the Grenfell Tower Inquiry Phase 2 Report for Humberside Fire and Rescue Service. The report explained that Phase 2 of the Inquiry had concluded following a four-year

examination into the Grenfell Tower tragedy of 2017, with the final report published on 4 September 2024. It was noted that the report contained 58 recommendations aimed at strengthening fire safety, regulatory oversight, emergency preparedness and sector-wide capability.

The report further explained that, whilst many of the failings identified were specific to the circumstances at Grenfell, the Inquiry had emphasised the need for all fire and rescue services to examine their own preparedness, organisational learning, control room arrangements, operational planning and staff competence. In that context, it was noted that Humberside Fire and Rescue Service had already undertaken substantial work following Phase 1 of the Inquiry, including enhancements to operational equipment, breathing apparatus communications, operational command training and high-rise firefighting procedures. Phase 2 had then enabled the Service to build on that foundation and ensure that nationally identified improvements were reflected locally.

The Committee was advised that, of the 58 recommendations arising from Phase 2, 12 were directly relevant to fire and rescue services, including recommendations to HMICFRS and the NFCC, and that a further two had potential implications for Humberside Fire and Rescue Service in relation to the definition of high-risk buildings within the Building Safety Act and fire engineering competence. The report stated that a full assessment of each relevant recommendation had been undertaken and that the Service had completed all applicable actions. It was further noted that the report incorporated independent assurance from the recent NFCC Grenfell Workshop hosted by the Service and also set out the Service's position within the wider national context through the Grenfell Tower Inquiry progress tracker, demonstrating continued alignment with emerging national practice.

The Committee then considered the following areas:

- **NFCC Role** – The Committee welcomed the Service's involvement in supporting this area of work through the NFCC, noting positively the role being undertaken.
- **Multi-Agency Practice** – The Committee also welcomed the strength of the multi-agency approach undertaken by the Service and the good practice demonstrated.

**Recommended to Fire Authority** – (a) That the Authority be assured that the Service has completed all relevant actions arising from the Phase 2 report of the Grenfell Tower Inquiry.

(b) That the Authority note the findings of the NFCC workshop, which confirms the strength of the Service's arrangements and identifies only a small number of development opportunities that the Service is already addressing.

	<b>Agenda Item No. 8</b>
<b>Humberside Fire Authority 27 March 2026</b>	<b>Report by the Assistant Chief Fire Officer</b>

<b>Internal Audit Plan 2026/27</b>
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## **1. SUMMARY**

- 1.1 The purpose of internal audit is to strengthen the Service's ability to create, protect, and sustain value by providing the Fire Authority and management with independent, risk-based, and objective assurance, advice, insight, and foresight.
- 1.2 The Annual Plan at Appendix 1 sets out the proposed assignments that will be carried out in 2026/27, the planned times and the high-level scopes for each of these assignments.
- 1.3 The audits identified in the audit plan for 2026/27 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of the Service's framework of governance, risk management and control.
- 1.4 The audit scopes have been identified from the Service's assurance framework, risk registers, Service Improvement Plan, His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) findings/recommendations, Fire Standards, National Operational Guidance and key emerging themes.

## **2. RECOMMENDATION**

- 2.1 It is recommended that the Fire Authority approves of the Internal Audit Plan 2026/27.

## **3. BACKGROUND**

- 3.1 Each year Internal Auditors prepare an annual plan that identifies the internal audit reviews to be undertaken during the next financial year.
- 3.2 The scope of internal audit services covers the entire breadth of the organisation, including all the Service's activities, assets, and personnel.
- 3.3 The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Fire Authority and management on the adequacy and effectiveness of governance, risk management, and control processes for the Service.
- 3.4 The Governance, Audit and Scrutiny Committee, at its meeting of 16 March 2026, considered the draft Plan and endorsed its approval to the Fire Authority

## **4. REPORT DETAIL**

- 4.1 The Annual Plan will be subject to ongoing review and could change as the risks change for the organisation; this will be formally reviewed with senior management and the Governance, Audit and Scrutiny Committee mid-way through the financial year or should a significant issue arise.
- 4.2 The overall agreed time for the delivery of each assignment within the Annual Plan includes: research; preparation and issue of terms of reference; site work; production and review of working papers; and reporting.

- 4.3 The Annual Plan at Appendix 1 sets out the proposed assignments that will be carried out in 2026/27 and was endorsed by the Governance, Audit and Scrutiny (GAS) Committee at its meeting of 16 March 2026.
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## **5. EQUALITY, DATA PROTECTION AND RISK IMPLICATIONS**

- 5.1 There is no requirement to carry out an Equality Impact Assessment (EIA) and/or Data Protection Impact Assessment (DPIA) as this report does not relate to a policy or service delivery change or involves the processing of personal data.
- 5.2 Upon review, no risk implications have been identified in relation to this subject, and no further action is deemed necessary.
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## **6. CONCLUSION**

- 6.1 The Authority, as supported and endorsed by the GAS Committee, is requested to consider and approve the draft Internal Audit Plan for 2026/27 as set out at Appendix 1.

**Matt Sutcliffe**  
**Assistant Chief Fire Officer**

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### **Officer Contact**

Jamie Morris – Head of Corporate Assurance  
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### **Background Papers**

None

### **Glossary/Abbreviations**

DPIA	Data Protection Impact Assessment
EIA	Equality Impact Assessment
GAS	Governance, Audit and Scrutiny Committee
HMICFRS	His Majesty's Inspectorate of Constabulary and Fire and Rescue Services



Internal Audit Plan 2026 - 2027

To assess, assure and provide recommendations against each of the proceeding scope descriptors.

**Please Note:** A mid and end of year follow ups are added to the plan to review the status of previously issued auditor recommendations

Title	Quarter	Scope	Source(s)	Directorate Team
<p><b>1</b></p> <p>Managerial support and direction for watches</p>	<p><b>1</b></p>	<ul style="list-style-type: none"> <li>▪ Station based Managers are visible, approachable, always demonstrate the CCOE</li> <li>▪ Station based managers are open to alternative views.</li> <li>▪ Consistently use a communication style that is inclusive and meets the needs of their differing audiences.</li> <li>▪ Ensure staff are informed and engaged with of Service objectives and key communications.</li> <li>▪ Recognise the impact of change and support employees through the change process, supporting people to achieve the best outcome.</li> <li>▪ Enable all station based managers to have difficult conversations.</li> </ul>	<p>HMICFRS Reporting, Fire Standard: Leading and Developing People, HFRS Strategic Plan 2.1 &amp; 2.5</p>	<p>Emergency Response</p>
<p><b>2</b></p> <p>Staff Competencies</p>	<p><b>1</b></p>	<ul style="list-style-type: none"> <li>▪ Equips, develops and supports its staff with the operational and non-operational skills needed to carry out their roles effectively.</li> <li>▪ Has effective systems to develop, monitor and assure staff competence and capability including the Core Skills and Role Specific Frameworks.</li> <li>▪ Open and regular communications between leaders, employees, partners and stakeholders.</li> </ul>	<p>Fire Standard Leading &amp; Developing People &amp; HMICFRS Criteria, Strategic Plan 4.1 &amp; 4.5</p>	<p>Training &amp; Workforce Culture</p>

	Title	Quarter	Scope	Source(s)	Directorate Team
3	Regulation of Fire Safety	1	<ul style="list-style-type: none"> <li>▪ Use of enforcement powers in a proportionate way.</li> <li>▪ Regulatory activities keep people safe and secure from the risk of fire.</li> <li>▪ Systematically and routinely share relevant information on fire safety risk with staff who use it to carry out fire safety audits.</li> <li>▪ Staff work and share information with enforcement partners and take appropriate enforcement action.</li> <li>▪ Staff work with local businesses and/or large organisations and share information and expectations on compliance with fire safety regulations.</li> <li>▪ Have a system to help all local businesses to have easy and timely access to clear guidance on how to comply with fire safety regulations.</li> </ul>	HMICFRS Criteria and HFRS Strategic Plan 1.3	Protection
4	Responding to fires and other emergencies	1	<ul style="list-style-type: none"> <li>▪ The FRS uses learning from emergencies (local and national) to improve its operational response and to challenge existing policies, processes and procedures.</li> </ul>	HMICFRS Criteria and HFRS Strategic Plan 1.5	Emergency Response & Organisational Learning
5	Leading People	2	<ul style="list-style-type: none"> <li>▪ The FRS makes sure that leaders at all levels are equipped, developed and supported to meet leadership standards, and effectively supports both teams and individuals.</li> <li>▪ All leaders are equipped and have the confidence to manage staff performance and well-being and to resolve poor performance and behaviour, and actively do so</li> </ul>	Our Priorities 2026-2027 & HMICFRS Criteria and HFRS Strategic Plan 2.1	HR & Workforce Development and Culture
6	Project Management	2	<ul style="list-style-type: none"> <li>▪ Has the capacity and capability it needs to improve performance, and has the skills needed to achieve sustainable change.</li> <li>▪ Manages change and transformation through effective projects and programmes.</li> <li>▪ Has a clear internal structure with appropriate governance arrangements to make sure progress against projects and programmes is monitored, scrutinised and challenged.</li> </ul>	HMICFRS Criteria HFRS Strategic Plan 4.1, 4.2, 4.5	Corporate Assurance

Title		Quarter	Scope	Source(s)	Directorate Team
7	National Operational Guidance	2	<ul style="list-style-type: none"> <li>Effective systems and policies are in place for the management of National Operational Guidance</li> <li>NOG standards are effectively understood by the related section / team in the Service</li> <li>NOG standards are subject to performance management and scrutiny and regular reporting.</li> </ul>	NFCC and HFRS Strategic Plan 4.5	Fleet, Research and Capability
8	ICT Controls	4	<ul style="list-style-type: none"> <li>The policy and procedures are up-to-date and clearly define the process for the management controls relating to ICT.</li> <li>Risk relating to ICT systems and use of systems have been considered and mitigating actions and controls are operating.</li> <li>Scheduled testing to manage risks related to Cyber security</li> <li>Compliance with associated sector regulations and legislation can be evidenced</li> <li>Systems are regularly updated regarding application and users.</li> <li>Regular reporting is provided to senior management and/or Board in relation to ICT performance</li> </ul>	Risk Register and HFRS Strategic Plan 4.1	Digital Services
9	Key Financial Controls	4	<ul style="list-style-type: none"> <li>The review assesses the adequacy and effectiveness of the internal controls in place for managing key financial systems including, <i>Creditor Payments, Payroll, Treasury Management, Debtors, General Ledger and Pensions</i></li> <li>Policies and procedures are up to date and clearly define processes for key financial controls.</li> <li>The Authority has considered the risks associated with financial controls and appropriate mitigating controls are identified and operated.</li> <li>Performance is monitored in sufficient detail to senior management and the Authority, allowing for appropriate challenge.</li> <li>Procedures direct compliance with regulatory obligations in relation to financial operations</li> </ul>	Risk Register and HFRS Strategic Plan 3.1 & 3.2	Finance
10	TBC <i>Contingency item</i>	TBC	TBC	TBC	TBC



Humberside Fire and Rescue Service

Indicative Annual Plan 2026/27

March 2026

Draft

# Executive Summary

## Introduction

The Audit Plan for 2026/27 has been informed by a risk assessment carried out across our clients in the sector and by an updated audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks. This coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

## Key Risk Considerations

We have identified a number of key areas which require consideration when planning internal audit coverage.

**Financial Resilience:** Funding constraints and spiralling costs, along with macro-economic impacts on organisations require even tougher financial decisions, with dependencies on collaboration, innovation, spending cuts and service deterioration.

**Devolution and Reorganisations:** Every process, policy, and assurance framework you rely on today could be dismantled or merged. Internal Audit will face a landscape where control environments are in flux, making previous assurances obsolete. Transition assurance is important.

**Digital Transformation and AI:** The rapid integration, and disparities in maturity, of AI across the sector are multifaceted and require a comprehensive governance framework that ensures the safe and ethical adoption of AI technologies. AI can inadvertently expose sensitive data, privacy breaches, AI bias and regulatory oversight.

**Cyber Security Governance:** This is a critical aspect of overall Board governance, especially given the sector being a high-value target for cyber-attacks, particularly ransomware and phishing. These threats are exacerbated by hybrid working and legacy IT systems.

**Net Zero:** Whilst net zero ambitions are progressing, financial constraints and skills shortages in assessing requirements and delivering progress may hinder effective implementation. An assessment of likely achievements would support a realistic reporting position.

**People and Culture:** Poor culture is a significant risk to organisations, leading to poor motivation and inefficiencies. Setting a healthy, ethical and motivated culture from strategic management and being effective in embedding this throughout the organisation, will determine how well the culture is immersed.

**Wellbeing:** Staff wellbeing has been a rising risk for some time. To fully understand underlying causes impacting on staff wellbeing, organisations must take a holistic approach across the workforce, understanding deep rooted reasoning for sickness, leavers, those seeking support and staff surveys, find the golden thread and innovative solutions. Linking this to organisational culture.

## Audit Strategy Methodology

In producing this audit strategy and annual plan, we have sought to build on our understanding of Humberside Fire and Rescue Service’s operating environment and risk profile through a review of key documentation and discussions with key staff and board/committee. We have taken into account:

- Humberside Fire and Rescue Service’s business strategy and corporate objectives
- The regulatory and legislative framework
- Humberside Fire and Rescue Service’s risk register
- Discussion with the Governance, Audit and Scrutiny Committee
- External sources of assurance
- Previous Internal Audit coverage

We take in to account any emerging or heightened risks that are facing the sector, to ensure that the work of internal audit remains appropriately prioritised and focused. Links to specific strategic risks are also contained in the Internal Audit Strategy.

**Our approach complies with the requirements of the IIA Global Internal Audit Standards.**

### **Internal Audit Strategy and Plan**

The Annual Plan at Appendix A sets out the assignments that will be carried out in 2026/27, the planned times and the high-level scopes for each of these assignments.

The Annual Plan will be subject to ongoing review and could change as the risks change for the organisation; this will be formally reviewed with senior management and the Governance, Audit and Scrutiny Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of each assignment within the Annual Plan includes: research; preparation and issue of terms of reference; site work; production and review of working papers; and reporting.

The Annual Plan has been prepared on the assumption that the expected controls will be in place.

The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and Humberside Fire and Rescue Service. Where Humberside Fire and Rescue Service agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the Head of Corporate Assurance and will be clearly set out in the terms of reference for the additional review(s).

### **Adequacy of the planned audit coverage**

The reviews identified in the audit plan for 2026/27 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of Humberside Fire and Rescue Service's framework of governance, risk management and control as required by TIAA's charter. The reviews have been identified from your assurance framework, risk registers and key emerging themes.

### **Disclaimer**

This document has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent.

No responsibility to any third party is accepted as the document has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this document and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our document.

### **Release of Report**

The table below sets out the history of this plan.

<b>Draft Strategy and Plan:</b>	6 <sup>th</sup> March 2026
<b>Final Strategy and Plan:</b>	

## Appendix A: Annual Plan – 2026/27

Quarter	Review	Type	Days	High-level Scope
1	Managerial support and direction for watches	Assurance	6	The review assesses effectiveness of station and middle management in setting direction, providing support, and assuring safe, available, and well-led watches
1	Staff Competencies	Assurance	6	The review will assess whether the Fire Service has effective systems, controls, and processes in place to ensure staff possess and maintain the competencies required to perform their operational and support duties safely, effectively, and in compliance with statutory and organisational requirements.
1	Regulation of Fire Safety	Assurance	6	The audit will assess whether the Fire & Rescue Service has effective governance, processes, controls, and resources in place to regulate fire safety in accordance with statutory obligations, national guidance, and internal policies, ensuring risks to life and property are appropriately managed.
1	Responding to fires and other emergencies	Assurance	6	The review will evaluate how the Service uses learning from emergencies (local and national) to improve its operational response and to challenge existing policies, processes and procedures.
2	Follow-up (Mid-year)	Follow Up	2	Follow-up of implementation of agreed actions from audit reports, ensuring the Fire Service are implementing recommendations, and providing reports to the GAS.
2	Leading People	Assurance	6	The review will assess whether the Service has effective governance, processes, controls, and leadership practices in place to lead, develop, support, and manage its workforce in a way that aligns with organisational values, strategic objectives, and regulatory expectations
2	Project Management	Assurance	6	The audit will assess whether the Service’s project and programme management arrangements (governance, methodology, resources, controls, and reporting) are designed and operating effectively to deliver approved outcomes on time, to budget, and to quality, while managing risks to service delivery, safety, compliance, and value for money.
2	National Operational Guidance		6	The audit will assess whether the Fire & Rescue Service has effective governance, processes, systems, and assurance arrangements to ensure that National Operational Guidance (NOG) is: <ul style="list-style-type: none"> <li>• Appropriately reviewed and evaluated</li> <li>• Effectively implemented into local policy and operational practice</li> <li>• Supported by suitable training, competency development and operational assurance</li> <li>• Embedded within organisational learning processes</li> <li>• Monitored to ensure compliance and continuous improvement</li> </ul>
4	ICT Strategy and Management Controls	Assurance	6	The review considers the arrangements for: ICT Strategy components and coordination; access security; back up retention periods; email/ internet policy and enforcement; licence monitoring, upgrade controls and protocols for communicating with third parties.  The scope of the review does not include consideration of the training needs; or the appropriateness of file sharing.

Quarter	Review	Type	Days	High-level Scope
4	Key Financial Controls	Assurance	6	The review assesses the adequacy and effectiveness of the internal controls in place for managing the following key financial systems; Creditor Payments; Payroll; Treasury Management; Debtors; General Ledger; and Pensions
4	Contingency	Assurance	5	Contingency for ad hoc advice, value for money, efficiency savings, benchmarking, management reviews or process walk throughs, support and training as required during the period
4	Year-end Follow-up	Follow up	2	Follow-up of implementation of agreed actions from audit reports, ensuring the Fire Service are implementing recommendations, and providing reports to the GAS.
1	Annual Planning	Management	1	Assessing the Fire Service's annual audit needs.
4	Annual Report	Management	1	Reporting on the overall conclusions and opinion based on the year's audits and other information and providing input to the Annual Governance Statement.
1 – 4	Audit Management	Management	7	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Governance, Audit and Scrutiny Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
<b>Total days</b>			<b>72</b>	

## Appendix B: Additional services which can be commissioned from TIAA at a Premium

Additional services which can be commissioned from TIAA at a Premium	
<b>1</b>	<p><b>Investigatory Services</b></p> <p>Our bespoke investigations practice forms part of our Anti-Crime and Investigations Team. We are able to provide focussed services in areas including:</p> <ul style="list-style-type: none"> <li>• HR Disciplinary Investigations</li> <li>• Regulatory Breaches (such as Data loss/DPA)</li> <li>• Whistleblowing matters</li> <li>• Cyber Risk Investigations</li> <li>• Criminal Investigations</li> <li>• Fraud Investigations</li> </ul>
<b>2</b>	<p><b>Health and Safety Consultancy</b></p> <p>Our specialist Health &amp; Safety consultants bring deeper technical expertise and practical experience. They are qualified to interpret legislation, identify risks that may be overlooked, and recommend tailored solutions that go beyond compliance. This specialist input gives clients greater confidence that Health &amp; Safety arrangements are robust, legally sound, and aligned with best practice.</p>
<b>3</b>	<p><b>Security Management Services</b></p> <p>Local government faces challenges regarding security in many aspects: terrorism, thefts, violence and aggression towards staff, vandalism, arson, drug dealing, heritage crime. Our highly skilled security management specialists provide training, advice, proactive surveys and assessments on security systems.</p>

# Appendix C: Internal Audit Charter

## Purpose

The purpose of internal audit is to strengthen Humberside Fire and Rescue Service's ability to create, protect, and sustain value by providing the board/audit committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal audit enhances Humberside Fire and Rescue Service's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the IIA's Global Internal Audit Standards, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

## Commitment to Adhering to the Global Internal Audit Standards

TIAA will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. TIAA will report to the board (as required) audit committee and senior management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

## Authority

Humberside Fire and Rescue Service's Audit committee grants the internal audit function the mandate to provide the board/committee and senior management with objective assurance, advice, insight, and foresight.

The internal audit function's authority is created by its direct reporting relationship to the committee. Such authority allows for unrestricted access to both the board and committee.

The committee authorises the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of Humberside Fire and Rescue Service and other specialised services from within or outside Humberside Fire and Rescue Service to complete internal audit services.

## Independence and Reporting Relationships

TIAA will confirm to Humberside Fire and Rescue Service's Audit committee, at least annually, the independence of the internal audit function. TIAA will disclose to the committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfil its mandate.

## Board/Committee Oversight

To establish, maintain, and ensure that TIAA internal audit provision has sufficient authority to fulfil its duties, the board/committee will:

- Discuss with TIAA and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure TIAA has unrestricted access to and communicates and interacts directly with the board/committee, including in private meetings without senior management present.
- Discuss with TIAA and senior management other topics that should be included in the internal audit charter.
- Participate in discussions with TIAA and senior management about the "essential conditions," described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Approve TIAA's charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Review the internal audit charter periodically with TIAA to consider changes affecting the organisation, such as changes in the type, severity, and interdependencies of risks to the organisation; and approve the internal audit charter periodically. (typically, annually).
- Approve the risk-based internal audit plan.
- Review TIAA's performance.
- Receive communications from TIAA about the internal audit function including its performance relative to its plan.

- Ensure TIAA has established a quality assurance and improvement program and this is reported on annually.
- Make appropriate inquiries of senior management and TIAA to determine whether scope or resource limitations are inappropriate.

### TIAA Role

TIAA will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organisation and be able to recognise conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organisation.
- Report organisational behaviour that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

### Objectivity

TIAA will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If TIAA determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or

engage in other activities that may impair their judgment, including:

- Performing operational duties for Humberside Fire and Rescue Service or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any Humberside Fire and Rescue Service employee that is not employed by TIAA, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as TIAA management, Humberside Fire and Rescue Service's board/committee and management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the framework of governance, risk management and control. TIAA is responsible for providing assurance to Humberside Fire and Rescue Service's governing body (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the risk management, control and governance processes.

### TIAA's Responsibility

TIAA has the responsibility to:

- At least annually, develop a risk-based internal audit plan that considers the input of the board/committee and senior management.
- Discuss the plan with the board (as required) and committee and senior management and submit the plan to the committee for review and approval.
- Review and adjust the internal audit plan, as necessary, in response to changes in Humberside Fire and Rescue Service's business, risks, operations, programs, systems, and controls.
- Communicate with the board/committee and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the committee and senior management at each committee meeting and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfil the internal audit mandate.
- Identify and consider trends and emerging issues that could impact Humberside Fire and Rescue Service and communicate to the board and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.

- Ensure adherence to TIAA's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the board and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If TIAA cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the committee.

#### Communication with the Board/Committee and Senior Management

TIAA will report periodically to the committee and senior management regarding:

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Significant revisions to the internal audit plan.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the committee.
- Results of assurance and advisory services.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond Humberside Fire and Rescue Service's risk appetite.

#### Quality Assurance and Improvement Programme

- TIAA will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of TIAA's conformance with the Global Internal Audit Standards, as well as performance measurement to assess TIAA's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement. Annually, TIAA will communicate with the board and senior management about the quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside of TIAA.

#### Scope

- The scope of internal audit services covers the entire breadth of the organisation, including all Humberside Fire and Rescue Service's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the board/committee and management on the adequacy and effectiveness of governance, risk management, and control processes for Humberside Fire and Rescue Service.
- The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These

opportunities will be communicated to the appropriate level of management.

- Internal audit engagements may include evaluating whether:
- Risks relating to the achievement of Humberside Fire and Rescue Service's strategic objectives are appropriately identified and managed.
- The actions of Humberside Fire and Rescue Service's officers, directors, management, employees, and contractors or other relevant parties comply with Humberside Fire and Rescue Service's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Humberside Fire and Rescue Service.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

purpose will be carried out in a manner prescribed by TIAA's professional standards, Information Security and Information Governance policies.

#### Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the

relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.

### Assurance Assessment Gradings

We use four levels of assurance assessments as set out below.

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
<b>Limited Assurance</b>	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
<b>No Assurance</b>	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

### Data Protection

TIAA has policies, procedures and processes in place to comply with all associated regulation and legislation on information security, which is underpinned by mandatory

**Approved by the Governance, Audit and Scrutiny Committee at its meeting on date**

annual awareness training for all staff. To carry out our role effectively, we need to obtain information that is reliable, relevant and sufficient to support our findings and recommendations. The collection of data, particularly sensitive personal data, is minimised and is not shared with unauthorised persons unless there is a valid and legal requirement to do so. We have clear policies on the retention of data and its appropriate, controlled disposal. TIAA has a fully robust Information Security Management System that meets all the requirements of ISO27001:2022.

### Quality Assurance

TIAA recognises the importance of Internal Audit being controlled at each stage to ensure that we deliver a consistent and efficient Internal Audit service that is fully compliant with professional standards and also the conditions of contract. We operate a comprehensive internal operational quality review process to ensure that all Internal Audit work is carried out in accordance with these standards. These quarterly reviews are part of our quality management system which has ISO 9001:2015 accreditation.

### Disclaimer

The matters raised in this planning report, along with those raised in our audit and annual reports, are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in

whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

### Performance Standards

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

Performance Measure	Target
Completion of planned audits.	100%
Audits completed in time allocation.	100%
Draft report issued within 10 working days of exit meeting.	100%
Management responses received by TIAA within 10 working days of draft report issue.	100%
Final report issued within 10 working days of receipt of responses.	100%
Compliance with TIAA's audit charter and IIA GIAS	100%

	<b>Agenda Item No. 9</b>
<b>Humberside Fire Authority 27 March 2026</b>	<b>Report by the Executive Director of Finance/S.151 Officer</b>

<b>TREASURY MANAGEMENT STRATEGY STATEMENT 2026/27</b>
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## **1. SUMMARY**

- 1.1 This report sets out the Prudential Indicators for Treasury Management and Capital and the Treasury Management Strategy Statement proposed for adoption for the financial year 2026/27. The Authority's Constitution requires that the Policy Statement is approved by the full Fire Authority and this responsibility cannot be delegated.
- 1.2 This report also outlines the recommended policy to be adopted in respect of creating the Minimum Revenue Provision (MRP) for 2026/27, in line with the statutory requirements set out in The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 and 2017.

## **2. RECOMMENDATION**

- 2.1 It is recommended that the Fire Authority approves the Treasury Management Strategy Statement 2026/27, as set out in Appendix 1.

## **3. BACKGROUND**

- 3.1 Treasury Management, as defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice 2017 is:
- “The management of the organisation’s investments and cash-flows, its banking and money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of the optimum performance consistent with those risks.”
- 3.2 An updated version of the Code was published in December 2017; this strategy statement has been prepared in accordance with the requirements of the Code.
- 3.3 At its meeting of 16 March 2026 the Governance, Audit and Scrutiny Committee scrutinised the Treasury Management Strategy Statement 2026/27 and endorsed its approval to the Fire Authority.

## **4. REPORT DETAIL**

### **Treasury Management and Prudential Indicators**

- 4.1 The Local Government Act 2003 and supporting regulations require Authority to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set, on an annual basis, a range of Prudential and Treasury Indicators for the next three years to ensure that its capital investment plans are affordable, prudent and sustainable. This report details the proposed indicators relating to the Authority's Treasury Management activities, capital expenditure and external debt for 2026/27 for Members' consideration and approval.
- 4.2 The suggested strategy for 2026/27 in respect of the following aspects of the treasury management function is based upon the S.151 Officer's views on interest rates, supplemented with leading mark forecasts provided by the Authority's treasury

management advisors and support from the treasury management team within Hull City Council. The strategy covers:

- limits in force which will limit the treasury risk and activities of the Authority,
- the Treasury Management and Prudential Indicators,
- the current treasury position,
- prospects for interest rates,
- the borrowing requirement strategy,
- policy on borrowing in advance of need,
- debt rescheduling,
- the investment strategy,
- creditworthiness policy,
- the MRP strategy; and
- policy on use of external service providers

4.3 The 2003 Act, revised Investment Guidance issued 2010 and the updated CIPFA Code also require that Members give consideration to the Authority's Annual Investment Strategy, setting out how investments will be managed and the priorities for security and liquidity of those investments as well as the Annual Borrowing Strategy; these have also been incorporated into this report.

4.4 In addition, it is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Authority to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital decisions. This therefore means, that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from:

- a. increased interest charges from additional borrowing and;
- b. increased running costs from new capital projects

are limited to a level that is affordable within the projected income of the Authority.

#### **Financial/Resourcing/Value for Money Implications**

4.5 The approach outlined within the report is aimed at achieving effective and efficient management of the Authority's financial resources and reflects a prudent approach to the management of financial risk for the Authority.

4.6 The Authority forecasts to have an under-borrowed position in relation to long-term borrowing of £9.4m at the end of 2025/26 which will save in the region of £0.5m in interest in each year until the borrowing is taken.

#### **Risk/Health and Safety/Legal Implications**

4.7 The Authority must comply with the requirements of the CIPFA Code of Practice on Treasury Management 2017 and the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2017. This report ensures such compliance.

4.8 The formulation and application of a prudent Treasury Management Policy and MRP provision ensures that the Authority effectively manages financial risks such as exposure to interest rate changes and liquidity risk whilst minimising borrowing costs and maximising investment income. It further ensures that sufficient levels of resource are set aside for the repayment of debt. Effective treasury management is key to making the best use of the Authority's financial resources and thus the successful delivery of its Strategic Plan.

## Linkages to CRMP/Strategic Plan/Strategies/Plans/Policies

- 4.9 Treasury Management is an integral part of the financial management of the Authority with Prudential Indicators providing a framework for the Authority to monitor key elements of its financial position. Utilising approved Borrowing and Investment Strategies, the Executive Director of Finance/S.151 Officer will seek to minimise borrowing costs and maximise investment income whilst adopting a prudent approach to the Authority's exposure to market risks, especially given the current economic situation.

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## 5. EQUALITY, DATA PROTECTION AND RISK IMPLICATIONS

- 5.1 There is no requirement to carry out an Equality Impact Analysis (EIA) and/or Data Protection Impact Assessment (DPIA) as this report does not relate to a policy or service delivery change or involves the processing of personal data.
- 5.2 Associated risks have been duly assessed and are captured on the Risk and Opportunity Register as a Strategic risk (Reference 2023/24 – 01 Financial Constraints Around National Grant Funding).

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## 6. CONCLUSION

- 6.1 In considering the Governance, Audit and Scrutiny Committee's endorsement, the Fire Authority is requested to approve the Treasury Management Strategy Statement for 2026/27 onwards as set out at Appendix 1.

**Martyn Ransom**  
**Executive Director of Finance/S.151 Officer**

### Officer Contact

Antoinette Diovisalvi – Deputy Chief Finance Officer/Deputy S.151 Officer  
✉ [adiovisalvi@humbersidfire.gov.uk](mailto:adiovisalvi@humbersidfire.gov.uk)

### Background Papers

Medium-Term Resource Strategy 2026/27 to 2030/31 – report to Fire Authority February 2026  
Treasury Management Mid-year Update Report 2025/26 – Report to Fire Authority November 2025  
CIPFA Prudential Code (Revised 2011) and November 2012 and 2017 update  
The local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 and 2017

### Glossary/Abbreviations

CIPFA	Chartered Institute of Public Finance and Accounting
DPIA	Data Protection Impact Assessment
EIA	Equality Impact Assessment
MRP	Minimum Revenue Provision



# Treasury Management Strategy Statement

## Minimum Revenue Provision Policy Statement and Annual Investment Strategy

Humberside Fire Authority 2026/27



**HUMBERSIDE**  
Fire & Rescue Service

## INTRODUCTION

### Background

The Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low-risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that the Authority can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet a risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

*“The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

### Reporting requirements

#### Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital strategy is to ensure that all elected members on the full Authority fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

#### Treasury Management Reporting

The Authority is currently required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

- a) **Prudential and treasury indicators and treasury strategy** (this report) - The first and most important report is forward looking and covers:
- the capital plans (including prudential indicators);
  - a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
  - the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
  - an Annual Investment Strategy (the parameters on how investments are to be managed).
- b) **A mid-year treasury management report based on period ending 30<sup>th</sup> September** – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- c) **An annual treasury report** – This is a backward-looking document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

### **Scrutiny**

The above reports are required to be adequately scrutinised before being recommended to the Authority. This role is undertaken by the Governance, Audit and Scrutiny Committee.

### **Quarterly reports**

In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June and end of December) is also required. This reporting sits within the Quarterly Corporate Finance and Procurement Update that is produced and taken to Governance, Audit and Scrutiny Committee and Humberside Fire Authority.

### **Treasury Management Strategy for 2026/27**

The strategy for 2026/27 covers two main areas:

#### **Capital issues**

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

#### **Treasury management issues**

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Authority;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, MHCLG Investment Guidance, MHCLG MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

The CIPFA Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny. Training will be arranged as required.

**Treasury management consultants**

The Authority uses MUFG Corporate Markets as its external treasury management advisors.

The Authority recognises that responsibility for treasury management decisions always remains with the Authority and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

## THE CAPITAL PRUDENTIAL INDICATORS 2026/27 – 2029/30

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans.

### Capital expenditure – Indicator 1

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital expenditure £m	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate
<b>Total</b>	<b>8.437</b>	<b>9.153</b>	<b>5.076</b>	<b>11.957</b>	<b>9.823</b>

Other long-term liabilities - The above financing need excludes other long-term liabilities, such as PFI and leasing arrangements, which already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of capital expenditure £m	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate
Capital receipts	0.732	0.500	-	-	-
Capital grants	-	-	-	-	-
Capital reserves	-	0.620	0.895	1.983	1.350
Revenue	2.087	1.000	0.600	0.500	0.600
<b>Net financing need for the year</b>	<b>5.618</b>	<b>7.033</b>	<b>3.581</b>	<b>9.474</b>	<b>7.873</b>

### The Authority's borrowing need (the Capital Financing Requirement) – Indicator 2

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g., PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Authority's borrowing requirement, these types of schemes include a borrowing facility by the PFI, PPP lease provider and so the Authority is not required to separately borrow for these schemes. The Authority had £1.126m of such schemes within the CFR as at 31<sup>st</sup> March 2025.

The Authority is asked to approve the CFR projections below:

£m	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate
<b>Capital Financing Requirement</b>					
Underlying CFR	24.400	30.174	32.357	40.285	46.402
Other LT Liabilities	1.047	1.020	0.990	0.957	0.922
<b>Total CFR</b>	<b>25.447</b>	<b>31.194</b>	<b>33.347</b>	<b>41.242</b>	<b>47.324</b>
<b>CFR as a % of BR</b>	<b>42.32%</b>	<b>50.24%</b>	<b>53.15%</b>	<b>65.09%</b>	<b>72.33%</b>
<b>Movement in CFR</b>	<b>4.533</b>	<b>5.747</b>	<b>2.153</b>	<b>7.895</b>	<b>6.082</b>

<b>Movement in CFR represented by</b>					
Net financing need for the year (above)	5.618	7.033	3581	9.474	7.873
Less MRP/VRP and other financing movements	(1.085)	(1.286)	(1.428)	(1.579)	(1.791)
<b>Movement in CFR</b>	<b>4.533</b>	<b>5.747</b>	<b>2.153</b>	<b>7.895</b>	<b>6.082</b>

This table shows CFR increasing to 72% of our Budget Requirement (BR) which is due to the investment in the Authority's assets over the next 5 years.

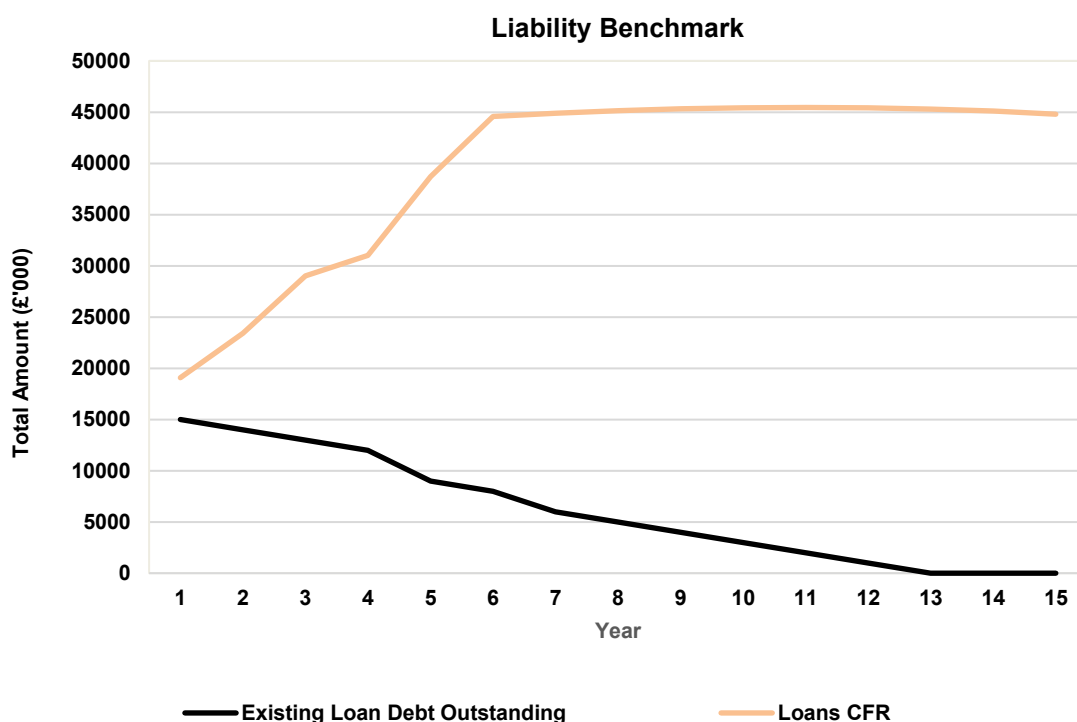
### The Authority's Liability Benchmark – Indicator 3

The Authority is required to estimate and measure the Liability Benchmark (LB) for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB: -

- **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
- **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.

The graph below shows that the Authority is currently slightly internally borrowed and this will increase over the next few years. The Authority will actively monitor interest rates and determine the most advantageous time to take actual long-term borrowing. Short-term borrowing may be used until borrowing rates become more attractive.



#### Core funds and expected investment balances – Indicator 4

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Year End Resources £m	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate
Fund balances / reserves	14.160	13.580	12.787	10.921	9.634
Capital receipts	0.650	0.530	0.030	0.030	0.030
<b>Total core funds</b>	<b>14.810</b>	<b>14.110</b>	<b>12.817</b>	<b>10.951</b>	<b>9.664</b>
Working capital*	(2.500)	(2.500)	(2.500)	(2.500)	(2.500)
(Under)/over borrowing	(9.400)	(14.174)	(15.357)	(22.285)	(29.402)
<b>Expected investments</b>	<b>2.910</b>	<b>(2.564)</b>	<b>(5.040)</b>	<b>(13.834)</b>	<b>(22.238)</b>

\*Working capital balances shown are estimated year-end; these may be higher mid-year

## TREASURY MANAGEMENT PRUDENTIAL INDICATORS 2026/27 – 2029/30

The capital expenditure plans set out in this section provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the annual investment strategy.

### Current portfolio position

The Authority's estimated treasury portfolio position at 31 March 2026, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£m	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate
<b>External Debt</b>					
Debt at 1 April	15.828	15.000	16.000	17.000	18.000
Expected change in Debt	(0.828)	1.000	1.000	1.000	(1.000)
Other long-term liabilities (OLTL)	1.126	1.047	1.020	0.990	0.957
Expected change in OLTL	(0.079)	(0.027)	(0.030)	(0.033)	(0.035)
Actual gross debt at 31 March	<b>16.047</b>	<b>17.020</b>	<b>17.990</b>	<b>18.957</b>	<b>17.922</b>
The Capital Financing Requirement	<b>25.447</b>	<b>31.194</b>	<b>33.347</b>	<b>41.242</b>	<b>47.324</b>
Under / (over) borrowing	<b>9.400</b>	<b>14.174</b>	<b>15.357</b>	<b>22.285</b>	<b>29.402</b>

Within the range of prudential indicators there are several key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2026/27 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Executive Director of Finance & S.151 Officer reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view considers current commitments, existing plans, and the proposals in this budget report.

## Treasury Indicators: limits to borrowing activity

### The operational boundary – Indicator 5

This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary £m	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate
Debt	31.500	36.500	41.500	46.500
Other long-term liabilities	3.500	3.500	3.500	3.500
Total	35.000	40.000	45.000	50.000

### The authorised limit for external debt – Indicator 6

This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Authority. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all authorities' plans, or those of a specific authority, although this power has not yet been exercised.
- The Authority is asked to approve the following authorised limit:

Authorised limit £m	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate
Debt	36.500	41.500	46.500	51.500
Other long-term liabilities	3.500	3.500	3.500	3.500
Total	40.000	45.000	50.000	55.000

### Prospects for interest rates

The Authority has appointed MUFG Corporate Markets as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. MUFG Corporate Markets provided the following forecasts on 22 December 2025. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

MUFG Corporate Markets Interest Rate View 22.12.25													
	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

Additional notes by MUFG Corporate Markets on this forecast table: -

- Our last interest rate forecast update was undertaken on 11 August. Since then, a combination of tepid growth (0.2% q/q GDP for Q2 and 0.1% q/q GDP for Q3), falling inflation (currently CPI is 3.2%), and a November Budget that will place more pressure on the majority of households' income, has provided an opportunity for the Bank of

England's Monetary Policy Committee to further reduce Bank Rate from 4% to 3.75% on 18 December.

- Surprisingly, to most market commentators, the recent steep fall in CPI inflation in one month from 3.6% to 3.2% did not persuade most “dissenters” from the November vote (Lombardelli, Greene, Mann and Pill) to switch to the rate-cutting side of the Committee. Instead, it was left to Bank Governor, Andrew Bailey, to use his deciding vote to force a rate cut through by the slimmest of margins, 5-4.
- Given the wafer-thin majority for a rate cut it was not unexpected to hear that although rates would continue on a “gradual downward path”, suggesting a further rate cut or cuts in the offing, MPC members want to assess incoming evidence on labour market activity and wage growth. Indeed, with annual wage growth still over 4.5%, the MPC reiterated that the case for further rate cuts would be “a closer call”, and Governor Bailey observed there is “limited space as Bank Rate approaches a neutral level”.
- Accordingly, the MUFG Corporate Markets forecast has been revised to price in a rate cut in Q2 2026 to 3.5%, likely to take place in the wake of a significant fall in the CPI inflation reading from 3% in March to 2% in April (as forecast by Capital Economics), followed by a short lull through the summer whilst more data is garnered, and then a further rate cut to 3.25% in Q4.
- As in August, nonetheless, threats to that central scenario abound. What if wage increases remain stubbornly high? There are, after all, several sectors of the domestic economy, including social care provision and the building/construction industries, where staff shortages remain severe. Moreover, by May 2026, following the local elections, we will have a better handle on whether or not the Starmer/Reeves team is going to see out the current Parliament or whether they face a Leadership challenge from within their own party. If so, how will gilt markets react to these variables...and will there be additional geo-political factors to also bake in, particularly the Fed's monetary policy decisions in 2026 and the ongoing battle to lower rates whilst inflation remains close to 3%.
- Accordingly, our updated central forecast is made with several hefty caveats. We are confident, as we have been for some time, that our forecast for Bank Rate and the 5-year PWLB Certainty Rate is robust, and we have marginally brought forward the timing of the next rate cut(s). But for the 10-, 25- and 50-years part of the curve, the level of gilt issuance, and the timing of its placement, will be integral to achieving a benign trading environment. That is not a “given”, and additionally, the inflation outlook and political factors domestically and, crucially, in the US, are also likely to hold sway. Matters should be clearer by June in the UK, but the US mid-term elections are scheduled for November.
- Our revised PWLB rate forecasts are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps) and is set to prevail until at least the end of March 2026. Hopefully, there will be a further extension to this discounted rate announced in January.
- Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.

## Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, but the risks to our forecasts are generally to the upsides. Our target borrowing rates are set two years forward (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

<b>PWLB borrowing</b>	<b>Current borrowing rates as at 22.12.25 p.m.</b>	<b>Target borrowing rate now (end of Q4 2027)</b>	<b>Target borrowing rate previous (end of Q4 2027)</b>
	<b>%</b>	<b>%</b>	<b>%</b>
<b>5 years</b>	4.81	4.10	4.20
<b>10 years</b>	5.39	4.70	4.70
<b>25 years</b>	6.01	5.30	5.30
<b>50 years</b>	5.78	5.10	5.10

**Borrowing advice:** Our long-term (beyond 10 years) forecast for the neutral level of Bank Rate remains at 3.5%. As all PWLB certainty rates are still above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve (<5 years PWLB maturity/<10 years PWLB EIP) and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are set out below.

<b>Average earnings in each year</b>	<b>Now</b>	<b>Previously</b>
	<b>%</b>	<b>%</b>
<b>2025/26 (residual)</b>	3.80	3.90
<b>2026/27</b>	3.40	3.60
<b>2027/28</b>	3.30	3.30

<b>2028/29</b>	3.30	3.50
<b>2029/30</b>	3.50	3.50
<b>Years 6-10</b>	3.50	3.50
<b>Years 10+</b>	3.50	3.50

We will continue to monitor economic and market developments as they unfold. Typically, we formally review our forecasts following the quarterly release of the Bank of England’s Monetary Policy Report but will consider our position on an ad-hoc basis as required.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

**Borrowing strategy**

The Authority is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority’s reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2026/27 treasury operations. The Executive Director of Finance & S.151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.*
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

Any decisions will be reported to the Authority at the next available opportunity.

**Policy on borrowing in advance of need**

The Authority will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

**Debt rescheduling**

Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment or rebalancing of the portfolio to provide more certainty is considered appropriate.

All rescheduling will be reported to the Authority, at the earliest meeting following its action.

**New financial institutions as a source of borrowing and / or types of borrowing**

Currently the PWLB Certainty Rate is set at gilts + 80 basis. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

**Approved Sources of Long and Short-Term Borrowing**

<b>On Balance Sheet</b>	<b>Fixed</b>	<b>Variable</b>
PWLB	●	●
Municipal bond agency	●	●
Local authorities	●	●
Banks	●	●
Pension funds	●	●
Insurance companies	●	●
UK Infrastructure Bank	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock issues	●	●
Local temporary	●	●
Local Bonds	●	
Local authority bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance leases	●	●

# ANNUAL INVESTMENT STRATEGY

## Investment policy – management of risk

The Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy, (a separate report).

The Authority’s investment policy has regard to the following: -

- a) MHCLG’s Guidance on Local Government Investments (“the Guidance”)
- b) CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- c) CIPFA Treasury Management Guidance Notes 2021

The Authority’s investment priorities will be security first, portfolio liquidity second and then yield, (return).

The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

- Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.
- **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- This Authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in appendix 4 under the categories of ‘specified’ and ‘non-specified’ investments.
  - a. **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
  - b. **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
- **Non-specified investments limit.** The Authority has determined that it will limit the maximum total exposure to non-specified investments as being 10% of the total investment portfolio.

- **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in the creditworthiness policy.
- **Transaction limits** are set for each type of investment in the creditworthiness policy.
- This authority will set a limit for its investments which are invested for **longer than 365 days**.
- Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**.
- This authority has engaged **external consultants**, to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
- All investments will be denominated in **sterling**.
- As a result of the change in accounting standards under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. Subsequently, a further extension to the override to 31.3.29 has been agreed by Government but only for those pooled investments made before 1<sup>st</sup> April 2024).

However, this Authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

### **Creditworthiness policy**

The primary principle governing the Authority's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Authority will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Authority's prudential indicators covering the maximum principal sums invested.

The Executive Director of Finance/S.151 Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Authority for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Authority may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by MUFG Corporate Markets, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur, and this information is considered before dealing. For instance, a negative rating Watch applying to counterparty at the minimum Authority criteria will be suspended from use, with all others being reviewed in light of market conditions.

The criteria for providing a pool of high-quality investment counterparties (both specified and non-specified investments) is:

- Banks 1 - good credit quality – the Authority will only use banks which:
  - a) are UK banks; and/or
  - b) are non-UK and domiciled in a country which has a minimum sovereign Long Term rating of AA-  
and have, as a minimum, the following Fitch, Moody's and Standard & Poor's credit ratings (where rated):
    - a) Short Term – F1;
- Banks 2 – Part nationalised UK bank – Royal Bank of Scotland. This bank can be included provided it continues to be part nationalised or it meets the ratings in Banks 1 above;
- Building societies - The Authority will use all societies which:
  - a) Meet the ratings for banks outlined above;
- Money Market Funds – £2m limit (each). Subject to £6m maximum;
- Local authorities, Police and Fire and Crime Commissioners - £2m limit (each);
- Debt Management Office (DMO) - £no limit.

**Use of additional information other than credit ratings.** Additional requirements under the Code require the Authority to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.

**Time and monetary limits applying to investments.** The time and monetary limits for institutions on the Authority's counterparty list are as follows (these will cover both specified and non-specified investments):

	Fitch Long-term Rating (or equivalent)	Money Limit	Transaction Limit	Time Limit
Individual Banks 1&2 higher quality	F1+	£3m	£3m	364 days
Individual Banks 1&2 medium Quality	F1	£2m	£2m	364 days
Individual UK Building societies	F1+	£3m	£3m	364 days

<b>Individual UK Building societies</b>	<b>F1</b>	<b>£2m</b>	<b>£2m</b>	<b>364 days</b>
<b>Local authorities/Police, Fire and Crime Commissioners</b>		<b>£2m</b>	<b>£2m</b>	<b>364 days</b>
<b>Money Market Funds</b>	<b>AAA</b>	<b>£2m (each)</b>	<b>£2m (each)</b>	<b>liquid</b>

The proposed criteria for specified and non-specified investments are shown in the appendices for approval.

### Country and sector limits

Due care will be taken to consider the country, group and sector exposure of the Authority's investments.

The Authority has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch. The list of countries that qualify using this credit criteria as at the date of this report are shown in the appendices. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

In addition:

1. limits in place above will apply to a group of companies;
2. sector limits will be monitored regularly for appropriateness.

### Investment strategy

**In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

#### Investment returns expectations.

The current forecasts are for the Bank Rate to fall to a low of 3.5%.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

<b>Average earnings in each year</b>	<b>Now</b>	<b>Previously</b>
2025/26 (residual)	3.80%	3.90%
2026/27	3.40%	3.60%
2027/28	3.30%	3.30%
2028/29	3.30%	3.50%
2029/30	3.50%	3.50%
Years 6 to 10	3.50%	3.50%
Years 10+	3.50%	3.50%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

**Investment treasury indicator and limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the Authority's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

The Authority is asked to approve the following treasury indicator and limit:

<b>Upper limit for principal sums invested for longer than 365 days is £nil</b>			
<b>£m</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
Principal sums invested for longer than 365 days	£m	£m	£m
Current investments as at 28.02.26 in excess of 1 year maturing in each year	Nil	Nil	Nil

### **Investment risk benchmarking**

This Authority will use an investment benchmark to assess the investment performance of its investment portfolio of SONIA (Sterling Overnight Index Average).

### **End of year investment report**

At the end of the financial year, the Authority will report on its investment activity as part of its Annual Treasury Report.

### **Day to day Treasury Management**

Kingston Upon Hull City Council manage the Authority's treasury management functions under the terms of a service level agreement in accordance with the approved Annual Treasury Management Strategy.

## APPENDICES

- 1) Prudential and treasury indicators and MRP statement
- 2) Interest rate forecasts
- 3) Economic background
- 4) Treasury management practice 1 – credit and counterparty risk management
- 5) Approved countries for investments
- 6) Treasury management scheme of delegation
- 7) The treasury management role of the section 151 officer
- 8) Capital Strategy

## THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2026/27 – 2029/30 AND MRP STATEMENT

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans.

### Capital expenditure

Capital expenditure £m	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate
<b>Total</b>	<b>8.437</b>	<b>9.153</b>	<b>5.076</b>	<b>11.957</b>	<b>9.823</b>

### Minimum revenue provision (MRP) policy statement

The Authority is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

Regulations have been issued which require the Authority to approve **an MRP Statement** in advance of each year. A variety of options are provided to authorities, so long as there is a prudent provision. The Authority is recommended to approve the following MRP Statement:

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Existing practice** - MRP will follow the existing practice outlined in former regulations (option 1);
- **Based on CFR** – MRP will be based on the CFR (option 2).

These options provide for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be:

- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction). There are 2 options available under this method which are as follows:
  - i. Equal Instalment Method (option 3a)
  - ii. Annuity Method (option 3b)
- **Depreciation method** – MRP will follow standard depreciation accounting procedures (option 4).

These options provide for a reduction in the borrowing need over approximately the asset's life.

As a result of guidance that was recently issued a review was undertaken during 2020/21 to move to the annuity method (option 3b).

Repayments included in annual PFI or finance leases are applied as MRP. The Authority has historically made Voluntary Revenue Provisions (VRP) of £772k.

## Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Authority's overall finances. The Authority is asked to approve the following indicators:

### Ratio of financing costs to net revenue stream – Indicator 7

This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream.

%	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Estimate
Ratios	1.17%	2.33%	3.11%	3.50%	4.04%

The estimates of financing costs include current commitments and the proposals in this budget report.

### Maturity structure of borrowing

Maturity structure of borrowing. These gross limits are set to reduce the Authority's exposure to large fixed rate sums falling due for refinancing and are required for upper and lower limits.

The Authority is asked to approve the following treasury indicators and limits:

Maturity structure of fixed interest rate borrowing 2026/27 – Indicator 8		
	Lower	Upper
Under 12 months	0	15%
12 months to 2 years	0	25%
2 years to 5 years	0	50%
5 years to 10 years	0	60%
10 years and above	0	80%

## **Appendix 2 - Interest rate forecasts**

<b>MUFG Corporate Markets Interest Rate View 22.12.25</b>													
	<b>Mar-26</b>	<b>Jun-26</b>	<b>Sep-26</b>	<b>Dec-26</b>	<b>Mar-27</b>	<b>Jun-27</b>	<b>Sep-27</b>	<b>Dec-27</b>	<b>Mar-28</b>	<b>Jun-28</b>	<b>Sep-28</b>	<b>Dec-28</b>	<b>Mar-29</b>
<b>BANK RATE</b>	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
<b>3 month ave earnings</b>	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
<b>6 month ave earnings</b>	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
<b>12 month ave earnings</b>	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
<b>5 yr PWLB</b>	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
<b>10 yr PWLB</b>	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
<b>25 yr PWLB</b>	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
<b>50 yr PWLB</b>	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

PWLB forecasts are based on PWLB certainty rates

### **Appendix 3 – Economic Background**

The first half of 2025/26 saw:

- A 0.3% pick up in GDP for the period April to June 2025. More recently, the economy flatlined in July, with higher taxes for businesses restraining growth, but picked up to 0.1% m/m in August before falling back by 0.1% m/m in September.
- The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% to 4.6% in September.
- CPI inflation has ebbed and flowed but finished September at 3.8%, whilst core inflation eased to 3.5%.
- The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August (and subsequently to 3.75% in December).
- The 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70% (before falling back to 4.43% in early November).

From a GDP perspective, the financial year got off to a bumpy start with the 0.3% m/m fall in real GDP in April as front-running of US tariffs in Q1 (when GDP grew 0.7% on the quarter) weighed on activity. Despite the underlying reasons for the drop, it was still the first fall since October 2024 and the largest fall since October 2023. However, the economy surprised to the upside in May and June so that quarterly growth ended up 0.3% q/q (subsequently revised down to 0.2% q/q). Nonetheless, the 0.0% m/m change in real GDP in July, followed by a 0.1% m/m increase in August and a 0.1% decrease in September will have caused some concern. GDP growth for 2025 - 2028 is currently forecast by the Office for Budget Responsibility to be in the region of 1.5%.

Sticking with future economic sentiment, the composite Purchasing Manager Index (PMI) for the UK increased to 52.2 in October. The manufacturing PMI output balance improved to just below 50 but it is the services sector (52.2) that continues to drive the economy forward. Nonetheless, the PMIs suggest tepid growth is the best that can be expected in the second half of 2025 and the start of 2026. Indeed, on 13 November we heard that GDP for July to September was only 0.1% q/q.

Turning to retail sales volumes, and the 1.5% year-on-year rise in September, accelerating from a 0.7% increase in August, marked the highest gain since April. On a monthly basis, retail sales volumes rose 0.5%, defying forecasts of a 0.2% fall, following an upwardly revised 0.6% gain in August. Household spending remains surprisingly resilient, but headwinds are gathering.

Prior to the November Budget, the public finances position looked weak. The £20.2 billion borrowed in September was slightly above the £20.1 billion forecast by the OBR. For the year to date, the £99.8 billion borrowed is the second highest for the April to September period since records began in 1993, surpassed only by borrowing during the COVID-19 pandemic. The main drivers of the increased borrowing were higher debt interest costs, rising government running costs, and increased inflation-linked benefit payments, which outweighed the rise in tax and National Insurance contributions.

Following the 26 November Budget, the Office for Budget Responsibility (OBR) calculated the net tightening in fiscal policy as £11.7bn (0.3% of GDP) in 2029/30, smaller than the consensus forecast of £25bn. It did downgrade productivity growth by 0.3%, from 1.3% to 1.0%, but a lot of that influence was offset by upgrades to its near-term wage and inflation forecasts. Accordingly, the OBR judged the Chancellor was going to achieve her objectives with £4.2bn to spare. The Chancellor then chose to expand that headroom to £21.7bn, up from £9.9bn previously.

Moreover, the Chancellor also chose to raise spending by a net £11.3bn in 2029/30. To pay for that and the increase in her headroom, she raised taxes by £26.1bn in 2029/30. The biggest revenue-raisers were the freeze in income tax thresholds from 2028/29 (+£7.8bn) and the rise in NICs on salary-sacrifice pension contributions (+£4.8bn). The increase in council tax for properties worth more than £2.0m will generate £0.4bn.

The weakening in the jobs market looked clear in the spring. May's 109,000 m/m fall in the PAYE measure of employment was the largest decline (barring the pandemic) since the data began and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. More recently, however, the monthly change was revised higher in seven of the previous nine months by a total of 22,000. So instead of falling by 165,000 in total since October, payroll employment is now thought to have declined by a smaller 153,000. Even so, payroll employment has still fallen in nearly all the months since the Chancellor announced the rises in National Insurance Contributions (NICs) for employers and the minimum wage in the October 2024 Budget. The number of job vacancies in the three months to November 2025 stood at 729,000 (the peak was 1.3 million in spring 2022). All this suggests the labour market continues to loosen, albeit at a slow pace.

A looser labour market is driving softer wage pressures. The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% in April to 4.6% in September (still at that level in November). The rate for the private sector has slipped just below 4% as the year end approaches.

CPI inflation remained at 3.8% in September but dropped to 3.2% by November. Core inflation also fell to 3.2% by November while services inflation fell to 4.4%. Nonetheless, a further loosening in the labour market and weaker wage growth may be a requisite to UK inflation coming in below 2.0% by 2027.

An ever-present issue throughout recent months has been the pressure being exerted on medium and longer dated gilt yields. The yield on the 10-year gilt moved sideways in the second quarter of 2025, rising from 4.4% in early April to 4.8% in mid-April following wider global bond market volatility stemming from the "Liberation Day" tariff announcement, and then easing back as trade tensions began to de-escalate. By the end of April, the 10-year gilt yield had returned to 4.4%. In May, concerns about stickier inflation and shifting expectations about the path for interest rates led to another rise, with the 10-year gilt yield fluctuating between 4.6% and 4.75% for most of May. Thereafter, as trade tensions continued to ease and markets increasingly began to price in looser monetary policy, the 10-year yield edged lower, and ended June at 4.50%.

More recently, the yield on the 10-year gilt rose from 4.46% to 4.60% in early July as rolled-back spending cuts and uncertainty over Chancellor Reeves' future raised fiscal concerns. Although the spike proved short lived, it highlighted the UK's fragile fiscal position. In an era of high debt, high interest rates and low GDP growth, the markets are now more sensitive to fiscal risks than before the pandemic. During August, long-dated gilts underwent a particularly pronounced sell-off, climbing 22 basis points and reaching a 27-year high of 5.6% by the end of the month. While yields have since eased back, the market sell-off was driven by investor concerns over growing supply-demand imbalances, stemming from unease over the lack of fiscal consolidation and reduced demand from traditional long-dated bond purchasers like pension funds. For 10-year gilts, by late September, sticky inflation, resilient activity data and a hawkish Bank of England kept yields elevated over 4.70% although by late December had fallen back again to a little over 4.50%.

The FTSE 100 fell sharply following the "Liberation Day" tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 ended June at 8,761, around 2% higher than its value at the end of March and more than 7% above its level at the start of 2025.

Since then, the FTSE 100 has enjoyed a further 4% rise in July, its strongest monthly gain since January and outperforming the S&P 500. Strong corporate earnings and progress in trade talks (US-EU, UK-India) lifted share prices and the index hit a record 9,321 in mid-August, driven by hopes of peace in Ukraine and dovish signals from Fed Chair Powell. September proved more volatile and the FTSE 100 closed September at 9,350, 7% higher than at the end of Q1 and 14% higher since the start of 2025. Future performance will likely be impacted by the extent to which investors' global risk appetite remains intact, Fed rate cuts, resilience in the US economy, and AI optimism. A weaker pound will also boost the index as it inflates overseas earnings. In early November, the FTSE100 climbed to a record high just above 9,900. By late December, the index had clung on to most of those gains standing at 9,870 on 23 December.

### **MPC meetings: 8 May, 19 June, 7 August, 18 September, 6 November, 18 December 2025**

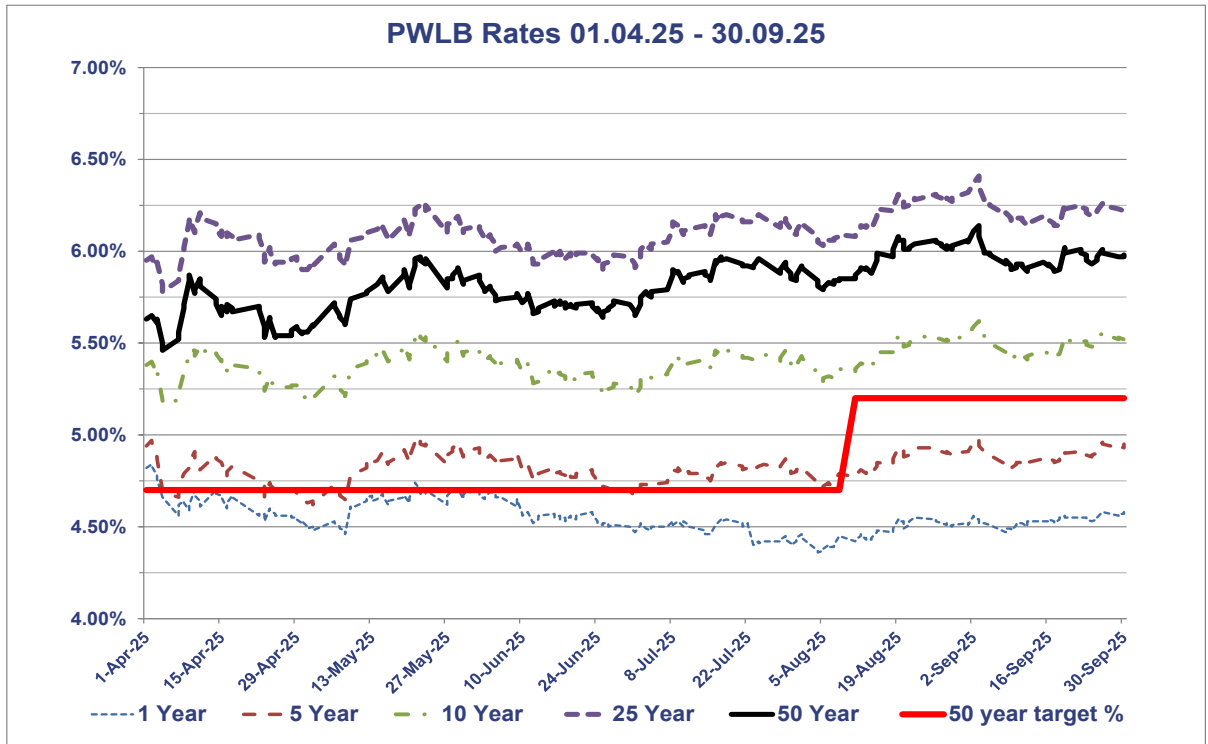
There were six Monetary Policy Committee (MPC) meetings held between April and December. In May, the Committee cut Bank Rate from 4.50% to 4.25%, while in June policy was left unchanged. In June's vote, three MPC members (Dhingra, Ramsden and Taylor) voted for an immediate cut to 4.00%, citing loosening labour market conditions. The other six members were more cautious, as they highlighted the need to monitor for "signs of weak demand", "supply-side constraints" and higher "inflation expectations", mainly from rising food prices. By repeating the well-used phrase "gradual and careful", the MPC continued to suggest that rates would be reduced further.

In August, a further rate cut was implemented. However, a 5-4 split vote for a rate cut to 4% laid bare the different views within the Monetary Policy Committee, with the accompanying commentary noting the decision was "finely balanced" and reiterating that future rate cuts would be undertaken "gradually and carefully". Ultimately, Governor Bailey was the casting vote for a rate cut but with the CPI measure of inflation expected to reach at least 4% later this year, the MPC was wary of making any further rate cuts until inflation begins its slow downwards trajectory back towards 2%.

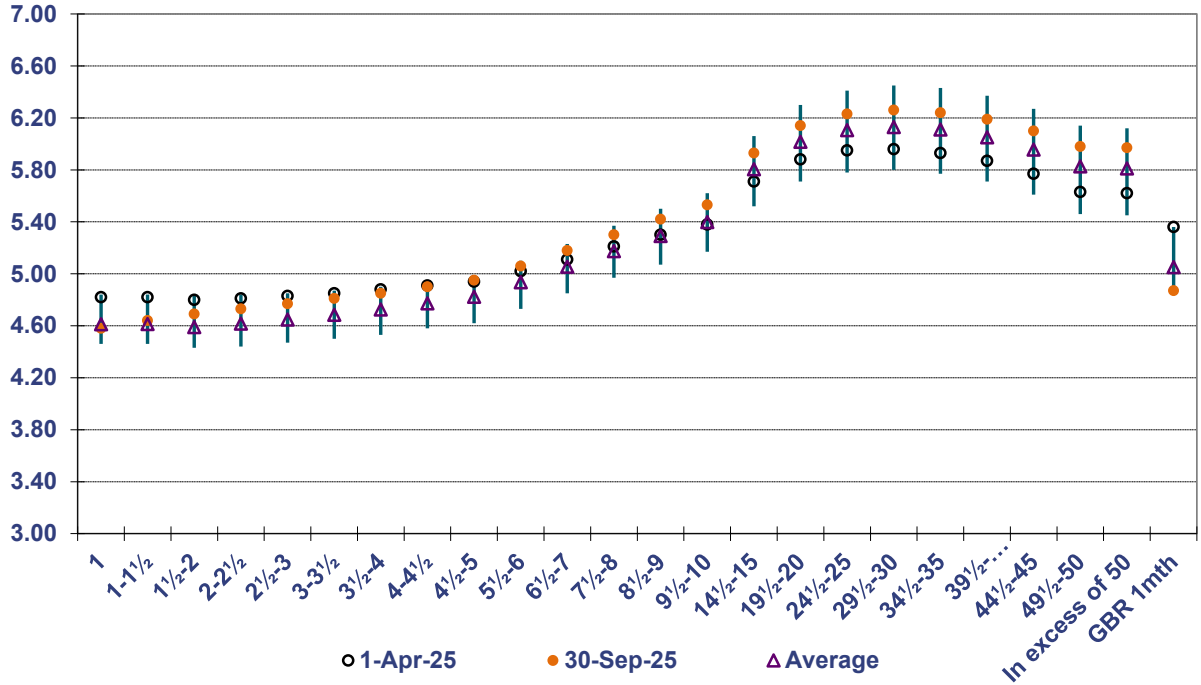
With wages still rising by just below 5%, it was no surprise that the September meeting saw the MPC vote 7-2 for keeping rates at 4% (Dhingra and Taylor voted for a further 25bps reduction). Moreover, the Bank also took the opportunity to announce that they would only shrink its balance sheet by £70bn over the next 12 months, rather than £100bn. The repetition of the phrase that "a gradual and careful" approach to rate cuts is appropriate suggested the Bank still thought interest rates will fall further.

At the 6 November meeting, Governor Bailey was once again the deciding vote, keeping Bank Rate at 4% but hinting strongly that a further rate cut was imminent if data supported such a move. By 18 December, with November CPI inflation having fallen to 3.2%, and with Q2 GDP revised down from 0.3% q/q to only 0.2% q/q, and Q3 GDP stalling at 0.1%, the MPC voted by 5-4 to cut rates further to 3.75%. However, Governor Bailey made it clear that any further reductions would require strong supporting data, and the pace of any further decreases would be slow compared to recent months. The markets expect Bank Rate to next be cut in April.

**PWLB RATES 01.04.25 - 30.09.25**



**PWLB Certainty Rate Variations 01.04.25 to 30.09.25**



**HIGH/LOW/AVERAGE PWLB RATES FOR 02.04.25 – 30.09.25**

	<b>1 Year</b>	<b>5 Year</b>	<b>10 Year</b>	<b>25 Year</b>	<b>50 Year</b>
<b>01/04/2025</b>	4.82%	4.94%	5.38%	5.95%	5.63%
<b>30/09/2025</b>	4.58%	4.95%	5.53%	6.23%	5.98%
<b>Low</b>	4.36%	4.62%	5.17%	5.78%	5.46%
<b>Low date</b>	04/08/2025	02/05/2025	02/05/2025	04/04/2025	04/04/2025
<b>High</b>	4.84%	4.99%	5.62%	6.41%	6.14%
<b>High date</b>	02/04/2025	21/05/2025	03/09/2025	03/09/2025	03/09/2025
<b>Average</b>	4.55%	4.82%	5.40%	6.11%	5.83%
<b>Spread</b>	0.48%	0.37%	0.45%	0.63%	0.68%

**Appendix 4****TREASURY MANAGEMENT PRACTICE – CREDIT AND COUNTERPARTY RISK MANAGEMENT****SPECIFIED INVESTMENTS:**

(All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' rating criteria where applicable)

	<b>Minimum 'High' Credit Criteria</b>	<b>Use</b>
Debt Management Agency Deposit Facility	--	In-house
Term deposits – local authorities	--	In-house
Term deposits – banks and building societies	F1	In-house

**Term deposits with nationalised banks and banks and building societies**

	<b>Minimum Credit Criteria</b>	<b>Use</b>	<b>Max % of total investments</b>	<b>Max. maturity period</b>
UK Part Nationalised Banks	UK sovereign rating or Short-term F1, Sovereign rating AA-	In-house	<b>50%</b>	<b>364 days</b>
Banks part nationalised by high credit rated (sovereign rating) countries – non-UK	Sovereign rating or Short-term F1, Sovereign rating AA-	In-house	<b>50%</b>	<b>364 days</b>

<b>Collective Investment Schemes structured as Open Ended Investment Companies (OEICs): -</b>		
1. Money Market Funds	AAA rated	In-house

**Accounting treatment of investments.** The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Authority. To ensure that the Authority is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

**NON-SPECIFIED INVESTMENTS:** The Authority will not make investments longer than 1 year

## **TREASURY MANAGEMENT PRACTICE – CREDIT AND COUNTERPARTY RISK MANAGEMENT**

The MHCLG issued Investment Guidance in 2018, and this forms the structure of the Authority's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for authorities to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Authority to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Authority adopted the Code on 15/02/2010 and will apply its principles to all investment activity. In accordance with the Code, the Executive Director of Finance and S.151 Officer has produced its treasury management practices (TMPs). This part, TMP 1(1), covering investment counterparty policy requires approval each year.

**Annual investment strategy** - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments;
- The principles to be used to determine the maximum periods for which funds can be committed;
- Specified investments that the Authority will use. These are high security (i.e. high credit rating, although this is defined by the Authority, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year;
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Authority is:

**Strategy guidelines** – The main strategy guidelines are contained in the body of the treasury strategy statement.

**Specified investments** – These investments are sterling investments of not more than one-year maturity. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account deposit facility, UK treasury bills or a gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, housing association, parish council or community council.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. For category 4 this covers pooled investment vehicles, such as money market funds, rated AAA by Standard and Poor's, Moody's and / or Fitch rating agencies.
5. A body that is considered of a high credit quality (such as a bank or building society For category 5 this covers bodies with a minimum Short Term rating of F1 (or the equivalent) as rated by Standard and Poor's, Moody's and / or Fitch rating agencies .

Within these bodies, and in accordance with the Code, the Authority has set additional criteria to set the time and amount of monies which will be invested in these bodies.

**Non-specified investments** are any other type of investment (i.e. not defined as specified above). The Authority will not use these types of investments.

**The monitoring of investment counterparties** - The credit rating of counterparties will be monitored regularly. The Authority receives credit rating information (changes, rating watches and rating outlooks) from MUFG Corporate Markets as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Executive Director of Finance/S.151 Officer, and if required new counterparties which meet the criteria will be added to the list.

## **Appendix 5**

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the MUFG Corporate Markets credit worthiness service.

### ***Based on lowest available rating***

#### **AAA**

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

#### **AA+**

- Canada
- U.S.A.

#### **AA**

- Abu Dhabi (UAE)
- Finland
- Qatar

#### **AA-**

- U.K.

#### **A+**

- Belgium
- France

## **Appendix 6**

### **TREASURY MANAGEMENT SCHEME OF DELEGATION**

#### **Fire Authority**

- i. receiving and reviewing reports on treasury management policies, practices and activities;
- ii. approval of annual strategy;
  - approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
  - budget consideration and approval;
  - approval of the division of responsibilities;
  - receiving and reviewing regular monitoring reports and acting on recommendations;
  - approving the selection of external service providers and agreeing terms of appointment;
  - reviewing the treasury management policy and procedures and making recommendations to the responsible body.

## THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

### The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers;
- preparation of a Capital Strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe;
- ensuring that the Capital Strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority;
- ensure that the Authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities;
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees;
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority;
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above;
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following:-
  - a. *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
  - b. *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*

- c. *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
- d. *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
- e. *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

## CAPITAL STRATEGY

### 1. Introduction

- 1.1 There is a requirement on local authorities (including fire authorities) to prepare a capital strategy each year, which sets out our approach to capital expenditure and financing at a high level. The requirement to prepare a strategy arises from Government concerns about a small number of authorities borrowing substantial sums (relative to their budget) to invest in commercial property, often outside the area of the authority concerned.
- 1.2 There is also a requirement on local authorities to prepare an investment strategy, which specifies our approach to making investments other than day to day treasury management investments (the latter is included in our treasury management strategy, as in previous years). Given that HFA makes no such investments, a strategy has not been prepared.
- 1.3 This Appendix sets out the proposed capital strategy for approval.

### 2. Capital Expenditure

- 2.1 The Authority's capital expenditure plans are approved by the HFA, as part of the budget report each year.
- 2.2 The capital programme is usually restricted to:-
- b) Investment in operational buildings – e.g. fire stations and administrative offices;
  - c) Renewal of operational fleet;
  - d) New and replacement firefighting equipment;
  - e) Investment in ICT.
- 2.3 The Authority's Constitution sets out the delegations to the Chief Fire Officer & Chief Executive on the delivery of the capital programme.
- 2.4 Capital expenditure on **buildings**, where funded from the capital programme, is principally directed to maintaining the fitness of the operational estate. Major property investments are considered as part of the overall estates strategy and are approved annually at the November HFA meeting.
- 2.5 Expenditure on the **renewal of the fleet** is directed by the replacement programme approved by the HFA. This is considered and approved each year at the November HFA meeting.
- 2.6 Capital expenditure on **firefighting equipment** ensures equipment is replaced when it has reached the end of its useful life or has become technologically obsolescent. It also enables the Service to invest in new technology.
- 2.7 Capital expenditure on **ICT** is determined by the ICT replacement programme which is approved annually at the November HFA meeting.
- 2.8 Monitoring of capital expenditure is carried out by the Strategic Leadership Team; Governance, Audit and Scrutiny Committee and the HFA. Reports are presented on four occasions during the year and at outturn.
- 2.9 HFA does not capitalise expenditure, except where it can do so in compliance with proper practices: it does not apply for directions to capitalise revenue expenditure.

## 2.10 Forecast capital expenditure is:-

<b>End of:</b>	<b>£000</b>
25/26	8,437
26/27	9,153
27/28	5,076
28/29	11,957
29/30	9,823

**3. Financing of Capital Expenditure**

- 3.1 HFA funds capital expenditure from the revenue budget, capital receipts and prudential borrowing.
- 3.2 Prudential borrowing is used to fund capital expenditure, within the limits prescribed within the Annual Treasury Management Strategy Statement. This is reviewed annually for affordability.
- 3.3 HFA measures its capital financial requirement, which shows our underlying need to borrow for a capital purpose. This is shown in the table below:-

<b>End of:</b>	<b>Underlying CFR</b>	<b>Other LTL</b>	<b>Total CFR</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
26/27	30,174	1,020	31,194
27/28	32,357	990	33,347
28/29	40,285	957	41,242
29/30	46,402	922	47,324

- 3.4 Projections of actual debt are part of the treasury management indicators in the Annual Treasury Management Strategy Statement.

**4. Debt Repayment**

- 4.1 HFA makes charges to the budget each year to repay debt incurred for previous years' capital spending. This is known as "Minimum Revenue Provision" (MRP). The general principle is that HFA seeks to repay debt over the period for which taxpayers enjoy the benefit of the spending it financed. MRP is calculated as:
- 4% of the CFR at the end of the preceding financial year; and
  - Based on the useful asset life using the annuity method

**5. Commercial Activity**

- 5.1 Government guidance now requires us to specify our policy towards non-financial investments.
- 5.2 HFA makes no such investments.

## **MEMBERS' ALLOWANCES 2026/27**

### **1. SUMMARY**

- 1.1 The Fire Authority on an annual basis considers and approves a scheme of allowances paid to its Members. The approval of the scheme is a matter for the full Authority.
- 1.2 Allowances payable to Independent Co-opted Members of the Governance, Audit and Scrutiny (GAS) Committee are aligned with the payments made to the Members when carrying out their duties as Members of the Joint Independent Audit Committee (JIAC) of Humberside Police and the Office of the Police and Crime Commissioner.

### **2. RECOMMENDATION**

- 2.1 The Authority is asked to determine its Scheme of Members' Allowances for 2026/27 (see Appendix 2).

### **3. BACKGROUND AND REPORT DETAIL**

- 3.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 made provision for Combined Fire Authorities to establish Member Allowances Schemes from May 2003.
- 3.2 The Fire Authority set new basic and special responsibility allowances from 1 October 2024.
- 3.3 Appendix 1 to this report sets out the current Members' Allowances Scheme, as of 1 October 2024.
- 3.4 The Authority is asked to consider and approve a Members' Allowances Scheme for 2026/27, a proposal of which is set out at Appendix 2. The Authority is required to have regard to the recommendations made by any Independent Remuneration Panels in relation to any Authority that has an Independent Remuneration Panel that nominates Members to the Fire Authority. The Members' Allowances Schedule for the four Unitary Authorities in Humberside are available for viewing on the respective Unitary Authorities' websites.
- 3.5 The 2026/27 Members' Allowances Scheme must be published by Public Notice on 1 April (or as soon as practicable thereafter). The actual allowances paid during 2025/26 will also be published as soon as practicable thereafter.

### **4. EQUALITY IMPLICATIONS**

- 4.1 There is no requirement to carry out an equality impact analysis as this report does not relate to a policy or service delivery change.

### **5. CONCLUSION**

- 5.1 The Authority is asked to determine its Scheme of Members' Allowances for 2026/27 (see Appendix 2).

**Lisa Nicholson**  
Monitoring Officer & Secretary

## Officer Contact

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## Background Papers

None

## Glossary/Abbreviations

GAS	Governance, Audit and Scrutiny Committee
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**HUMBERSIDE FIRE AUTHORITY MEMBERS' ALLOWANCES SCHEME 2025/26**

The Local Authorities (Members' Allowances) (England) Regulations 2003 made provision for Combined Fire Authorities to establish Member Allowances Schemes from May 2003.

The HFA at its meeting on 20 September 2024 agreed that the allowances be increased to current level from 1 October 2024 for 2025/26 as recommended by the Independent Panel as set out below.

	£
<b>1. Basic Allowance (per annum)</b>	
All Members	4,747
<b>2. Special Responsibility Allowances:</b>	
a. The Chair of the Authority	11,861
b. The Vice Chair of the Authority	8,899
c. The Chairs of Committees	597
<b>3. Independent Co-opted members of the GAS Committee</b>	
a. Chairperson of the Committee	£1,789/year (£149 per month)
b. All other Members of the Committee	£1,577 each/year (£131.416 per month)
<b>4. Childcare &amp; Dependant Carer Allowances (per hour)</b>	
a. Childcare	6.18
b. Dependant	11.08
<b>5. Travel Allowances</b>	
a. Car Allowances – In accordance with the National Joint Council for Local Government Services casual user rate:	
Up to 999cc	0.45**
Over 999cc	0.522**
(up to first 8,500 miles per annum, thereafter £0.144*)	
b. Motorcycle	0.240
c. Bicycle (per mile)	0.05
d. Public Transport	Actual Cost
<b>6. Subsistence Allowances</b>	
Actual cost not exceeding	
a. Breakfast – more than 4 hours before 11.00am	6.88
b. Lunch – more than 4 hours including 12noon to 2.00pm	9.50
c. Tea – more than 4 hours including 3.00pm to 6.00pm	3.73
d. Dinner – more than 4 hours ending after 7.00pm	11.75
e. Overnight (covering 24 hours)	
London #	145.27
Outside London	128.25
f. Out of Pocket Expenses (per night)	5.24
<b>Notes</b>	
# Includes Local Government Association and Annual Fire Conferences overnight attendances outside London.	
** Not increased by NJC since 1 April 2010	

**HUMBERSIDE FIRE AUTHORITY MEMBERS' ALLOWANCES SCHEME 2026/27 -  
PROPOSED DRAFT SCHEME FOR PUBLICATION**

The Local Authorities (Members' Allowances) (England) Regulations 2003 made provision for Combined Fire Authorities to establish Member Allowances Schemes from May 2003.

The HFA at its meeting on 20 September 2024 agreed that the allowances be increased to current level for 2024/25 as recommended by the Independent Panel as set out below. A recommendation was also made that the Independent Panel review the rates prior to the HFA AGM in June 2026.

	£
<b>1. Basic Allowance (per annum)</b>	
All Members	4,747
<b>2. Special Responsibility Allowances:</b>	
a. The Chair of the Authority	11,861
b. The Vice Chair of the Authority	8,899
c. The Chairs of Committees	597
<b>3. Independent Co-opted members of the GAS Committee</b>	
a. Chairperson of the Committee	£1,789/year (£149 per month)
b. All other Members of the Committee	£1,577 each/year (£131.416 per month)
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Up to 999cc	0.45**
Over 999cc	0.522**
(up to first 8,500 miles per annum, thereafter £0.144*)	
b. Motorcycle	0.240
c. Bicycle (per mile)	0.05
d. Public Transport	Actual Cost
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d. Dinner – more than 4 hours ending after 7.00pm	11.75
e. Overnight (covering 24 hours)	
London #	145.27
Outside London	128.25
f. Out of Pocket Expenses (per night)	5.24
<b>Notes</b>	
# Includes Local Government Association and Annual Fire Conferences overnight attendances outside London.	
** Not increased by NJC since 1 April 2010	

	<b>Agenda Item No. 11</b>
<b>Humberside Fire Authority 27 March 2026</b>	<b>Report by the Assistant Director of People and Culture</b>

<b>PAY POLICY STATEMENT 2026-27</b>
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## **1. SUMMARY**

- 1.1 This report provides a proposed Pay Policy Statement for Humberside Fire Authority for 2026/27, as required by the Localism Act 2011, for approval by the Fire Authority.
- 1.2 The Act introduced senior staff pay transparency into local authorities with a requirement that authorities prepare a Pay Policy Statement for each financial year. A statement for Humberside Fire Authority was first produced for 2012/13 and approved by the Fire Authority at its meeting on 17 April 2012 (Minute 3839 refers).
- 1.3 The Authority agreed at that time that the Pay Policy Statement should be reviewed annually by officers and that any proposed amendments would be brought before the full Fire Authority for consideration.
- 1.4 The proposed statement for 2026/27 reflects the pay details for the current Strategic Leadership Team (SLT) posts.

## **2. RECOMMENDATIONS**

- 2.1 It is recommended that the Fire Authority approves:
  - (i) The draft Pay Policy Statement for 2026/27 at Appendix 1.
  - (ii) That the Chief Fire Officer and Chief Executive be authorised to make factual adjustments to the Policy during the course of 2026/27, for example, in reflection of the impact of any pay awards arising for different employment groups during the year.
  - (iii) Any other proposed amendments to the Policy during 2026/27 be brought before the full Authority for consideration.

## **3. BACKGROUND**

- 3.1 The Localism Act 2011 introduced senior staff pay transparency into local authorities. In this regard, Humberside Fire Authority must prepare a Pay Policy Statement for each financial year. The first statement was required and produced for 2012/13.
- 3.2 The Secretary of State is permitted to issue guidance to which the Authority must have regard when drawing up its Statement. The current guidance was published by the then Department for Communities and Local Government in March 2015. This states that Statements must be approved by Full Council or a meeting of Members in the case of a Fire Authority and cannot be delegated to a sub-committee. The Authority may, by resolution, amend the Statement at any time. As soon as is reasonably practicable after approving or amending the Statement, the Authority must publish the Statement or amended Statement in such manner as it sees fit (which must include publication on its website).
- 3.3 The Act requires that, amongst other things, the Statement sets out an Authority's policy on the remuneration of its Chief Officers. The definition of 'Chief Officers' in local authorities is not limited to Heads of Paid Service or statutory Chief Officers. It also includes those who report directly to them (non-statutory Chief Officers), to their direct reports (Deputy Chief Officers) and, in the case of a Fire Authority, a Deputy Chief Fire Officer.

- 3.4 In addition, the guidance suggests that Authorities consider whether, in the light of their own context and reward structure, it is appropriate to extend the scope of the Pay Policy Statement to include highly paid staff who would not come within the definition of 'Chief Officers' i.e. Non-Executive Directors.
- 3.5 On an annual basis there is a contractual requirement to review the remuneration arrangements of Gold Book staff under the two-track approach to pay and conditions, defined in paragraphs 10 and 11 of the '*NJC for Brigade Managers of Local Fire and Rescue Services; Constitution and Schemes and Conditions of Service*' (the Gold Book). A review of senior salaries took place on 22 September 2025, with the next meeting of the Appointments and Remuneration Committee scheduled to review this at its meeting of 7 September 2026.
- 

#### **4. REPORT DETAIL**

- 4.1 Under Section 38 of the Act, the Statement must set out the Authority's policies for the financial year relating to:
- (i) The remuneration of its highest paid staff;
  - (ii) The remuneration of its lowest-paid employees; and
  - (iii) The relationship between:
    - The remuneration of its Chief Officers, and
    - The remuneration of its employees who are not Chief Officers.
- 4.2 The statement must also state:
- (i) The definition of "lowest-paid employees" adopted by the Authority for the purposes of the Statement; and
  - (ii) The Authority's reasons for adopting that definition.
- 4.3 In addition, the Statement must include the Authority's policies relating to:
- (i) The level and elements of remuneration for each Chief Officer;
  - (ii) Remuneration of Chief Officers on recruitment;
  - (iii) Increases and additions to remuneration for each Chief Officer;
  - (iv) The use of performance-related pay for Chief Officers;
  - (v) The use of bonuses for Chief Officers;
  - (vi) The approach to the payment of Chief Officers on their ceasing to hold office or to be employed by the Authority; and
  - (vii) The publication of and access to information relating to remuneration of Chief Officers
- 4.4 The Authority may also include within the Statement, its policies for the financial year relating to other terms and conditions applying to its Chief Officers.
- 4.5 The guidance states that Authorities should include the organisation's pay multiple – the ratio between the highest paid employee and the median average earnings across the organisation.
- 4.6 Other aspects of the Statement referred to in the guidance but not explicitly covered in the Act include an Authority's policy regarding reward for Chief Officers previously employed by the Authority who are re-engaged following receipt of a severance or redundancy payment.
- 4.7 A draft Pay Policy Statement for 2026/27 has been produced in compliance with the legislative requirements and having regard to the DCLG guidance. The Statement can be found at Appendix 1.

- 4.8 The proposed Statement complies with the legislative requirements, reflects the current structure of the Strategic Leadership Team (SLT) and will be published on the Authority’s website.
- 

## **5. EQUALITY, DATA PROTECTION AND RISK IMPLICATIONS**

- 5.1 There is no requirement to carry out an equality impact analysis as this report does not relate to a policy or service delivery change.
- 5.2 Upon review, no risk implications have been identified in relation to this subject, and no further action is deemed necessary.
- 

## **6. CONCLUSION**

- 6.1 This report provides a proposed Pay Policy Statement for Humberside Fire Authority for 2026/27, as required by the Localism Act 2011, for approval by the Fire Authority. Members are asked to approve the Pay Policy Statement at Appendix 1 and authorise the Chief Fire Officer and Chief Executive to make factual adjustments to the Policy during the course of 2026/27, for example, in reflection of the impact of any pay awards arising for different employment groups during the year.

**Donna Chambers**  
**Assistant Director of People and Culture**

### **Officer Contact**

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### **Background Papers**

None

### **Glossary/Abbreviations**

DCLG	The former Department for Communities and Local Government (now Ministry of Housing, Communities and Local Government)
NJC	National Joint Council
SLT	Strategic Leadership Team

## **HUMBERSIDE FIRE AUTHORITY PAY POLICY STATEMENT 2026/27**

### **INTRODUCTION**

1. This Statement has been produced with due regard to the Guidance issued by the Secretary of State under Section 40 of the Localism Act 2011.
2. The purpose of this Statement is to provide transparency and accountability in relation to the Authority's pay and remuneration arrangements, including senior officer pay, pay determination processes, pay multiples, and policies relating to termination and re-employment.
3. This Statement extends to all members of the Strategic Leadership Team (SLT) whether or not they meet the definition of a 'Chief Officer' as set out in the Act.
4. SLT comprises the Chief Fire Officer/Chief Executive, the Deputy Chief Fire Officer/Executive Director of Service Delivery, the Assistant Chief Fire Officer, the Executive Director of Finance and S.151 Officer, the Assistant Director of People and Culture and three Area Managers.
5. All SLT members are employed by the Authority and not retained under a contract for services.
6. The Authority ensures that senior pay decisions are taken with regard to affordability, market context, internal pay coherence, transparency and maintaining public confidence.
7. Summary of SLT pay relationships (based on % of CFO salary): CFO – 100%; DCFO – 85%; ACFO – 80%; Area Managers – 60%; Executive Director of Finance & S.151 Officer – 70%; Assistant Director of People & Culture – 42%.

### **REMUNERATION OF: CHIEF FIRE OFFICER AND CHIEF EXECUTIVE (CFO), DEPUTY CHIEF FIRE OFFICER/EXECUTIVE DIRECTOR OF SERVICE DELIVERY (DCFO), ASSISTANT CHIEF FIRE OFFICER (ACFO), AREA MANAGERS (OPERATIONAL X 3)**

8. The CFO, DCFO, ACFO and the three Area Managers are employed under contracts of employment on the terms and conditions as set out in the National Joint Council for Brigade Manager of Local Authority Fire and Rescue Services Constitution and Scheme of Conditions of Employment (Gold Book), as supplemented by the Authority's local terms and conditions as amended from time to time.
9. The process for determining the pay of the CFO is set out in the Gold Book as follows:

*The NJC will publish annually recommended minimum levels of salary applicable to chief fire officers/chief executives employed by local authority fire and rescue authorities.*

*There is a two-track approach for determining levels of pay for Brigade Manager roles. At national level, the NJC shall review annually the level of pay increase applicable to all those covered by this agreement. In doing so, the NJC will consider affordability, other relevant pay deals and the rate of inflation at the*

*appropriate date. Any increase agreed by the NJC will be communicated to Fire Authorities by circular.*

*All other decisions about the level of pay and remuneration to be awarded to individual Brigade Manager roles will be taken by the local Fire and Rescue Authority, who will annually review these salary levels through the appointments and remuneration Committee*

10. Where a national NJC pay award is agreed, the Authority implements it in line with national circulars. Local decisions on senior pay, including spot salary adjustments and role evaluation, are made through the Appointments and Remuneration Committee.
11. The CFO's salary as of 1 April 2026 is £198,674.
12. The DCFO salary (85% of CFO) reflects the statutory responsibilities, organisational accountability and operational command duties of the role. Salary: £168,873 as of 1 April 2026.
13. The ACFO salary (80% of CFO) reflects strategic leadership responsibilities, organisational risk functions and operational leadership. Salary: £158,807 as of 1 April 2026
14. The Area Manager salary (60% of CFO) reflects operational command responsibilities, service leadership duties and the need to maintain clear internal pay differentials. Salary: £119,204 as of 1 April 2026.
15. Each officer is provided with a motor vehicle for the performance of their duties. This supports resilience, recall to duty and operational requirements.
16. No bonuses are paid.
17. Appropriate professional fees and subscriptions are paid.
18. There is no performance related pay scheme.
19. A restricted range of legitimate and evidenced expenses may be claimed. Wherever possible, the Service will centrally procure travel and accommodation, e.g. rail tickets and hotel accommodation, to achieve best value.

**REMUNERATION OF: - EXECUTIVE DIRECTOR OF FINANCE AND S151 OFFICER, ASSISTANT DIRECTOR OF PEOPLE AND CULTURE (NON-OPERATIONAL x 2)**

20. The post-holders are employed under a contract of employment on the terms and conditions set out in National Joint Council for Local Government Services National Agreement known as the Green book and supplemented by the Authority's local terms and conditions as amended from time to time.
21. The Executive Director of Finance & S.151 Officer salary (70% of CFO) reflects statutory financial responsibilities and portfolio complexity. Salary: £132,072 as of 1 April 2026.
22. The Assistant Director of People & Culture salary (42% of CFO) reflects professional leadership responsibilities for organisational development, workforce strategy and people governance. Salary: £83,443 as of 1 April 2026.

23. No bonuses are paid.
24. Appropriate professional fees and subscriptions are paid.
25. There is no performance related pay scheme.
26. A restricted range of legitimate and evidenced expenses may be claimed. Wherever possible, the Service will centrally procure travel and accommodation, e.g. rail tickets and hotel accommodation, to achieve best value.

### **REMUNERATION OF ALL OTHER EMPLOYEES**

27. All other employees are paid in accordance with nationally agreed rates under relevant national schemes of conditions of service and the Authority's grading structures.
28. For the purposes of this Policy Statement, "lowest paid" employees are defined by reference to the lowest graded posts on the Fire staff salary (Green book) pay scale as these are the posts with the lowest level of remuneration. The lowest-paid post attracts a starting salary of £24,413. The CFO is paid 8.13 times more than the lowest paid employee.
29. The median average pay in the Service is £41,771. The CFO is paid 4.76 times more than the median average pay.

### **TERMINATION PAYMENTS**

30. In cases of redundancy, payment is calculated based on actual weeks' pay for employees in positions where the Local Government Scheme applies and, for employees in positions where the Firefighters / New Firefighters Pension Schemes apply, subject to necessary changes in those schemes to enable payment on this basis.

### **RE-EMPLOYMENT FOLLOWING TERMINATION**

31. There is no prohibition on employees who have left employment and are in receipt of pension, redundancy/early retirement payments from being re-employed subsequently.
32. In the case of an employee who is a member of the Local Government Pension Scheme and who is re-employed to a position to which that Scheme applies, the pension scheme rules provide discretion to the administering authority regarding abatement of pension. As the relevant administering authority, the East Riding Pension Fund has decided that, where the re-employment starts after 31st March 2007, there will be no abatement of the retirement pension.
33. In the case of an employee who is a member of the Firefighters Pension Scheme or New Firefighters Pension Scheme and who is re-employed by the Authority to a position to which these schemes apply, the Authority exercises its discretion within the schemes to abate the retirement pension. Abatement is not applied in any other circumstances.

### **REVIEW**

34. This Statement will be reviewed annually by the Fire Authority and at other times if necessary.

### **PUBLICATION**

35. This Statement will be published on the Humberside Fire and Rescue Service website ([www.humbersidefire.gov.uk](http://www.humbersidefire.gov.uk)).

	<b>Agenda Item No. 12</b>
<b>Humberside Fire Authority 27 March 2025</b>	<b>Report by the Assistant Director of People and Culture</b>

<b>GENDER, ETHNICITY AND DISABILITY PAY GAP REPORT 2024/25</b>
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## 1. SUMMARY

- 1.1 This paper details the pay gap reporting information and supportive narrative for Humberside Fire and Rescue Service to meet its legislative obligations for the 2024/25 gender pay gap reporting requirements; using data as of 31 March 2025. The Service has a legal duty to report gender pay gap by 30 March 2026 by publishing the report at Appendix 1 (in due course to be published in an easy read format) and submitting data sets to Government Gender Pay Gap Portal by the same date.
- 1.2 The Service continues to report not just on gender but voluntarily on both ethnicity and disability pay gaps in this report.

## 2. RECOMMENDATIONS

- 2.1 It is recommended that the Fire Authority approves:
- (i) Submission of the data sets to the Government Gender Pay Gap Portal.
  - (ii) Publication of an easy read version of the report on the website.

## 3. BACKGROUND

- 3.1 Gender pay reporting legislation requires employers with more than 250 employees to publish gender pay gap data annually. There is currently no legislative requirement for organisations to publish ethnicity and disability pay gap data but the Service has chosen to voluntarily publish both as good practice.

## 4. REPORT DETAIL

- 4.1 The Service's Gender Pay Gap Report 2024/25 is attached at Appendix 1 and provides details of the Service's gender, ethnicity and disability pay gaps for data as of 31 March 2025.

### **Gender Pay Gap**

- 4.2 The Service's gender pay gap data over the last nine years shows that we are steadily closing the gap. As of 31 March 2025, the mean hourly rate was £1.22 compared to £1.42 gap at the previous reporting period. It is pleasing to note this improvement but our efforts to continue to improve and close the gap will continue to remain a priority.
- 4.3 The Service continues to work hard to address factors of attraction, recruitment, and progression for women, through consistent positive attraction, continuing support and development opportunities for females.

### **Ethnicity Pay Gap**

- 4.4 The Service's mean ethnicity pay gap continues to reduce and is currently 3.98%, a significant reduction from the previous reporting period when it was 4.85%. However, the number of staff from ethnic minority groups is still very low figure at 1.73% and the

Service recognises that we need to find effective ways of recruiting, retaining and promoting ethnic minority staff.

### **Disability Pay Gap**

- 4.5 The Report shows that our mean disability pay gap continues to be a negative figure at -6.53% compared to -5.52% in the previous reporting period. We continue to have an opportunity to strengthen trust so that disabled employees feel fully supported in sharing their disability status, the Service's reasonable adjustments passports will play a significant role in this.

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## **5. EQUALITY, DATA PROTECTION AND RISK IMPLICATIONS**

- 5.1 An Equality Impact Assessment (Ref No. EIA/CA/ 042) has been completed and the following negative impacts on protected characteristic groups have been identified:
- A gender pay gap has been identified for the Service in this report
  - An ethnicity pay gap has been identified for the Service in this report
- 5.2 The same Equality Impact Assessment has identified the following positive impact:
- The publication of this report enables the Service to ensure transparency around pay gaps related to gender, ethnicity and disability
- 5.3 There is no requirement to carry out a Data Protection Impact Assessment as this report does not involve the processing of personal data.
- 5.4 Upon review, no risk implications have been identified in relation to this subject, and no further action is deemed necessary.

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## **6. CONCLUSION**

- 6.1 The Authority is asked to take note of the content of the report and, in order to meet the obligations under the Equality Act 2010, approves:
- (i) Submission of the data sets to the Government Gender Pay Gap Portal.
  - (ii) Publish an easy read version of the report on the website.

**Donna Chambers**  
**Assistant Director of People and Culture**

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### **Officer Contact**

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### **Background Papers**

None

### **Abbreviations**

EDI	Equality, Diversity and Inclusion
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**GENDER, ETHNICITY AND DISABILITY PAY GAP REPORT 2024/25**

**SUMMARY**

1. This paper details the pay gap reporting information and supportive narrative for HFRS to meet its legislative obligations for the 2024/2025 gender pay gap reporting requirements. Whilst we continue to report on gender, which is a statutory requirement, we also took the decision a year ago to voluntarily report on both ethnicity and disability pay gaps in this report.

**REPORT DETAIL**

**Introduction**

2. Gender pay reporting legislation requires employers with 250 or more employees to publish gender pay gap data annually. The deadline for publication is 30 March 2026 for Public Sector Organisations (for data as of 31 March 2025). Organisations must publish on their public-facing websites and report to the Government.
3. There is currently no legislative requirement for organisations to publish ethnicity and disability pay gap data. In January 2019 the Government consulted on ethnicity and disability pay gap reporting and while it concluded in June 2023 that it would not be legislating to introduce mandatory reporting at this stage, it did publish guidance for voluntary reporting by employers. For the sake of best practice and transparency and to support our equality objectives and commitments, HFRS has voluntarily included ethnicity and disability pay gap reporting within this paper.
4. “Employees” are defined as being those staff who hold a contract of employment with the organisation, workers, agency workers and self-employed staff if they personally perform the work.
5. “Full Pay Employees” are defined as being any employee paid full remuneration as at 31 March 2025. It does not include staff who are paid less than their usual rate of pay, such as those staff on unpaid leave, compassionate leave, sabbatical leave or on Statutory Sick Pay or Statutory Maternity Pay.
6. The gender pay gap reporting measures are:
  1. mean gender pay gap in hourly pay;
  2. median gender pay gap in hourly pay;
  3. mean bonus gender pay gap;
  4. median bonus gender pay gap;
  5. proportion of males and females receiving a bonus payment;
  6. proportion of males and females in each pay quartile.

## Gender Pay Gap and Equal Pay

7. The gender pay gap is a measure of the difference between the average earnings of men and women (irrespective of seniority). Equal pay is our legal obligation as an employer to ensure men and women receive equal pay for equal work.
8. It should be noted that an organisation can have a gender pay gap without breaching equal pay provisions.
9. Our gender pay gap is not as a result of equal pay issues. We have a gender-neutral approach to pay across all levels of the organisation. For Firefighter and Control roles, terms and conditions are nationally negotiated, (known as the Grey book) using role maps, which results in nationally agreed pay scales. Support roles are determined locally for both pay and terms and conditions, using an accredited job evaluation scheme which is based on the Local Government Scheme (known as “Green Book”).

## Gender Pay Gap

10. The tables below detail the HFRS gender profile. The information provided in the gender profile table and subsequent tables accounts for any employee in paid full remuneration as of 31<sup>st</sup> March 2025.

Gender	Number of Staff as at 31/3/2025	%
Women	235	21.42
Men	848	77.30
Prefer not to say	14	1.28

11. The gender profile demonstrates that there is a significantly higher proportion of men overall employed in the Service. There has been a steady increase in women joining the Service overall in the last 8 years, but this year shows a slight reduction by 1.52% this year compared to last year. This is despite 5 female Firefighters joining the Service in 2024 as part of our Full Time Firefighter process.

There is a far larger volume of Operational roles within the Service, and those roles are still more commonly occupied by men. Women make up the larger proportion of staff in Support and Control roles.

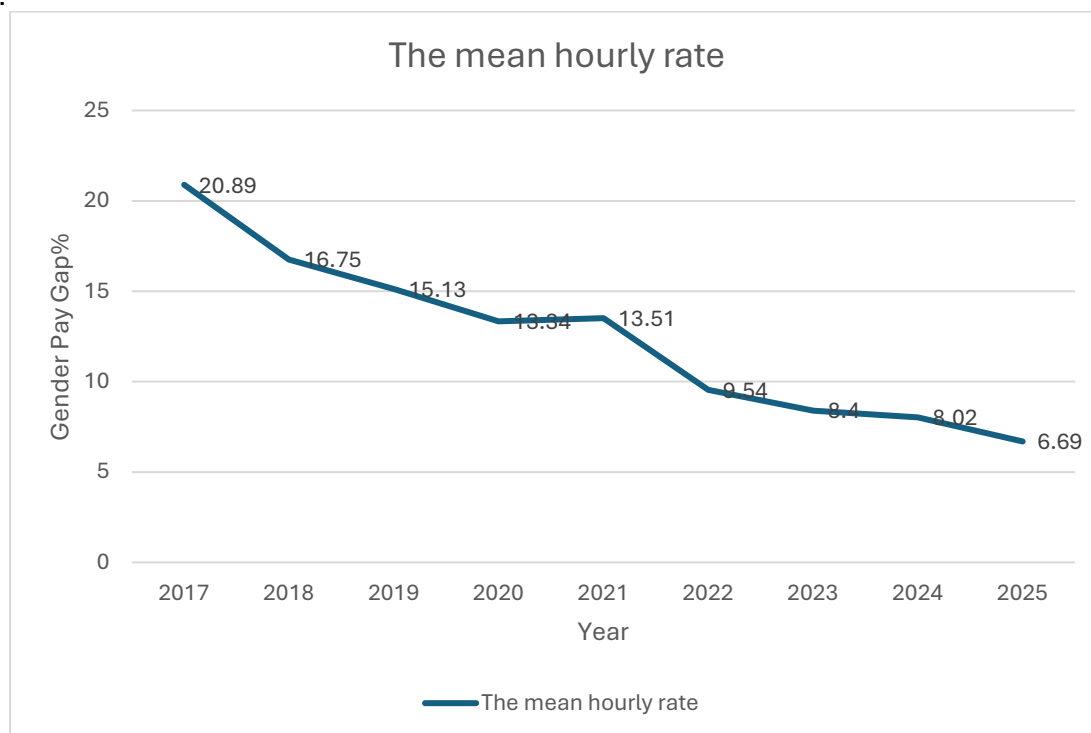
12. The Gender Pay Gap 2025 in terms of mean hourly pay (measure 6.1) is detailed in the table below: -

	Women	Men	Gender Pay Gap
The mean hourly rate	£17.10	£18.32	6.69%

13. The mean hourly rate is the average hourly wage across the entire organisation, so the mean gender pay gap is a measure of the difference between women’s mean hourly wage and men’s mean hourly wage. This year it is £1.22, which is slightly reduced from the £1.42 gap reported last year and it is pleasing to note this improvement.

14. The graph below shows the Gender Pay Gap in terms of the mean hourly rate for nine years. HFRS pay gap shows a continuing trend down over 9 years of reporting figures. The graph identifies a slight reduction of the gender pay gap by 1.33% from last year. This reflects our ongoing progress in closing the pay gap over the reporting period.

15.



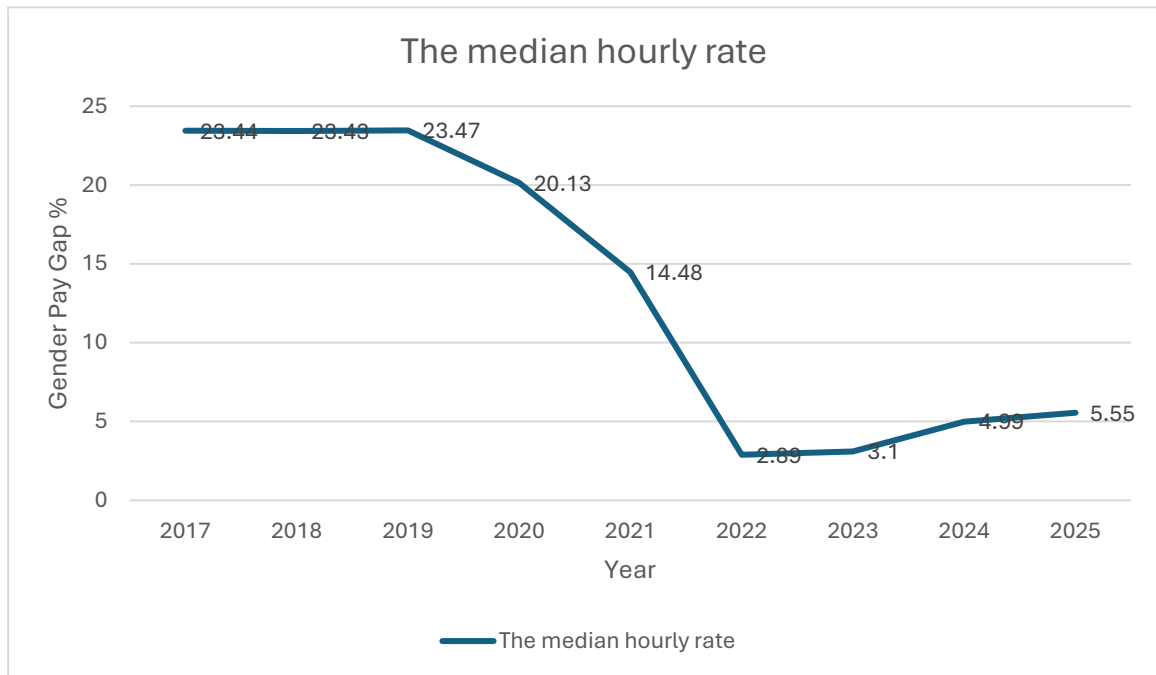
16. The Gender Pay Gap 2025 in terms of median hourly pay (measure 6.2) is detailed in the table below: -

	Women	Men	Gender Pay Gap
The median hourly rate	£16.34	£17.30	5.55%

17. The median hourly rate is calculated by ranking all employees from the highest paid to the lowest paid, and taking the hourly wage of the person in the middle; so the median gender pay gap is the difference between women's median hourly wage (the middle paid woman) and men's median hourly wage (the middle paid man), which is £0.96, which is slightly higher than the £0.83 median pay difference reported last year.

18. This reflects a small shift which the Service will focus on over the coming year but, importantly, it highlights that the Service continues to maintain a narrow median pay gap overall.

19. The graph overleaf shows the Gender Pay Gap in terms of the median hourly rate for nine years. While there was a marked improvement with the gap closing by just over 10% up to 2022, there has been a slight widening of this pay gap over the past three years. Although there has been a slight widening over the past three years, the long-term trend remains positive,



20. Staff within HFRS do not receive bonuses and as such publish a nil return for the measures identified in 6.3, 6.4 and 6.5.

21. The table below shows the percentage of women and men per pay quartile for 2025 (measure 6.6): -

Quartile	Women (%)	Men (%)
Lower (0%-25%)	32%	68%
Lower Middle (25%-50%)	23.72%	74.82%
Upper Middle (50%-75%)	12.04%	86.50%
Upper (75%-100%)	17.88%	79.93%

22. Pay quartiles are calculated by splitting all employees in an organisation into four even groups according to their level of pay. Looking at the proportion of women in each quarter gives an indication of women's representation at different levels of the organisation. The data identifies that woman within HFRS occupy 17.88% of the highest paid jobs. This is a slight reduction from the 18.44% from last year but there has been a slight increase in women in the upper middle quartile to 12.04% from 8.86% last year. The lower middle quartile shows an increase in women occupying roles with this pay quartile, from 15.50% last year to 23.72% this year. The lower quartile shows a reduction in women occupying this pay quartile, from 43.33% last year to 32% this year.

23. Whilst recognising the proportion of women in the lower quartile has reduced from 43.33% to 32%, there is positive movement of women into higher paid quartiles, reflecting improving representation across the organisation. The Service will continue to focus on its positive attraction activities to address the reduction.

## Ethnicity Pay Gap

24. The table below details the HFRS ethnicity profile. The information provided in this profile table and subsequent tables accounts for any employee in paid full remuneration as of 31st March 2025. White (Other) includes British, English, Scottish, Welsh, Northern Irish, Irish, Gypsy or Irish Traveller, Irish and Other. Ethnic Minorities include Black or Black British, Mixed and Other.

<b>Ethnicity</b>	<b>Headcount as at 31/3/2025</b>	<b>%</b>
White \ White Other	1059	96.54%
Ethnic Minorities	19	1.73%
Not Stated	19	1.73%

25. The ethnicity profile demonstrates that there is a majority proportion of 'white' and 'white other' employees in the Service. There has been a slight reduction in the percentage of ethnic minority staff from 1.84% last year to 1.73% this year. This was attributable to the expiry of a fixed-term contract and a subsequent voluntary resignation.

26. The Ethnicity Pay Gap 2025 in terms of mean hourly pay (measure 6.1) is detailed in the table below:

	<b>White\White other</b>	<b>Ethnic Minorities</b>	<b>Not Stated</b>	<b>Ethnicity Pay Gap</b>
The mean hourly rate	£18.12	£17.40	16.80	3.98%

27. The mean hourly rate is the average hourly wage across the entire organisation, so the mean ethnicity pay gap is a measure of the difference between white/white others mean hourly wage and ethnic minorities mean hourly wage. The data demonstrates that there is a difference of £0.72 which is a slight decrease from last year (when it was £0.85). This represents an improvement from last year's difference and indicates continued progress in narrowing the gap.

28. The Service will continue to prioritise positive attraction initiatives within the communities it serves, supporting the growth of a diverse workforce and strengthening ongoing efforts to retain and develop staff from under-represented groups.

29. These initiatives are being embedded across the organisation, with active support from HR and operational employees at Fire Stations, reinforcing the Service's commitment to engagement with underrepresented groups.

30. The Ethnicity Pay Gap 2025 in terms of median hourly pay (measure 6.2) is detailed in the table below:

	<b>White/White Other</b>	<b>Ethnic Minorities</b>	<b>Not stated</b>	<b>Ethnicity Pay Gap</b>
The median hourly rate	£17.20	£17.20	0	0%

31. The median hourly rate is calculated by ranking all employees from the highest paid to the lowest paid, and taking the hourly wage of the person in the middle;

so the median ethnicity pay gap is the difference between ethnic minority staff groups median hourly wage (the middle paid ethnic minority staff member) and the white/white other staff groups median hourly wage (the middle paid white/white other staff member). The data shows there is a difference of £0.1 which is an improvement on last year's figure of £0.34. This year also shows a reduction in the median ethnic pay gap to 0.63% compared to 2.25% last year. This positive trajectory provides a robust platform for continued development and future advancement.

32. The table below shows the percentage of ethnic minority staff and white/white other staff per pay quartile for 2025 (measure 6.6):

Quartile	Ethnic Minority (%)	White/White other (%)	Not stated
Lower (0%-25%)	2.18%	95.27%	2.55%
Lower Middle (25%-50%)	1.46%	96.35%	2.19%
Upper Middle (50%-75%)	1.82%	97.08%	1.09%
Upper (75%-100%)	1.46%	97.45%	1.09%

33. Pay quartiles are calculated by splitting all employees in an organisation into four even groups according to their level of pay. Looking at the proportion of ethnic minority staff in each quarter, provides an understanding of ethnic minority staff representation at different levels of the organisation. The data identifies that those declared ethnic minority staff within HFRS occupy 1.46% of the highest paid jobs (down from 1.47% last year) and 2.18% of the lowest paid jobs (down from 2.58% last year). This indicates broadly stable representation across pay levels, with only slight shifts compared to the previous year.

### Disability Pay Gap

34. The table below details the HFRS disability profile. The information provided in this profile table and subsequent tables accounts for any employee in paid full remuneration as at 31st March 2025. Definition of disability under the Equality Act 2010 is that of having a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on an individual's ability to undertake normal daily activities.

Disability Status	Number of Staff 2025	%
No Disability declared	911	83.04%
Disability declared	64	5.83%
Not Stated	122	11.12%

35. The disability profile demonstrates that there is a significantly higher proportion of staff who have not declared a disability than those that have. The number of staff with a declared disability has increased slightly from last year from 5% to 5.83%, however the number of not stated has increased from 9% to 11.12%. The guidance around reasonable adjustments and the introduction of a

reasonable adjustment passport process will help increase disability disclosure in the longer term.

36. The Disability Pay Gap 2025 in terms of mean hourly pay (measure 6.1) is detailed in the table below:

	<b>Disability declared</b>	<b>No Disability declared</b>	<b>Not stated</b>	<b>Disability Pay Gap</b>
The mean hourly rate	£19.37	£18.19	16.64	-6.53%

37. The mean hourly rate is the average hourly wage across the entire organisation, so the mean disability pay gap is a measure of the difference in mean pay between staff that have declared a disability and those that have not. The data demonstrates that when comparing mean hourly wages there are more staff who have declared a disability in higher pay quartiles than those who have not. The Service will continue to raise the profile of its Reasonable Adjustments passport initiative as well as the support available from an external neurodiversity specialist, sourced by the Service to specifically support neurodivergent staff.

38. The Disability Pay Gap 2025 in terms of median hourly pay (measure 6.2) is detailed in the table below:

	<b>No Disability declared</b>	<b>Disability declared</b>	<b>Disability Pay Gap</b>
The median hourly rate	£17.30	£19.07	-10.21%

39. The median hourly rate is calculated by ranking all employees from the highest paid to the lowest paid, and taking the hourly wage of the person in the middle; so the median disability pay gap is the difference between the median hourly wage of staff who have declared a disability (the middle paid staff member who has declared a disability) and the median hourly wage of staff who have not declared a disability (the middle paid staff member who has not declared a disability). The data indicates a favourable position, with the disability pay gap remaining negative. This reflects the fact that a greater proportion of employees who have declared a disability are represented within the higher pay quartiles. The Service will continue to promote clear and accessible communications regarding the support available to colleagues with a disability, ensuring ongoing awareness and visibility of this provision. In addition, the HR team will continue to equip and guide managers, so they are fully informed of the support mechanisms and confidentiality processes in place, thereby fostering an environment in which employees feel confident and supported in disclosing a disability.

40. Staff within HFRS do not receive bonuses and as such publish a nil return for the measures identified in 6.3, 6.4 and 6.5.

41. The table overleaf shows the percentage of staff identifying a disability and those who do not per pay quartile for 2025 (measure 6.6):

Quartile	No Disability declared	Disability declared	Not Stated
Lower (0%-25%)	77.82%	3.64%	18.55%
Lower Middle (25%-50%)	82.85%	5.47%	11.68%
Upper Middle (50%-75%)	89.78%	3.65%	6.57%
Upper (75%-100%)	81.75%	10.58%	7.66%

42. Pay quartiles are calculated by splitting all employees in an organisation into four even groups according to their level of pay. The data identifies that staff who have declared having a disability within HFRS occupy 10.58% of the highest paid jobs and 3.64% of the lowest paid jobs.

### **Closing the Pay Gap**

43. The Service's gender pay gap data demonstrates that, while meaningful progress takes time, the overall trend remains positive, with a clear narrowing of the gap. The Service is committed to sustaining this progress by further strengthening its positive attraction initiatives in support of the recruitment and progression of all underrepresented groups, particularly women and individuals from diverse heritage backgrounds. This commitment is reflected through continued investment in development opportunities such as the Women in the Fire Service weekend, the creation- of a dedicated team focused exclusively on positive attraction, and the ongoing work of staff forums including Voices for Women and Voices for Disability.

44. The Service's Community Engagement Community - formerly the Community Interview Panel - plays an essential role in reaching and engaging underrepresented communities. Collectively, these initiatives, underpinned by -the Service's wider commitment to equality, diversity and inclusion, contribute to a thriving and inclusive workforce with a strong focus on improving representation across all levels of the organisation.

45. The Service's Portfolio Process is a structured, evidence-based approach designed to support the attraction, development and retention of skilled and capable employees across the Service. It focuses on evidence of capability, behaviours and potential, rather than relying solely on performance in a single assessment event. This structure reduces barriers that can disproportionately affect certain groups and supports a fairer, more transparent system

46. Our ethnicity pay gap is slightly smaller than our gender pay gap. However, it has shown a slight increase in both last 2 years along with a slight reduction in our ethnic minority staff. The Service remains committed to strengthening the recruitment, retention and progression of ethnic minority staff and the creation of a bespoke positive attraction team will ensure that its workforce better reflects the diverse communities it serves and continues to benefit from the richness of varied backgrounds and perspectives.

47. Our disability pay gap continues to be negative, which is a highly encouraging indicator of the strong representation and progression of disabled staff across

the Service. As the Service looks to build on this positive position, it recognises the importance of continuing to foster an environment where all staff feel confident and supported to share their own requirements. Continuing to strengthen trust in this area will ensure staff are confident in accessing the wealth of support mechanism available, a reflection that the Service is committed to inclusivity and equitable opportunity for all.

	<b>Agenda Item No. 13</b>
<b>Humberside Fire Authority 27 March 2026</b>	<b>Report by the Assistant Chief Fire Officer</b>

<b>PERFORMANCE REPORTING &amp; SERVICE PERFORMANCE INDICATORS 2026/27</b>
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**1. SUMMARY**

- 1.1 This paper provides information regarding the reporting of Service level performance for the period 2026/27, monitored and reported to Members on a bi-annual basis.
- 1.2 Section 4 details proposed revisions to the performance reporting format and structure, enabling comprehensive alignment with each section of the Community Risk Management Plan (CRMP) and providing transparent assurance of its effectiveness.
- 1.3 Service performance reporting details both outputs (activity volume) and outcomes (results/impacts), using time frames and / or year over year comparator data reported against risk intelligence metrics and thresholds.
- 1.4 The established frequency of bi-annual performance reporting to continue for 2026/27, as detailed in the business planning framework and outlined below:
  - (i) April to September performance will be reported to Members in November 2025.
  - (ii) The annual performance report, reflective of cumulative performance over the full 12-month period, will be issued to Members in July 2026.
- 1.5 Bi-annual performance reporting will be supplemented by exception reporting of relevant trends / incidents or events to Members at Authority meetings and / or Member Days. This can include the updating and / or introduction of metrics / reporting themes during 2026/2027.
- 1.6 Members are invited to attend District meetings, where they can gain insight into local performance. These meetings allow Members to contribute their knowledge and experience to support Service activities.
- 1.7 Engagement between Directorate management teams and Member Champions for each function provides further opportunity for information sharing and collaboration
- 1.8 The content of the performance reports enables public transparency, measuring how the Service is performing against the CRMP, while aligned with HMICFRS and Sector data information requests.

**2. RECOMMENDATIONS**

- 2.1 It is recommended that the Fire Authority:
  - (i) Approves the continuation of bi-annual performance reporting during 2026/27.
  - (ii) Approves the proposed revisions to the performance reporting format and structure so that it is fully aligned with the CRMP and provides clear, evidence-based assessment of activities.

### 3. BACKGROUND

- 3.1 Bi-annual performance reporting provides Members and the public with meaningful information. This is achieved as six- and twelve-month reporting periods enables more robust trend analysis to be completed, with the opportunity to evaluate the impact of Service intervention activities.
- 3.2 Formal bi-annual performance reporting ensures constitutional compliance.
- 

### 4. REPORT DETAIL

- 4.1 Related performance data will be provided against the following subject themes aligned to each section of the CRMP.
- Our Operational Demand
  - Prevention
  - Protection
  - Response
  - Emergency Preparedness
  - Our Projects
  - Emergency Call Handling
  - The Availability of Our Fire Stations
  - Mutual Aid/Over Border Incidents
  - Recovery
  - Developing our Organisation
  - Health and Safety
  - Occupational Health & Wellbeing
  - Governance
- 4.2 Using the structure outlined in Section 4.1, the following indicators and measures will be adopted to ensure consistent assessment of performance across all CRMP activities.

#### **Incident Activity** (includes related Service Level Performance Indicators)

- High Severity Fires
- Total Deliberate Fires
- Accidental Dwelling Fires
- Deliberate Secondary Fires
- Automatic Fire Alarms (Non-Domestic)
- Road Traffic Collisions
- Special Services (including medical response)
- Unitary Authority breakdown

#### **Response**

- Availability Standards
- Response Standards
- Emergency Call Handling

#### **Prevention**

- Home Fire Safety Visits
- Campaigns and Initiatives
- Arson Reduction Activities
- Fire Setters Interventions
- School Engagement Visits

#### **Protection**

- Audited Premises
- Consultations
- Enforcement notices

- Prohibition notices
- Alternation notices

### People

- Absence Management
- Conduct (Grievance, disciplinarys and dismissals)
- Health and Safety (Accidents, Causes, Near Misses)
- Environmental (Amenities and Fuel)
- Organisational Learning (Debriefs)

### Corporate Governance

- Complaints and Compliments
- Risk Management
- Internal Audit Plan Reporting Outcomes
- Subject Access Requests
- Personal Data Breaches
- Freedom of Information Applications
- Data Protection Impact Assessments
- Communications Performance (Website and Social Media Channels)
- Positive Practice Submissions

4.2 As applicable Strategic and Local Performance Indicators are applied in the reporting of these activities.

## 5. EQUALITY, DATA PROTECTION AND RISK IMPLICATIONS

5.1 There is no requirement to carry out an Equality Impact Analysis (EIA) and/or Data Protection Impact Assessment (DPIA) as this report does not relate to a policy or service delivery change or involves the processing of personal data.

5.2 Upon review, no risk implications have been identified in relation to this subject, and no further action is deemed necessary.

## 6. CONCLUSION

6.1 The Service completes and publishes bi-annual performance reports in accordance with the business planning framework and against the performance measures detailed in this report.

**Matt Sutcliffe**  
**Assistant Chief Fire Officer**

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### Background Papers

None

### Abbreviations

CRMP	Community Risk Management Plan
HMICFRS	His Majesty's Inspectorate of Constabulary and Fire and Rescue Services
SPI	Service Performance Indicators

	<b>Agenda Item No. 14</b>
<b>Humberside Fire Authority 27 March 2026</b>	<b>Report by the Monitoring Officer/ Secretary</b>

<b>AMENDMENT TO THE CONSTITUTION</b>
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**1. SUMMARY**

- 1.1 At its meeting on 28 November 2025, the Humberside Fire Authority (HFA) resolved that the Governance, Audit and Scrutiny (GAS) Committee should review a proposed amendment to the Constitution concerning the terms of office for Members.
- 1.2 At its meeting of 9 February 2026 the Committee received a report of the Monitoring Officer/Secretary setting out the proposed amendment and rationale. Upon consideration, as the meeting Minute 07/26 refers, the Committee recommend “That the Authority approve the proposed amendment to Article 2 of the Constitution.” The full report considered by the Committee at its meeting of 9 February can be viewed at Appendix 1 of this report.
- 1.3 The amendment introduces a new clause to Article 2, specifying that a Member ceases to hold office on HFA, and any entitlement to allowances, immediately upon changing political allegiance. This change is intended to maintain political proportionality and prevent public funds from being paid to individuals who no longer represent the electorate under which they were appointed to HFA.
- 1.4 The proposed wording is set out at section 4.4 and the full report as submitted and considered by the GAS Committee on 9 February is set out at Appendix 1.

**2. RECOMMENDATION**

- 2.1 It is recommended that, upon the advice of the Governance, Audit and Scrutiny (GAS) Committee, the Fire Authority approves the amendment to Part 2, Article 2 of the Constitution, as set out at section 4.4 of this report.

**3. BACKGROUND**

- 3.1 At its meeting on 28 November 2025, HFA considered a proposal to strengthen its governance arrangements by introducing an additional clause to Article 2 of the Constitution. This clause would clarify that a Member ceases to hold office immediately upon changing political allegiance. To ensure transparency and accountability, the GAS Committee was tasked with reviewing the proposed change and making a recommendation to the HFA on whether it should be adopted.
- 3.2 At its meeting of 9 February 2026 the Committee received a report of the Monitoring Officer/Secretary setting out the proposed amendment and rationale. Upon consideration, as the meeting Minute 07/26 refers, the Committee recommend, “*That the Authority approve the proposed amendment to Article 2 of the Constitution.*”

**4. REPORT DETAIL**

- 4.1 Membership of fire authorities is based on political proportionality, which reflects the composition of political parties within the appointing constituent authorities. When considering constitutional provisions related to political allegiance, it is essential to distinguish between registered political parties and sub-groups or factions of those parties.

## Definition of Political Allegiance

4.2 Political allegiance refers to membership of a registered political party under the Political Parties, Elections and Referendums Act 2000. These parties are recognised for the purposes of proportionality calculations under the Local Government and Housing Act 1989. Within these main parties, there are informal or organised sub-groups/factions. The key characteristics of sub-groups/factions are that:

- They are not separate political parties.
- They do not affect formal political allegiance for statutory purposes.

4.3 For constitutional clauses and proportionality:

- Political allegiance is defined as membership of a registered political party, not alignment with internal factions.
- Switching between sub-groups within the same party does not constitute a change of political allegiance.
- Only a formal change of party membership (e.g., Labour → Conservative) triggers implications for representation and proportionality.

## Proposed amendment

4.4 The proposed amendment, as considered and endorsed by the GAS Committee is set out below. For the purposes of HFA Constitution, political allegiance refers to membership of a registered political party, or as an independent. Internal factions, sub-groups, or associations within a political party do not constitute a change of political allegiance.

### **PART 2, ARTICLE 2 – MEMBERS OF THE HUMBERSIDE FIRE AUTHORITY**

#### **2.1 TERM OF OFFICE**

Members are appointed at the Annual General Meeting of the HFA which is normally held towards the end of May in each year. All Members serve until at least the fourth day after the local elections in any given year. The constituent authorities will nominate their representative Members annually in readiness for the HFA Annual General Meeting. The constituent authorities may choose to replace their representative members at any time provided that written notice is given to the Secretary and political proportionality is maintained. The constituent authorities are not permitted to use substitutes.

A Member who ceases to be a member of a constituent authority shall also cease to be a Member of the HFA.

A Member shall cease to be a Member of HFA with immediate effect if they change their political allegiance, defined as ceasing to be a member of the political party under which they were appointed and becoming a member of a different political party, or becomes independent. For the purposes of this clause, 'political party' refers to a registered political party under the Political Parties, Elections and Referendums Act 2000. Internal factions, groups, or associations within a political party shall not constitute a change of political allegiance. The constituent authority may reappoint the same individual to HFA under their new political allegiance, provided that HFA political proportionality is maintained.

A Member's entitlement to HFA allowances shall terminate immediately upon ceasing to hold membership of the HFA.

## **Purpose of the Amendment**

- 4.5 The proposed amendment is driven by the need to uphold financial accountability and democratic integrity within HFA. Membership of the Authority is based on political proportionality, reflecting the composition of political parties within the appointing local authorities. When a Member changes political allegiance, they no longer represent the electorate under which they were appointed to HFA. Continuing to pay allowances in such circumstances would result in public funds being allocated to an individual who no longer fulfils their representative role. By requiring that allowances cease immediately upon a change of political allegiance, HFA ensures that taxpayer money is spent appropriately, aligns with statutory governance principles, and maintains transparency and value for money in the use of public resources.
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## **5. EQUALITY, DATA PROTECTION AND RISK IMPLICATIONS**

- 5.1 There is no requirement to carry out an Equality Impact Analysis (EIA) or Data Protection Impact Assessment (DPIA) as this report does not relate to a policy or service delivery change or involves the processing of personal data.
- 5.2 Upon review, no risk implications have been identified in relation to this subject, and no further action is deemed necessary.
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## **6. CONCLUSION**

- 6.1 Upon the advice of the Governance, Audit and Scrutiny Committee, the Fire Authority is requested to approve the amendment to Part 2, Article 2 of the Constitution.
- 6.2 The amendment introduces a clear requirement that membership and associated allowances cease immediately upon a change in political allegiance. Adoption of this change will safeguard democratic integrity, maintain political proportionality, and ensure the proper use of public funds, reinforcing confidence in the Authority's governance arrangements.

**Lisa Nicholson**  
**Monitoring Officer/Secretary**

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### **Background Papers**

- Governance, Audit and Scrutiny Committee Agenda 9 February 2026
- Humberside Fire Authority Agenda 28 November 2025

	<b>Agenda Item No. 7</b>
<b>Governance, Audit and Scrutiny Committee 9 February 2026</b>	<b>Report by the Monitoring Officer/ Secretary</b>

<b>AMENDMENT TO THE CONSTITUTION</b>
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**1. SUMMARY**

- 1.1 At its meeting on 28 November 2025, the Humberside Fire Authority (HFA) resolved that the Governance, Audit and Scrutiny (GAS) Committee should review a proposed amendment to the Constitution concerning the terms of office for Members.
- 1.2 The amendment introduces a new clause to Article 2, specifying that a Member ceases to hold office on HFA, and any entitlement to allowances, immediately upon changing political allegiance. This change is intended to maintain political proportionality and prevent public funds from being paid to individuals who no longer represent the electorate under which they were appointed to HFA.
- 1.3 The proposed wording is set out in Appendix 1 and is recommended for endorsement by the Committee to HFA for approval.

**2. RECOMMENDATION**

- 2.1 It is recommended that the Governance, Audit and Scrutiny Committee, in accordance with its constitutional role and responsibilities (as set out at Part 2, Article 6 of the Constitution), endorses the proposed amendment to Article 2 of the Constitution (as set out at Appendix 1) and submits this recommendation to Humberside Fire Authority for approval.

**3. BACKGROUND**

- 3.1 At its meeting on 28 November 2025, HFA considered a proposal to strengthen its governance arrangements by introducing an additional clause to Article 2 of the Constitution. This clause would clarify that a Member ceases to hold office immediately upon changing political allegiance.
- 3.2 The rationale for this amendment stems from the Authority's statutory requirement to maintain political proportionality, which reflects the composition of political parties within the appointing local authorities.
- 3.3 To ensure transparency and accountability, the GAS Committee was tasked with reviewing the proposed change and making a recommendation to the HFA on whether it should be adopted.

**4. REPORT DETAIL**

**Article 2 'Members of the Humberside Fire Authority'**

- 4.1 Article 2 of the Constitution currently sets out the terms of office for Members. The proposed amendment adds a clause stating that a Member ceases to be a Member of the Authority with immediate effect when they change political allegiance.
- 4.2 Membership of fire authorities is based on political proportionality, which reflects the composition of political parties within the appointing constituent authorities. When considering constitutional provisions related to political allegiance, it is essential to

distinguish between registered political parties and internal sub-groups or factions within those parties.

### **Definition of Political Allegiance**

- 4.3 Political allegiance refers to membership of a registered political party under the Political Parties, Elections and Referendums Act 2000. These parties are recognised for the purposes of proportionality calculations under the Local Government and Housing Act 1989.
- 4.4 Within these main parties, there are informal or organised sub-groups/factions that represent different ideological positions or policy priorities.
- 4.5 The key characteristics of sub-groups/factions are that:
- They are not separate political parties.
  - They do not affect formal political allegiance for statutory purposes.
- 4.6 For constitutional clauses and proportionality:
- Political allegiance is defined as membership of a registered political party, not alignment with internal factions.
  - Switching between sub-groups within the same party does not constitute a change of political allegiance.
  - Only a formal change of party membership (e.g., Labour → Conservative) triggers implications for representation and proportionality.
- 4.7 For the purposes of HFA Constitution, political allegiance refers to membership of a registered political party, or as an independent. Internal factions, sub-groups, or associations within a political party do not constitute a change of political allegiance.

### **Purpose of the Amendment**

- 4.8 The proposed amendment is driven by the need to uphold financial accountability and democratic integrity within HFA. Membership of the Authority is based on political proportionality, reflecting the composition of political parties within the appointing local authorities. When a Member changes political allegiance, they no longer represent the electorate under which they were appointed to HFA. Continuing to pay allowances in such circumstances would result in public funds being allocated to an individual who no longer fulfils their representative role. By requiring that allowances cease immediately upon a change of political allegiance, HFA ensures that taxpayer money is spent appropriately, aligns with statutory governance principles, and maintains transparency and value for money in the use of public resources.

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## **5. EQUALITY, DATA PROTECTION AND RISK IMPLICATIONS**

- 5.1 There is no requirement to carry out an Equality Impact Analysis (EIA) or Data Protection Impact Assessment (DPIA) as this report does not relate to a policy or service delivery change or involves the processing of personal data.
- 5.2 Upon review, no risk implications have been identified in relation to this subject, and no further action is deemed necessary.

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## **6. CONCLUSION**

- 6.1 The Governance, Audit and Scrutiny Committee is asked to endorse the proposed amendment to Article 2 of the Constitution and recommend its approval to HFA (as set out at Appendix 1 of this report).

- 6.2 The amendment introduces a clear requirement that membership and associated allowances cease immediately upon a change in political allegiance. Adoption of this change will safeguard democratic integrity, maintain political proportionality, and ensure the proper use of public funds, reinforcing confidence in the Authority's governance arrangements.

**Lisa Nicholson**  
**Monitoring Officer/Secretary**

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### **Background Papers**

Humberside Fire Authority Agenda 28 November 2025 – Item 20 Amendments to the Constitution

**CONSTITUTION**  
**PART 2: ARTICLE 2 – MEMBERS OF THE HUMBERSIDE FIRE**  
**AUTHORITY**

**2.1 TERM OF OFFICE**

Members are appointed at the Annual General Meeting of the HFA which is normally held towards the end of May in each year. All Members serve until at least the fourth day after the local elections in any given year. The constituent authorities will nominate their representative Members annually in readiness for the HFA Annual General Meeting. The constituent authorities may choose to replace their representative members at any time provided that written notice is given to the Secretary and political proportionality is maintained. The constituent authorities are not permitted to use substitutes.

A Member who ceases to be a member of a constituent authority shall also cease to be a Member of the HFA.

A Member shall cease to be a Member of HFA with immediate effect if they change their political allegiance, defined as ceasing to be a member of the political party under which they were appointed and becoming a member of a different political party, or becomes independent. For the purposes of this clause, 'political party' refers to a registered political party under the Political Parties, Elections and Referendums Act 2000. Internal factions, groups, or associations within a political party shall not constitute a change of political allegiance. The constituent authority may reappoint the same individual to HFA under their new political allegiance, provided that HFA political proportionality is maintained.

A Member's entitlement to HFA allowances shall terminate immediately upon ceasing to hold membership of the HFA.

	<b>Agenda Item No. 15</b>
<b>Humberside Fire Authority 27 March 2026</b>	<b>Report by the Deputy Chief Fire Officer</b>

<b>ESTATES CAPITAL PROGRAMME - UPDATE</b>
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## **1 SUMMARY**

- 1.1 This report summarises, for information, the assessment and design process to implement the capital programme for estates for the five-year period from 2026/27 to 2030/31 with a forward look into the medium term to 2036.

## **2 RECOMMENDATION**

- 2.1 It is recommended that the Fire Authority takes assurance of the on-going assessment and development of options for the estate to facilitate effective and efficient use of previously agreed capital funding.

## **3 BACKGROUND**

- 3.1 This report details the Service's progress in the development of our estate linked to £23.469m of capital funding agreed by members at the November 2024 HFA, with further support and bolstering the investment to £26.828m and £1.95m for Training estate at the November 2025 Authority.
- 3.2 HLM Architects have been procured and on-boarded as our strategic partner and bring extensive experience in the fire and emergency services estate, with a strong track record of delivering modern, compliant fire stations and estate strategies across the UK. Their expertise spans operationally led design, contamination control, firefighter welfare, and the transformation of ageing estates into safe, efficient, and future-proofed facilities. HLM are particularly recognised for translating complex operational requirements into clear, deliverable strategies that support long-term service resilience and value for money.
- 3.3 A series of conditional surveys and six-facet reports built a clear picture of an ageing, post-war estate that remains broadly serviceable but increasingly constrained. The recurring limitations of the 1960s stock, with ageing fabric, inefficient services, and inflexible layouts limiting compliance with modern welfare, contamination, accessibility, and energy standards led directly to HLM Architects undertaking a comprehensive, estate-wide strategic review.

## **4. REPORT DETAIL**

- 4.1 HLM Architects, contracted as our principal designers and master planners, have reviewed our five-year capital programme, to ensure our planning assumptions align with our strategic aims and provide best value. They will be recommending investment over the five years but also medium-term ten-year period.
- 4.2 HLM have assessed condition, lifecycle, functional suitability, operational alignment, risk and value for money across all sites. Cross cutting priorities within the HLM review include:
- Contaminants: clean/dirty zoning, ventilation, decontamination facilities.
  - Operational effectiveness: turnout flow, appliance bays, site access, resilience.
  - Welfare: changing rooms, showers, gyms, staff spaces.
  - Collaboration: co location, shared use, One Public Estate (OPE) opportunities.
  - PV / sustainability: PV potential, EV charging and energy efficiency upgrades.
  - Smart systems: BMS, remote monitoring, automated compliance and smarter controls

- 4.3 Sustainability remains a key cross-cutting priority within the estate review, with HLM Architects assessing the potential for photovoltaic (PV) installations, electric vehicle (EV) charging infrastructure, and energy efficiency upgrades across all sites. These measures are aimed at reducing energy consumption and supporting the Authority's broader environmental objectives. By identifying opportunities to integrate renewable energy sources and futureproofing facilities for the transition to low-carbon transport, the Service is committed to delivering long-term value and resilience, while ensuring compliance with evolving energy standards. The adoption of these sustainability initiatives will not only contribute to lower running costs but also reinforce the estate's alignment with national and local sustainability targets.
- 4.4 Utilising the Royal Institute of British Architects Plan of Works, options have been developed to RIBA Stage 0 to inform our strategic decision making, utilising an order-of-magnitude based on broad assumptions about scale, scope, and delivery options, rather than detailed design.
- 4.5 HLM are utilising a standardised approach to fire station design, developing a flexible family of buildings that can be scaled from single-bay stations through to larger, multi-bay station hubs. This approach allows consistent layouts, servicing strategies, and welfare standards to be replicated efficiently, while still responding to site-specific operational needs. Standardisation also supports cost certainty, faster delivery, and long-term adaptability. Alongside this, the Service have challenged HLM to design a distinctive and recognisable external and internal corporate brand, ensuring new stations present a consistent, modern identity that reflects the professionalism, visibility, and civic role of the fire and rescue service across the estate.

#### **Joint Estates Service**

- 4.6 To support the day-to-day operation of our buildings the collaboration agreement for the provision of a Joint Estates Service (JES) has been reviewed and agreed to ensure that Humberside Police, through JES are providing the Authority with an efficient and effective facilities management and estates service.

#### **Financial implications**

- 4.7 We strive for efficiency and effectiveness by choosing and procuring wherever possible the best estates services, ensuring that value for money is a priority consideration. Options with RIBA 0/1 costs will be shared with Members at the July HFA.

### **5. EQUALITY, DATA PROTECTION AND RISK IMPLICATIONS**

- 5.1 It is essential that our estate reflects the diversity of both our workforce and the wider community we serve. We are committed to creating environments that are not only bright and inspiring, but also supportive and welcoming - now and for generations to come. By prioritising accessibility and dignity within our facilities, we ensure that every individual feels valued and empowered, fostering a sense of belonging and pride in our Service. This approach underpins our dedication to inclusivity, setting a standard for excellence that supports our strategic objectives and delivers effective service in a manner that truly represents our community.
- 5.2 An equality impact assessment has been completed (EIA/Service Delivery/11-2022/2) for the overarching Capital Programme 2026/27 and has identified positive impacts. It should be noted that individual schemes and projects within the programme are all subject to more detailed EIAs to identify specific improvements and actions as necessary.

5.3 The following positive impact has been identified:

- Estate – All schemes within the estates programme are required to consider accessibility (for staff and the community) and to improve dignity and welfare facilities.

5.4 Following a review of the subject matter, it is confirmed that the associated risks have been duly assessed and are referenced on the Risk and Opportunity Register as a Strategic risk (Reference 2024/25 – JESa).

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## 6. CONCLUSION


6.1 This report summarises the process to implement the capital programme for the estates five-year period from 2026/27 to 2030/31, with a forward look into the medium term to 2036, and it is proposed that the Authority supports the programme development.

**Niall McKiniry**  
**Deputy Chief Fire Officer**

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### Background Papers

None

### Abbreviations

BMS	Building Management Systems
CRMP	Community Risk Management Plan
EIA	Equality Impact Assessment
EV	Electric Vehicles
HFRS	Humberside Fire and Rescue Service
HLM	HLM Architects (Principal Designers/Master Planners)
JES	Joint Emergency Services
OPE	One Public Estate
PV	Photovoltaic
RIBA	Royal Institute of British Architects
SLT	Strategic Leadership Team

**Appendix 1**

**Corporate designs option – Two Bay Fire Station**





