# SUPPLEMENTARY AGENDA

HUMBERSIDE Fire Authority

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**Tel:** (01482) 567509
**Date published:** 05/11/2026

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| **Meeting** | **Governance, Audit and Scrutiny Committee** |
| **Date** | **Monday, 9 November 2026** |
| **Time** | **10:00** |
| **Location** | **Humberside Fire & Rescue Service Headquarters, Summergroves Way, Hull, HU4 7BB** |

| Item Number | Item | Page Number | Lead | Decision required |
|---|---|---|---|---|
| 6 | **Annual Statement of Accounts 2025/26 (Audited)**<br><br>It was agreed by the Chair for the item be treated as urgent in order that the Committee can pre-scrutinise the Accounts prior to receipt by the Fire Authority and help inform its decision. | 1 - 94 | Executive Director of Finance/S.151 Officer | To receive and make any recommendations to the HFA |

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|---|---|
| | **Agenda Item No. 6** |
| **Governance, Audit and Scrutiny Committee 9 November 2026** | **Report by the Executive Director of Finance/S.151 Officer** |

# ANNUAL STATEMENT OF ACCOUNTS (AUDITED) 2025/26

## 1. SUMMARY

1.1 This report contains the Authority's full audited Statement of Accounts for 2025/26 (see Appendix 1).

1.2 The Accounts covered by this report in Appendix 1 have been subject to audit by Forvis Mazars in their role as the Authority's external auditor.

## 2. RECOMMENDATIONS

2.1 It is recommended that Committee take assurance from the Accounts as set out at Appendix 1 in conjunction with the Audit Completion Report provided by Forvis Mazars and recommends approval to the Fire Authority.

## 3. BACKGROUND

3.1 The production of the Annual Accounts is a key task for the Finance Team.

3.2 The Head of Finance and the Finance team have undertaken a significant amount of the work required to deliver the Annual Accounts and in supporting the audit process.

3.3 Forvis Mazars (the Authority's External Auditors) have been very supportive throughout the process and have participated in regular meetings during the period.

## 4. REPORT DETAIL

4.1 The audited Statement of Accounts for 2025/26 are included in Appendix 1.

4.2 Mazars have completed the audit work, and the Audit Assurance Report is expected by 30 November 2026.

4.3 The Government specified timescales for Annual Account sign-off by the S151 Officer of 30 June 2026 and deadline for the completion of the audit of 31 January 2027. The Authority will have delivered ahead of both of these deadlines.

## 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).

## 6. CONCLUSION

6.1 This report captures the financial impact of the Authority's activities during the 2025/26 financial year. The picture is one of robust finances despite the significant effects of pay and non-pay inflation.

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

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### Officer Contact

Martyn Ransom - Executive Director of Finance/S.151 Officer
✉ mransom@humbersidefire.gov.uk

### Background Papers

2025/26 Annual Accounts

### Glossary/Abbreviations

| | |
|---|---|
| CFO/CE | Chief Fire Officer/Chief Executive |
| S.151 | Section 151 Local Government Act 1972 |

2025/26

HUMBERSIDE
Fire & Rescue Service

# Humberside Fire Authority Annual Accounts 2025/26

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## Narrative Report by the Executive Director of Finance/Section 151 Officer

### Introduction

The Statement of Accounts summarises the financial performance of the Authority for year ended 31 March 2026. These accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The purpose of the narrative report is to offer interested parties a fair, balanced and easily understandable guide to the most significant matters reported in the accounts. The inevitable use of technical language has been kept to a minimum. A 'Glossary of Terms' (to help explain some of the technical terms) can be found in the appendices.

### Organisational Summary

Humberside Fire and Rescue Service (HFRS) serves the communities within the areas of East Riding of Yorkshire Council, Hull City Council, North East Lincolnshire Council and North Lincolnshire Council. Governance of HFRS is provided through Humberside Fire Authority (HFA) made up of elected Members, nominated by each local authority.

Detailed in the 'Fire and Rescue National Framework for England', as approved under section 21 of the Fire and Rescue Services Act 2004, are the priorities of a fire and rescue authority, required in order to fulfil their statutory duty, to ensure provision of core functions:

- Make appropriate provision for fire prevention and protection activities and response to fire and rescue related incidents.
- Identify and assess the full range of foreseeable fire and rescue related risks their areas face.
- Collaborate with emergency services and other local and national partners to increase the efficiency and effectiveness of the service they provide.
- Be accountable to communities for the service they provide; and
- Develop and maintain a workforce that is professional, resilient, skilled, flexible, and diverse.

### Humberside

HFRS serves a population of almost one million people across a geographical area of 1,358 square miles. Each of the unitary authority areas present the Service with different challenges, consisting of urban, rural, and coastal communities with some affluent areas and some areas suffering from significant deprivation.

The service area also includes a broad range of industrial and heavy commercial risks, having the second highest number of high hazard industrial sites in the UK. These include major petrochemical sites, natural gas storage, pharmaceutical industries, and large port complexes. Almost a quarter of the UK's sea borne trade passes through the Humber ports of Hull, Immingham, Grimsby, and Goole including 20 per cent of the UK's gas supply.

### Service Statistics

- Number of fire stations: 31
- Number of fire engines: 54 (43 frontline and 11 reserve)
- Number of specialist emergency response vehicles: 14
- Number of Flexible Duty System vehicles: 32
- Number of Co-Responding and F.I.R.S.T (Falls, Intervention Response, Safety Team) vehicles: 11
- Number of staff: 914 (headcount)

**Structure and Fire Station Locations**

HFRS operates under a Service delivery structure of four districts (mirroring the four local authority areas), divided by the physical boundary of the Humber Estuary and river into North (Kingston upon Hull and East Riding) and South (North Lincolnshire and North East Lincolnshire). The respective Service delivery teams have the responsibility for all operational and safety matters in their area.




On-Call
Whole-Time
Combined (Whole-Time and On-Call)

**Community Risk Management Plan (CRMP) and Strategic Plan 2025 - 2028**

Each Fire and Rescue Authority must produce a CRMP, which is available to the public. The plan must reflect the following information:

- reflect up to date risk analyses including an assessment of all foreseeable fire and rescue related risks that could affect the area of the authority;
- demonstrate how prevention, protection and response activities will best be used to prevent fires and other incidents and mitigate the impact of identified risks on its communities, through authorities working either individually or collectively, in a way that makes best use of available resources;
- outline required service delivery outcomes including the allocation of resources for the mitigation of risks;
- set out its management strategy and risk-based programme for enforcing the provisions of the Regulatory Reform (Fire Safety) Order 2005 in accordance with the principles of better regulation set out in the Statutory Code of Compliance for Regulators, and the Enforcement Concordat;

- cover at least a three-year time span and be reviewed and revised as often as it is necessary to ensure that the authority is able to deliver the requirements set out in this Framework;
- reflect effective consultation throughout its development and at all review stages with the community, its workforce and representative bodies and partners; and
- be easily accessible and publicly available.

The Chief Fire Officer must, in exercising their functions, have regard to the Fire and Rescue Authority's CRMP and any set objectives and priorities which may then be outlined in a Strategic Plan. The Fire and Rescue Authority should give due regard to the professional advice of the Chief Fire Officer while developing the CRMP and when making decisions affecting the fire and rescue service.

The CRMP and Strategic Plan can be found at https://humbersidefire.gov.uk/about-us/our-vision-and-plans

**The work of HFRS**

HFRS has a legal duty to provide a fire and rescue service that meets the needs of the local communities, in accordance with the Service's CRMP. HFRS is prepared to deal with a wide range of emergencies, from house fires and road traffic collisions, to floods and chemical spills.

HFRS is responsible for the enforcement of fire prevention, petroleum, and explosives legislation, working with our communities to help keep people and property safe, providing a fire and rescue service for the people that live, work, and visit the Humberside area.

HFRS's emergency medical response teams are trained to respond immediately to life threatening calls received by the ambulance service, providing first responder intervention and increasing the chances of survival. In partnership with other agencies in the Hull City Council and East Riding of Yorkshire Council areas, HFRS has formed a Falls, Intervention Response, Safety Team (F.I.R.S.T) to deal with non-immediate life threatening incidents, predominantly following a fall, aiming to prevent the medical impact of such incidents while increasing and reducing the impact of less urgent calls on frontline services for both the health service and HFRS.

HFRS believes the most effective way to save lives and reduce injuries, to lessen the broader community impact from emergencies, is to engage in preventative activities to decrease the number of incidents that occur. To support such activities HFRS works closely with partner organisations and communities. Through the use of dedicated HFRS staff teams employed to work within the community, such as Prevention Advisors, they are able to engage with those people most vulnerable to fire, providing information and education. This includes signposting people who are vulnerable from issues not directly related to the fire service such as older people who may be at risk from severe weather, or household security.

HFRS has legal responsibilities to enforce fire safety legislation and do this by providing free advice to businesses to support their compliance with legislative requirements. If it is necessary, to keep the public and our firefighters safe, HFRS will prohibit or restrict the use of premises and prosecute persons responsible for breaches of legislation.

**Response Standards**

HFRS response standards set the target times for getting a fire engine to an incident.

For dwelling fires, the service area is divided into equal grid squares to eliminate any historical bias from previous boundaries. To better align emergency response with prevention efforts, the number of households matching the highest-risk Fire Fatality Profile (FFP) is assessed within each square. These areas are then categorised as High, Medium, or Low risk.

For Road Traffic Collisions (RTCs), the response standard is based on the 'golden hour' principle, the critical first hour after a traumatic injury, during which the chances of survival are significantly improved if the casualty reaches a trauma centre. The response model includes three key time elements: a 15-minute attendance target for the fire engine to arrive on scene; an average of 15

minutes for casualty extraction based on historical incident data; and up to 30 minutes of travel time to reach a trauma centre. Trauma centres have been mapped and average travel times calculated, particularly in high demand areas, to support this standard.

In managing these risks, HFRS sends two fire engines to every fire in a home and to road traffic collisions, aiming to arrive within the time frames categorised below:

- **High Risk Area:** 8 Minutes
- **Medium Risk Area:** 12 Minutes
- **Low Risk Area:** 20 Minutes
- **Road Traffic Collision:** 15 Minutes

The performance target for the **first engine** in attendance, is to accomplish the response standards on at least 90% of occasions. In 2025/26 the first engine exceeded these standards achieving 97% on all occasions.

The performance target for the **second engine** in attendance, is to accomplish the response standards on a least 80% of occasions. In 2025/26 the second engine exceeded these standards achieving 92% on all occasions.

**Service Performance Summary 2025/26**

| Service Performance Indicator (SPI) | Service Target | Actual Performance |
|---|---|---|
| SPI 1 Total Fatalities | Aspirational Zero | 3 |
| SPI 1.1 Total Casualties | Aspirational Zero | 25 |

The preceding data is a breakdown of the total number of key incidents across 2025/26. Where appropriate Service Performance Indicators (SPI) are performance managed against calculated thresholds to define the range between high and low performance values for each of the different incidents. Thresholds enable the Service to analyse trends more accurately and less reactionary, enabling the deployment of resources and / or intervention activities more effectively.

| | |
|---|---|
| Red | Performance that is a concern and needs addressing (above the upper threshold limits) |
| Green | Performance is positive and should be replicated (below the lower threshold limits) |
| Blank | Performance is stable between upper and lower thresholds |

| SPI | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SPI 2.2 Total Deliberate Fires | 35 | 31 | 45 | 53 | 69 | 32 | 28 | 29 | 23 | 17 | 21 | 35 | 418 |
| SPI 2.3 Accidental Dwelling Fires | 31 | 28 | 38 | 23 | 34 | 34 | 27 | 30 | 36 | 43 | 35 | 39 | 298 |
| SPI 2.4 Deliberate Secondary Fires | 224 | 279 | 235 | 183 | 245 | 105 | 143 | 78 | 50 | 64 | 56 | 102 | 1764 |
| SPI 2.5b False Alarm Non -Domestic | 21 | 26 | 31 | 48 | 34 | 27 | 22 | 36 | 30 | 31 | 27 | 20 | 353 |
| **Total** | 311 | 364 | 349 | 307 | 382 | 198 | 220 | 173 | 139 | 155 | 139 | 196 | 2933 |

More detailed information on each of the above SPIs can be found in our Annual or Bi-Annual Performance Report published on our website under the section ‘Our Performance’:

https://humbersidefire.gov.uk/about-us/our-vision-and-plans

The Authority's Accounts for the year 2025/26 are set out on pages 1-68 and in addition to this narrative report they consist of:

**The Statement of Responsibilities** details the responsibilities of the Authority and the Executive Director of Finance/S.151 Officer for the Accounts. This statement is signed and dated by the Executive Director of Finance/S.151 Officer under a statement that the Accounts give a True and Fair View of the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2026.

**The Movement in Reserves Statement** shows the movement in the year on the different Reserves held by the Authority. This statement is split into usable and unusable Reserves; the usable Reserves are those that can be used by the Authority to fund expenditure; and the unusable Reserves are those Reserves that are required to mitigate the effect of some transactions on council tax and those Reserves that are created to mitigate unrealised gains and losses.

**The Comprehensive Income and Expenditure Statement** shows the accounting cost of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Authority raises taxation in accordance with regulations which are different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement (the movement on usable reserves).

**The Balance Sheet** which shows the value of the Assets and Liabilities recognised by the Authority at the Balance Sheet date.

**The Cash Flow Statement** which shows the changes in cash and cash equivalents during the year. This statement shows how the Authority generates and uses its cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

**The Pension Fund Account** which shows the movements relating to the Firefighters' Pension Fund.

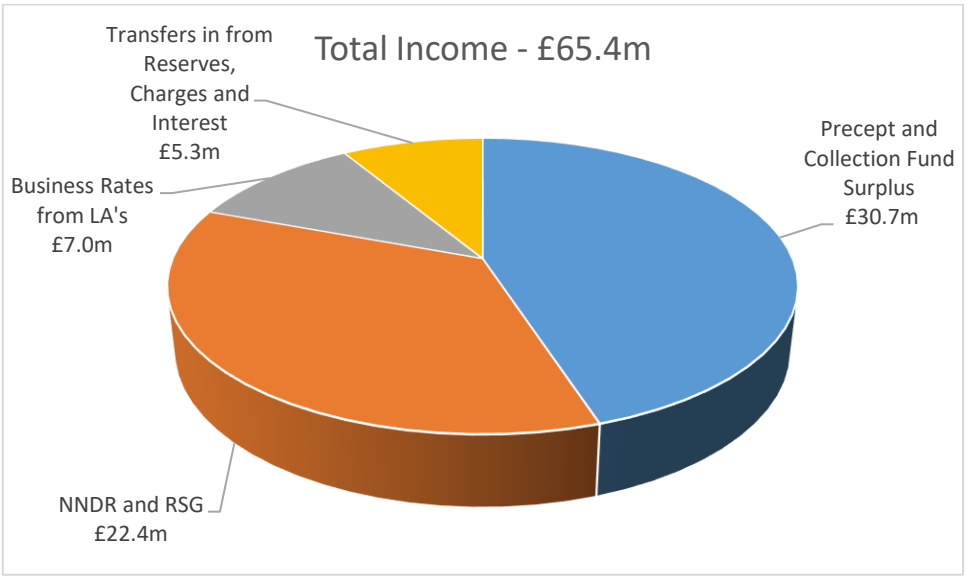
**2025/26 Financial Year**

Despite significant financial challenges over recent years the Authority has managed to contain its expenditure in line with its available budget.

The 2025/26 financial year has seen the Authority deliver a balanced budget position indicating good financial management given increased cost pressures.

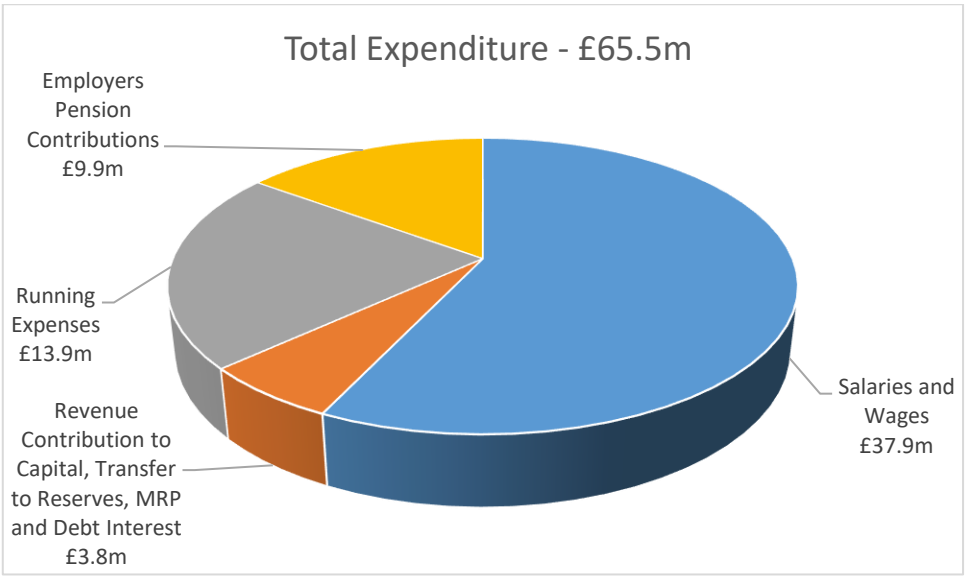
Future reductions in funding are anticipated from 2026/27 onwards following the fair funding review. The Authority will work hard to find the required efficiencies while ensuring little or no impact on the communities of Humberside.

**Income**




In 2025/26, the Authority received Revenue Support Grant and an allocation of pooled National Non-Domestic Rates directly from Central Government. It also sets a Precept (council tax) throughout the Humberside area for the balance of its expenditure requirements. The Precept set for 2025/26 was £30.29m (2024/25 was £28.33m) which equated to a Council Tax Band D Equivalent of £102.93 (2024/25 was £97.94).

**Expenditure**




**Budget Outturn Position**

Income of £65.455m was received by the Authority of which £65.508m was incurred on expenditure during 2025/26 leaving a deficit of £0.053m (appendix 1 shows how this reconciles with the Movement in Reserves Statement and the Expenditure and Funding Analysis in note 2).

**Analysis of the Major Revenue Variances (a comprehensive table is presented in Appendix 1)**

**Non-Pay Variances**

During 2025/26, the overall variance across all non-pay budgets was an overspend of £1.4m. This was primarily a combination of :

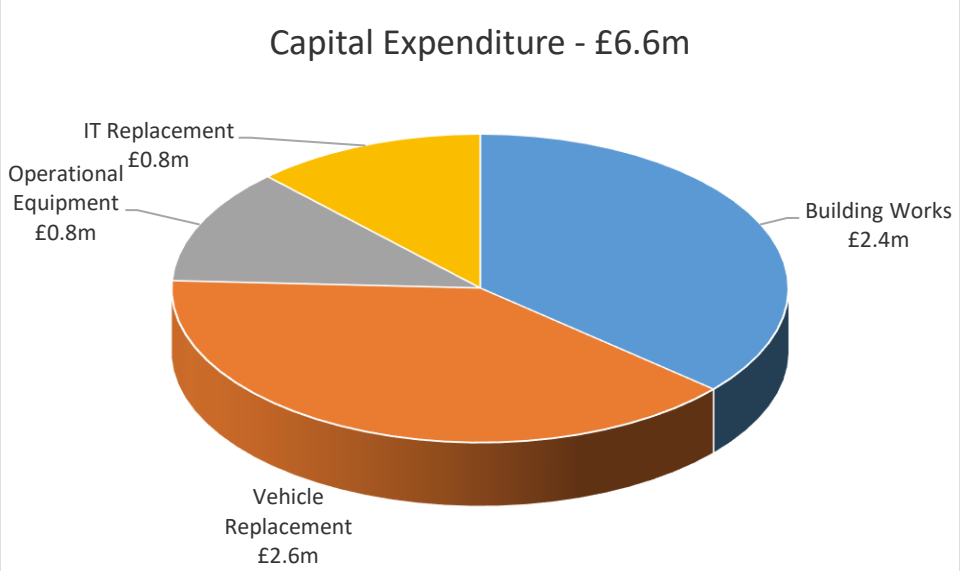
- lower estates running cost due to lower unit costs on utilities than budgeted for and the implementation of energy efficient items that has reduced the energy usage;
- delays in Services exiting the East Coast Consortium Control Room, which reduced the level of costs that were allocated to the remaining Fire and Rescue Services
- the transfer form earmarked reserves was not needed during the year due to the underspends on pay and the above non pay.

**Income**

During 2025/26 the Authority received £0.5m additional income relating mainly to additional ringfenced Government grants, staff secondments, funding of the Road Safety team and income in relation to Mutual Aid Assistance. In addition to this the Authority received additional investment income of £0.2m due to higher cash balances and interest rates.

**Capital Expenditure**

During 2025/26, £6.6m was invested in capital projects against a budget of £8.2m due to a number of schemes that are expected to be completed during 2026/27. These projects include various building works across the estate, replacement programmes for vehicles, operational equipment and IT replacement. (A more detailed breakdown is provided in Appendix 2).




**Financing of Capital Expenditure**

The Authority has a rolling capital programme that is reviewed throughout the year. The programme is financed by external borrowing, capital receipts and revenue contributions.

**Humberside Fire Authority Reserves**

Balances at 1 April 2025 stood at £15.679m. By deducting the deficit for the year of £53k and the transfer from reserves during the year of £142k, reserve balances at 31 March 2026 now stand at £15.484m (exclusive of the ESFM (Humberside) Ltd Reserve).

**Future Spending Plans**

The Authority has published a Medium-Term Resource Strategy for 2026/27 – 2030/31 which sets out the overall shape of the Authority's budget. It establishes how available resources will best deliver corporate objectives and mitigate corporate risks identified in the Strategic Plan. The current level of borrowing, including long-term leases held by the Authority, is £16.564m. The operational boundary is £35.0m and the authorised

limit is £40.0m (these are part of the Authority's prudential indicators that have been previously agreed in the Authority's Treasury Management report; Fire Authority March 2025).

**International Accounting Standard 19 (IAS 19)**

IAS 19 requires employers to report the full cost of pension benefits as they are earned, regardless of whether they have been paid for. The Local Government Pension Scheme has a liability of £0.026m (2024/25 was an asset of £0.029m) and the liability on the Firefighters' Pension Scheme is £466.930m (2024/25 was £475.570m). The Authority's liability includes the Firefighters' Pension Scheme 1992, the Firefighters' Pension Scheme 2006, Firefighters' Pension Scheme 2015 and the Modified Firefighters' Pension Scheme. It should be noted that IAS 19 does not impact upon the level of balances held by the Authority. (Under IAS19 injury awards are now recognised in the accounts of the Authority).

**Humberside Fire Authority Pension Fund Account**

The Financial Statements include a separate section for the Humberside Fire Authority Pension Fund Account. Under the pension funding arrangements each Authority in England is required by legislation to operate a Pension Fund and the amounts that must be paid into and out of the fund are specified by regulation.

**Change in Statutory Function**

There have been no changes to the Authority's statutory functions during 2025/26.

**Significant Change in Accounting Policies**

There have been no significant changes to the accounting policies used by the Authority.

**Material Events after 31 March**

There are no material events after 31 March to disclose.

**Going Concern**

The savings proposals previously agreed have resulted in a balanced budget for 2026/27 and over the life of the Medium-Term Resource Strategy so the Authority will remain a Going Concern. Practice Note 10 of the Financial Reporting Council's Statement of Recommended Practice assumes that public sector organisations will remain as going concerns provided the services continue of which there is no plan to stop delivering a Fire and Rescue Service for Humberside.

**Further Information**

The Statement of Accounts is intended to give electors, Members, employees and other interested parties clear information about the Authority's finances. I would welcome any comments, which would help to improve the information. To this end a questionnaire has been devised and included in the Accounts.

Further information about the accounts is available from the Finance Section, Service Headquarters, Summergroves Way, Hull, HU4 7BB. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised on the Authority's website www.humbersidefire.gov.uk.

**Acknowledgment**

I would like to express my appreciation to Shaun Edwards, Antoinette Diovisalvi and colleagues within the Finance team for their assistance in compiling the financial statements.

**Martyn Ransom FCCA**

Executive Director of Finance/Section 151 Officer – May 2026

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**I confirm that these accounts were approved at the Fire Authority meeting held on 27 November 2026.**

| | |
|---|---|
| **Signed** | **Date** |

**Executive Director of Finance and Section 151 Officer Responsibilities**

The Executive Director of Finance and Section 151 Officer is responsible for the preparation of the Authority's Statement of Accounts which, in accordance with the *Code of Practice on Local Authority Accounting in Great Britain* (the 'Code of Practice'), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) is required to present fairly the financial position of the Authority at the accounting date, and its income and expenditure for year ended 31 March 2026.

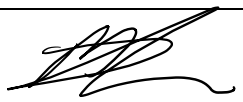
In preparing this Statement of Accounts, the Executive Director of Finance/Section 151 Officer has:

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

The Executive Director of Finance and Section 151 Officer has also:

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

In accordance with regulation 9(1) of the Accounts and Audit Regulations 2015, I certify that the attached Statement of Accounts presents a True and Fair View of the financial position of the Authority as at 31 March 2026 and its income and expenditure for the year

| | |
|---|---|
| **Signed**  | **Date** **26th June 2026** |

## STATEMENT OF ACCOUNTS

## MOVEMENTS IN RESERVES STATEMENT

This statement shows the movement in the year on the different Reserves held by the Authority, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other Reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different to the statutory amounts required to be charged to the General Reserve Balance for council tax setting purposes. The Net Increase / (Decrease) before transfers to Earmarked Reserves shows the statutory General Fund before any discretionary transfers to or from Earmarked Reserves undertaken by the Authority.

| **2025/26** | Earmarked Reserves | General Fund Balance | Usable Capital Receipts Reserve | Total Usable Reserves | Pensions Reserve | Capital Adjustment Account | Revaluation Reserve | Collection Fund Adjustment Account | Accumulated Absences Account | Total Authority Reserves |
|---|---|---|---|---|---|---|---|---|---|---|
| | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** |
| **Note(s)** | **7** | **2** | | | **4** | **7** | **7** | | | |
| **Balance at 31 March 2025** | 10,238 | 5,971 | **127** | **16,336** | (475,609) | 14,237 | 21,596 | 624 | (287) | **(423,103)** |
| Surplus or (Deficit) on Provision of Services (accounting basis) | | (19,283) | | **(19,283)** | | | | | | **(19,283)** |
| Other Comprehensive Income and Expenditure | | | | **-** | 25,925 | | 4,848 | | | **30,773** |
| **Total Comprehensive Income and Expenditure** | **-** | **(19,283)** | **-** | **(19,283)** | **25,925** | **-** | **4,848** | **-** | **-** | **11,490** |
| Adjustments between Accounting Basis & Funding Basis under Regulations (Note 11) | | 18,940 | (14) | **18,926** | (17,262) | (105) | (475) | (976) | (108) | **-** |
| **Net Increase / (Decrease) before transfers to Earmarked Reserves** | - | (343) | (14) | **(357)** | 8,663 | (105) | 4,373 | (976) | (108) | **11,490** |
| Transfers to / (from) Earmarked Reserves | (174) | 174 | | **-** | | | | | | **-** |
| **Increase / (Decrease) in Year** | **(174)** | **(169)** | **(14)** | **(357)** | **8,663** | **(105)** | **4,373** | **(976)** | **(108)** | **11,490** |
| **Balance at 31 March 2026** | **10,064** | **5,802** | **113** | **15,978** | **(466,946)** | **14,131** | **25,970** | **(352)** | **(395)** | **(411,613)** |

The accompanying notes form part of these Financial Statements.

## MOVEMENT IN RESERVES STATEMENT

**2024/25**

| | Earmarked Reserves | General Fund Balance | Usable Capital Receipts Reserve | Total Usable Reserves | Pensions Reserve | Capital Adjustment Account | Revaluation Reserve | Collection Fund Adjustment Account | Accumulated Absences Account | Total Authority Reserves |
|---|---|---|---|---|---|---|---|---|---|---|
| | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** |
| **Note(s)** | **7** | **2** | | | **4** | **7** | **7** | | | |
| **Balance at 31 March 2024** | 8,411 | 7,225 | **94** | **15,730** | (526,292) | 16,001 | 23,802 | 576 | (180) | **(470,360)** |
| Surplus or (Deficit) on Provision of Services (accounting basis) | | (19,666) | | **(19,666)** | | | | | | **(19,666)** |
| Other Comprehensive Income and Expenditure | | | | **-** | 68,696 | | (1,773) | | | **66,923** |
| **Total Comprehensive Income and Expenditure** | **-** | **(19,666)** | **-** | **(19,666)** | **68,696** | **-** | **(1,773)** | **-** | **-** | **47,257** |
| Adjustments between Accounting Basis & Funding Basis under Regulations (Note 11) | | 20,239 | 33 | **20,272** | (18,013) | (1,766) | (434) | 48 | (107) | **-** |
| **Net Increase / (Decrease) before transfers to Earmarked Reserves** | - | 573 | 33 | **606** | 50,683 | (1,766) | (2,207) | 48 | (107) | **47,257** |
| Transfers to / (from) Earmarked Reserves | 1,827 | (1,827) | | **-** | | | | | | **-** |
| **Increase / (Decrease) in Year** | **1,827** | **(1,254)** | **33** | **606** | **50,683** | **(1,766)** | **(2,207)** | **48** | **(107)** | **47,257** |
| **Balance at 31 March 2025** | **10,238** | **5,971** | **127** | **16,336** | **(475,609)** | **14,237** | **21,596** | **624** | **(287)** | **(423,103)** |

The accompanying notes form part of these Financial Statements.

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

| Year ended 31 March 2025 | | | | | Year ended 31 March 2026 | | |
|---|---|---|---|---|---|---|---|
| £'000 | £'000 | £'000 | | | £'000 | £'000 | £'000 |
| Gross Expenditure | Gross Income | Net Expenditure | | Note(s) | Gross Expenditure | Gross Income | Net Expenditure |
| 3,506 | (431) | **3,075** | Community Fire Safety | | 3,380 | (425) | **2,955** |
| 35,410 | (645) | **34,765** | Fire Fighting & Rescue Operations * | | 33,948 | (589) | **33,359** |
| 19,986 | (1,327) | **18,659** | Management and Support | | 20,719 | (1,211) | **19,508** |
| 128 | - | **128** | Corporate and Democratic Core | | 136 | - | **136** |
| 99 | - | **99** | Corporate Management | | 122 | - | **122** |
| 177 | - | **177** | Non Distributed Cost/(Income) | | - | - | **-** |
| **59,306** | **(2,403)** | **56,903** | **Cost of Services** | | **58,305** | **(2,225)** | **56,080** |
| - | (109) | **(109)** | Other Operating Income and Expenditure | | 654 | (677) | **(23)** |
| 24,469 | (1,191) | **23,278** | Financing and Investment Income and Expenditure | | 25,476 | (964) | **24,512** |
| - | (60,405) | **(60,405)** | Taxation and Non-Specific Grant Income | | - | (61,288) | **(61,288)** |
| | | **19,666** | **(Surplus) or Deficit on Provision of Services** | | | | **19,283** |
| | | 1,773 | (Surplus) or Deficit on Revaluation of Non Current Assets | | | | (4,848) |
| | | (68,696) | Remeasurement of the net defined liability / (asset) | | | | (25,925) |
| | | **(66,923)** | **Other Comprehensive Income and Expenditure (Surplus)/Deficit** | | | | **(30,773)** |
| | | **(47,257)** | **Total Comprehensive Income and Expenditure (Surplus)/Deficit** | | | | **(11,490)** |

* included within Fire Fighting & Rescue Operations are the costs of Safety work carried out by Firefighters who provide response duties.

The accompanying notes form part of these Financial Statements.

## BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date, of the Assets and Liabilities recognised by the Authority. The net Assets of the Authority (Assets less Liabilities) are matched by the Reserves held by the Authority. Reserves are reported in two categories; the first category of Reserves are usable Reserves, i.e. those Reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of Reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt); the second category of reserves includes amounts that would only become available to provide services if the assets were sold; and Reserves that hold a timing difference as shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.'

| 31 March 2025 | | | 31 March 2026 |
|---|---|---|---|
| £'000 | | Note(s) | |
| 57,897 | Property, Plant & Equipment | 5 | 65,350 |
| 132 | Intangible Assets | 5 | 106 |
| **58,029** | **Long-Term Assets** | | **65,456** |
| 621 | Inventories | | 674 |
| 24,988 | Short-Term Investments | 8 | 17,051 |
| 8,432 | Short-Term Debtors | 9 | 8,215 |
| 74 | Cash and Cash Equivalents | 17 | 57 |
| **34,115** | **Current Assets** | | **25,997** |
| (18,367) | Short-Term Creditors | 9 | (19,292) |
| (170) | Short-Term Provisions | | (200) |
| (5,053) | Short-Term Borrowing | 8 | (1,125) |
| **(23,590)** | **Current Liabilities** | | **(20,618)** |
| (15,000) | Long-Term Borrowing | 8 | (14,000) |
| (476,656) | Other Long-Term Liabilities | 4/8 | (468,447) |
| **(491,656)** | **Long-Term Liabilities** | | **(482,447)** |
| **(423,103)** | **Net Assets/(Liabilities)** | | **(411,613)** |
| 16,336 | Usable Reserves | 2/7 | 15,978 |
| (439,438) | Unusable Reserves | 4/7 | (427,591) |
| **(423,103)** | **Total Reserves** | | **(411,613)** |

The accompanying notes form part of these Financial Statements.

## CASH FLOW STATEMENT

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

| 31 March 2025 £'000 | | Note(s) | 31 March 2026 £'000 |
|---|---|---|---|
| (19,666) | Net Surplus or (Deficit) on the Provision of Services | 2 | (19,283) |
| 35,440 | Adjust Net Surplus or Deficit on the Provision of Services for Non Cash Movements | 17 | 20,891 |
| (33) | Adjust for items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities | 17 | (676) |
| 15,741 | Net Cash Flows from Operating Activities | | 932 |
| (18,787) | Investing Activities | 17 | 3,033 |
| 3,039 | Financing Activities | 17 | (3,982) |
| **(8)** | **Net Increase or (Decrease) in Cash and Cash Equivalents** | | **(17)** |
| **82** | **Cash and Cash Equivalents at the Beginning of the Reporting Period** | **17** | **74** |
| **74** | **Cash and Cash Equivalents at the End of the Reporting Period** | **17** | **57** |
| **(8)** | **Total Movement** | | **(17)** |

The accompanying notes form part of these Financial Statements.

## Notes to the Financial Statements

### 1. Accounting Policies

The Financial Statements must meet the accounting requirements of the CIPFA Code of Practice on Local Authority Accounting which has been agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting 2025/26. The accounting policies contained in the CIPFA Code of Practice follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to Local Authority Accounts, as determined by HM Treasury, who are advised by the Financial Reporting Advisory Board. Where the CIPFA Code of Practice on Local Authority Accounting permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the Authority for the purpose of presenting fairly the position of the Authority is selected. The particular policies adopted by the Authority are described below and they have been applied consistently in dealing with items considered material in relation to the Accounts.

**Accounting Convention**
These Accounts have been prepared under the historical cost convention, modified principally by the measurement of certain property, plant and equipment and financial instruments on the bases required by the Code.

**Going Concern**
After making enquiries, the Authority has formed a judgement, at the time of approving the Financial Statements that there is a reasonable expectation that the Authority has access to adequate resources to continue in operational existence for the foreseeable future. For this reason, the Authority continues to adopt the Going Concern basis in preparing the accounts.

**Critical Judgements in Applying Accounting Policies**
In applying the Authority's accounting policies, management has made judgements, other than those involving estimations, that have a significant effect on the amounts recognised in the financial statements. The significant judgements in preparing the Statement of Accounts are set out below.

- **Group Relationships**
  The Authority has considered its relationship with Emergency Services Fleet Management (Humberside) Ltd and has determined that it exercises joint control of the company with the Humberside Police and Crime Commissioner. The Authority has therefore accounted for its interest in accordance with the group accounting requirements of the Code.

- **Valuation of Specialised Operational Properties**
  The Authority has determined that its fire stations are specialised operational properties for which there is no readily available market evidence of current value. These properties are therefore measured using the depreciated replacement cost approach, representing the current cost of replacing their remaining service potential.

**Key Sources of Estimation Uncertainty**
The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Authority's Balance Sheet at 31 March for which there is a significant risk of material adjustment in the following financial year are those relating to Pensions and PPE valuations, details of which can be found on page 31. Revisions to accounting estimates are recognised in the period in which the estimate is revised and if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Pensions Liability and Reserve**
Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected return on Pension Fund assets. Hymans Robertson (Actuaries) are contracted to provide an estimate of the net liability relating to the Local Government Pension Scheme. The Government Actuaries Department are contracted to provide an estimate of the net liability relating to the Firefighters' Pension Schemes.

**Valuation and Depreciation Charges**
Professional opinions of the values of land and buildings are made by Clark Weightman Ltd, who are contracted to provide valuation advice to the Authority. Estimates of the useful lives of property, plant and equipment are made by the relevant officers who have knowledge of such issues based on their professional judgement.

**Revenue**
Revenue in respect of services provided is recognised when the performance occurs, and is measured at the Fair Value of the consideration receivable.

Where income is received for a specific activity that is to be delivered in the following year the income is deferred.

Goods are sold on an incidental basis. Income is recognised at the point the sale transaction occurs.

**Accruals of Income and Expenditure**
Activity is accounted for in the year that it takes place, not simply when cash payments are made or received in accordance with section 2.7 of IFRS15. In particular:

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

**Overheads and Support Services**

Management and Support Services form part of the overall net cost of service and are reflected as they are reported to management and the Fire Authority with the exceptions of the two headings below which are separately disclosed within net cost of services.

- Corporate and Democratic Core – costs relating to the democratic processes of the Authority and other corporate costs.
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

These two cost categories are accounted for as separate headings in the Comprehensive Income and Expenditure Statement as part of Cost of Services.

**Agency Income**
Precept income is collected on behalf of the Authority by the four unitary authorities (East Riding of Yorkshire Council, Kingston upon Hull City Council, North East Lincolnshire Council and North

Lincolnshire Council). This income is collected under an agency arrangement with the Authority including an appropriate share of taxpayer transactions within the financial statements.

**Employee Benefits**

**Benefits Payable during Employment**
Short-term employee benefits are those due to be settled within 12 months of the year-end. They include benefits such as salaries, paid annual leave and flexitime, bonuses and non-monetary benefits (for example cars) for current employees and are recognised as an expense in the year in which employees render service to the Authority. The CIPFA Code of Practice on Local Authority Accounting requires the Authority to recognise the amount of untaken annual leave at the 31st March as a liability which is reflected on the Balance Sheet.

**Termination Benefits**
Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or of an officer's decision to accept voluntary redundancy in exchange for those benefits. These are charged on an Accruals basis to the Comprehensive Income and Expenditure Statement at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring.

When termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the Pension Fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

**Retirement Benefits**
Employees of the Authority are members of the following pensions schemes:

- The Firefighters' Pension Schemes (FPS) - this is an unfunded scheme, which means that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet the actual payments as they fall due. The Authority is required by legislation to operate a Pension Fund, with the amounts that must be paid into or out of the Pension Fund being specified by regulation. The Authority set up a Pension Fund on 1 April 2006 from which pension payments are made and into which contributions, from the Authority and employees, are received. The Pension Fund receives a top-up grant from the Government equal to the deficit each year, with any surplus on the Pension Fund being repaid to the Government. The Pension Fund is shown separately in the Accounts.
- The Local Government Pension Scheme (LGPS) for support staff, administered by the East Riding of Yorkshire Pension Fund, is a funded scheme, which means that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment Assets.

The above schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees work for the Authority. They are accounted for in accordance with the requirements for Defined Benefits Schemes, based on the principle that an organisation should account for retirement benefits when it is committed to give them, even though this may be many years into the future.

A pensions Asset or Liability is recognised in the Balance Sheet, made up of the net position of retirement Liabilities and pension scheme Assets. Retirement Liabilities are measured on an actuarial basis using the projected unit method, by assessing the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of earnings for current employees. Pension scheme assets (LGPS only) attributable to the Authority are included at their Fair Value. The Authority currently has a net pensions liability and this is matched in the Balance Sheet by a Pensions Reserve.

The change in net pensions Liability during the year is analysed into the following components:

Service cost comprising:

- Current service cost – the increase in Liabilities as a result of service earned by employees in the current year. This is charged to services within the Comprehensive Income and Expenditure Statement.
- Past service cost – the increase in Liabilities as a result of a scheme amendment or curtailment whose effect relates to service earned in earlier years. This is part of Non Distributed Costs in the Comprehensive Income and Expenditure Statement.
- Net interest on the net defined benefit Liability – the change during the period in the net defined benefit Liability that arises from the passage of time. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit Liability at the end of the period, taking into account any changes in the net defined benefit Liability during the period as a result of contribution and benefit payments. This is charged to the Financing and Investment Income and Expenditure line within the Comprehensive Income and Expenditure Statement.

Remeasurements comprising:

- The return on plan assets (LGPS only) – this excludes amounts included in net interest on the net defined benefit Liability and is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
- Actuarial gains and losses – changes in the net pensions Liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. This is charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid / benefits paid – cash paid as employer's contribution by the Authority either to LGPS or directly to pensioners to reduce the scheme Liabilities.

Statutory provisions require that the amount charged to the General Fund Balance is that payable by the Authority to Pensions Funds or directly to pensioners during the year rather than that calculated under accounting standards. This means that an appropriation to or from the Pensions Reserve is done within the Movement in Reserves Statement to replace the notional sums for retirement benefits with the actual pension costs. The negative balance on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

**Other Expenses**
Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the Fair Value of the consideration payable.

**Property, Plant and Equipment**

**Recognition**
Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administration purposes;
- it is probable that service potential will be provided to the Authority;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has a cost of at least £6,000.

Donated Assets are recognised at their value and are defined in the CIPFA Code of Practice on Local Government Accounting as those Assets that are transferred at nil value or acquired at less than Fair Value. Donated Assets that are from other public bodies are accounted for as a government grant (as required by IAS 20).

**Valuation**
Property, plant and equipment is initially measured at cost, comprising the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Following initial recognition, property, plant and equipment is measured in accordance with the following:

- Operational Buildings – Depreciated Replacement cost.
- Land and non-specialised buildings – market value for existing use.
- Vehicles, plant and equipment – historic cost less accumulated depreciation (as a proxy for current replacement cost).

Properties measured at current value are subject to a full revaluation every five years, with annual indexation applied during the intervening years using the best appropriate index available. Where an appropriate index is not available, the asset is subject to a desktop revaluation in year three and a full revaluation in year five. Out-of-cycle revaluations are undertaken where there is an indication of impairment requiring the recoverable amount of the asset to be reassessed.

The current value of land and buildings is determined by professionally qualified valuers. Revaluations are applied prospectively and assets are carried at their revalued amount, less subsequent accumulated depreciation and impairment losses.

Assets under construction are carried at historical cost less any impairment losses until they are available for use. Costs include expenditure directly attributable to bringing the asset to the location and condition necessary for its intended use. Borrowing costs are recognised as an expense in the period in which they are incurred. Depreciation commences when an asset is available for use.

Revaluation increases are recognised in the Revaluation Reserve and reported in Other Comprehensive Income and Expenditure, except to the extent that they reverse a previous revaluation decrease or impairment loss on the same asset that was previously recognised in the Surplus or Deficit on the Provision of Services.

Revaluation decreases are recognised against any available credit balance in the Revaluation Reserve relating to the asset, with any excess recognised in the Surplus or Deficit on the Provision of Services. Impairment losses are accounted for separately in accordance with the Authority's impairment accounting policy.

**Subsequent Expenditure**
Where subsequent expenditure enhances an Asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the Asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-off and charged to the Comprehensive Income and Expenditure Statement.

**Disposals**
Capital receipts from the sale of non-current assets are held in the Capital Receipts Unapplied Account until such time as they are used to finance other Capital Expenditure or to repay debt. Gains and losses on the disposal of non-current assets are recognised in the Comprehensive Income and Expenditure Statement.

**Intangible Assets**
**Recognition**
Intangible assets are identifiable non-monetary assets without physical substance that are controlled by the Authority as a result of past events and from which future economic benefits or service potential are expected to flow to the Authority.

Expenditure on an intangible asset is recognised as an asset where it is probable that the expected future economic benefits or service potential attributable to the asset will flow to the Authority, the cost of the asset can be measured reliably, and the cost meets the Authority's capitalisation threshold of £6,000.

Intangible assets recognised by the Authority principally comprise purchased IT software systems. Software that is integral to the operation of related hardware, such as an operating system, is accounted for as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, such as application software, is accounted for as an intangible asset.

Separately acquired intangible assets are initially measured at cost.
Internally generated intangible assets are recognised only where the relevant recognition criteria are met. Expenditure is capitalised from the date those criteria are first satisfied. Expenditure incurred before the recognition criteria are met is charged to expenditure and is not subsequently reinstated as part of the cost of the asset

**Measurement**
Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised on a systematic basis over their estimated useful lives from the date they are available for use. The Authority's IT software assets are normally amortised on a straight-line basis over five years, reflecting their expected useful lives. The useful life and amortisation method are reviewed at each financial year-end and revised where appropriate.

**Depreciation, Amortisation and Impairments**
Assets under construction are not Depreciated. Otherwise, Depreciation and Amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their Useful Economic Lives, on a reducing balance basis (with the exception of assets acquired under finance leases). The Useful Economic Life of an Asset is the period over which the Authority expects to obtain economic benefits or service potential from the Asset. This is specific to the Authority and may be shorter than the physical life of the Asset itself. The Useful Economic Life and Residual Values are reviewed each year end, with the effect of any changes recognised on a prospective basis. The approximate average useful lives (depreciation periods) are categorised below:

- Buildings 40 years
- Vehicles – Fire Appliances 15 years
- Vehicles – Lorries and Vans 7 years
- Vehicles – Non FDS Cars and Light Vans 7 years
- Vehicles – FDS Cars 5 years
- Equipment 5 years
- Specialised Equipment (e.g. Breathing Apparatus) 10 Years

Assets acquired under Leases are Depreciated over the term of the lease (or the life of the asset if this is lower than the term of the lease) on a straight-line basis.

At each reporting period end, the Authority checks whether there is any indication that any of its tangible or intangible non-current Assets have suffered an impairment loss. If there is indication of an Impairment loss, the recoverable amount of the Asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible Assets not yet available for use are tested for Impairment annually.

If there has been an Impairment loss, the Asset is written down to its recoverable amount, with the loss charged to the Revaluation Reserve to the extent that there is a balance on the Reserve for the Asset and, thereafter, to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the Asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the Revaluation Reserve.

The Authority is not required to raise council tax to cover Depreciation, Impairment or Amortisation, however it is required to make an Annual Provision from its revenue budget to contribute towards the reduction in its overall borrowing requirement, the Minimum Revenue Provision (MRP). This is equal to 4% of the adjusted capital financing requirement at 31 March and subsequent supported borrowing, together with an amount equal to any Capital Expenditure funded from unsupported borrowing, apportioned over the Useful Economic Life of the Asset.

**Government Grants**
Government grants are grants from Government bodies. Revenue grants are matched against the expenditure to which they relate. Capital grants are credited to income once any conditions of the grant have been satisfied. Assets purchased from government grants are valued, Depreciated and Impaired as described for purchased Assets.

**Non-Current Assets Held for Sale**
Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the Asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current Assets held for sale are measured at the lower of their previous carrying amount and Fair Value less costs to sell. Fair Value is open market value including alternative uses.

The profit or loss arising on the disposal of an Asset is the difference between the sale proceeds and the carrying amount and is recognised in the Comprehensive Income and Expenditure Statement. On disposal, the balance for the Asset on the Revaluation Reserve is transferred to the Capital Adjustment Account.

Property, Plant and Equipment that is to be scrapped or demolished does not qualify for recognition as Held for Sale. Instead, it is retained as an operational Asset and its Useful Economic Life is adjusted. The asset is de-recognised when it is scrapped or demolished.

**Leases**
The Authority classifies contracts as leases based on their substance. Contracts and parts of contracts are analysed to determine whether they convey the right to control the use of an individual asset, through rights both to obtain substantially all the economic benefits or service potential from the asset and to direct its use. This includes arrangements with nil consideration, peppercorn or nominal payments.

**The Authority As A Lessee**

**Initial Measurement**
Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date of 1 April 2025 if later). The leases are typically for fixed periods in excess of one year but may have extension or break clause options within them. The Authority uses the best available information at the time of preparing the accounts to determine if any of these options will be taken.

The Authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments which depend on an index or rate and lease payments in an optional renewal period.

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

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

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

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

For these leases, the asset is carried at a revalued amount.

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

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

The liability is remeasured when:

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

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

**Low Value and Short-Term Lease exemptions**
As permitted by the CIPFA Code, the Authority excludes leases:

- for low value items that cost less than £6,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months

Lease rental payments for these exemptions are posted against the relevant command area within the surplus or deficit against service provision.

**The Authority As A Lessor**
Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the to the lessee. All other leases are classified as operating leases.

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to revenue in the CIES.

**Inventories**
Inventories are valued at the lower of cost and Net Realisable Value using the average cost method. This is considered to be a reasonable approximation to Fair Value.

**Cash and Cash Equivalents**
Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. The balances on the current account and the business reserve account are cash. The balance in the liquidity manager account is a cash equivalent (as this is held for investment purposes until a sufficient balance is achieved and a short-term investment entered into).

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

**Provisions**
Provisions are recognised when the Authority has a present legal or constructive obligation as a result of a past event, it is probable that the Authority will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.

**Contingencies**
A Contingent Liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. A Contingent Liability is disclosed unless the possibility of payment is remote.

A Contingent Asset is a possible Asset that arises from past events, the existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority. A Contingent Asset is disclosed where an inflow of economic benefits is virtually certain.

Where the time value of money is material, contingencies are disclosed at their present value.

**Reserves**
The Authority sets aside specific reserves for future policy purposes. The Authority has a number of revenue reserves:

- General Reserve
- Capital Funding Reserve
- National Flood Resilience Centre Reserve
- Resilience Reserve
- Emergency Services Fleet Management (Humberside) Ltd Reserve
- Insurance Reserve
- Pay and Prices Reserve
- Strategic Transformation Fund Reserve
- East Coast & Hertfordshire Control Room Consortium Reserve

The Authority has three capital reserves:

- Capital Adjustment Account
- Revaluation Reserve
- Capital Receipts Reserve

Other reserves held by the Authority, are held to meet accounting requirements:

- Pensions Reserve
- Collection Fund Adjustment Account
- Accumulated Absences Reserve

**Financial Assets**
Financial assets are recognised when the Authority becomes party to the Financial Instrument contract or in the case of trade receivables, when goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the Asset has been transferred. Financial Assets are initially recognised at Fair Value.

Financial Assets are classified into the following categories: Financial Assets at Fair Value through profit and loss; held to maturity investments; available for sale Financial Assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

**Loans and Receivables**
Loans and receivables are non-derivative Financial Assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at Amortised cost using the Effective Interest Method, less any Impairment. Interest is recognised using the Effective Interest Rate Method.

Fair Value is determined by reference to quoted market prices where possible or failing that by reference to similar arms-length transactions between knowledgeable and willing parties.

The Effective Interest Rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset.

At the end of the reporting period the Authority assesses whether any Financial Assets, other than those held at 'Fair Value through profit and loss' are impaired. Financial assets are impaired and Impairment losses recognised if there is objective evidence of impairment, as a result of one or more events which occurred after the initial recognition of the Asset and which has an impact on the estimated future cash flows of the Asset.

For Financial Assets carried at amortised cost, the amount of the Impairment loss is measured as the difference between the Assets carrying amount and the present value of the revised future cash flows discounted at the Asset's original effective interest rate. The loss is recognised in expenditure and the carrying amount of the Asset reduced directly.

If, in a subsequent period, the amount of the Impairment loss decreases and the decrease can be related objectively to an event occurring after the Impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the Impairment is reversed does not exceed what the amortised cost would have been had the Impairment not been recognised.

**Financial Liabilities**
Financial Liabilities are recognised in the Balance Sheet when the Authority becomes party to the contractual provisions of the Financial Instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are derecognised when the liability has been discharged, that is, the Liability has been paid or expired. Financial Liabilities are recognised at Fair Value.

**Joint Operations**
Joint operations are activities undertaken by the Authority in conjunction with one or more other parties but which are not performed through a separate entity.

**Accounting Standards That Have Been Issued But Have Not Yet Been Adopted**
The following standards and amendment to standards have been issued but not yet adopted:

- Amendments to FRS 102 The Financial Reporting Standard (Heritage assets)
- Amendments to the Classification and Measurement of Financial Instruments (IFRS9 and IFRS7)
- Annual improvements to IFRS accounting standards – volume 11
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS9 and IFRS7)

None of the above amendments are expected to have any material impact on future financial statements.

**Accounting Standards Issued That Have Been Adopted Early**
There are no accounting standards issued that have been adopted early.

**Exceptional Items**
Exceptional items shall be included in the costs of the service to which they relate and noted accordingly.

**Prior Period Adjustments**
Unless otherwise sanctioned by the Code of Practice on Local Authority Accounting, material prior period adjustments shall result in restatement of prior year figures and disclosure of the effect.

**Events After The Reporting Period**
Material events after the Balance Sheet date shall be disclosed as a note to the Accounts and amended in the Accounts as required. Other events after the Balance Sheet date will be disclosed in a note with an estimate of the likely effect.

**Group Accounts**
Each reporting period the Authority will review its interests and influence on all types of entities including, but not limited to, other authorities and similar statutory bodies, common good trust funds, charities, companies, joint committees and other joint arrangements. If appropriate, then Group Accounts will be prepared in accordance with the Code of Practice on Local Authority Accounting.

**VAT**
Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of Non-Current Assets.

## 2. Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax payers how the funding available to the Authority (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes within the Authority. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

| Year ended 31 March 2025 | | | | | Year ended 31 March 2026 | | |
|---|---|---|---|---|---|---|---|
| £'000 Net Expenditure Chargeable to the General Fund | £'000 Adjustments between the funding and accounting basis | £'000 Net Expenditure in the Comprehensive Income and Expenditure Statement | | Note | £'000 Net Expenditure Chargeable to the General Fund | £'000 Adjustments between the funding and accounting basis | £'000 Net Expenditure in the Comprehensive Income and Expenditure Statement |
| 3,194 | 119 | **3,075** | Community Fire Safety | 11 | 3,149 | 194 | **2,955** |
| 35,315 | 550 | **34,765** | Fire Fighting & Rescue Operations | 11 | 36,174 | 2,815 | **33,359** |
| 18,748 | 89 | **18,659** | Management and Support | 11 | 20,203 | 694 | **19,508** |
| 128 | - | **128** | Corporate and Democratic Core | 11 | 136 | - | **136** |
| 99 | - | **99** | Corporate Management | 11 | 122 | - | **122** |
| - | (177) | **177** | Non Distributed Cost | 11 | - | - | **-** |
| **57,484** | **581** | **56,903** | **Net Cost of Services** | | **59,785** | **3,703** | **56,080** |
| (56,230) | (18,993) | **(37,237)** | Other Income and Expenditure | 11 | (59,616) | (22,817) | **(36,799)** |
| **1,254** | **(18,412)** | **19,666** | **(Surplus) or Deficit** | | **169** | **(19,114)** | **19,283** |
| **7,225** | | | **Opening General Fund Balance** | | **5,971** | | |
| 1,254 | | | **Less/Plus (Surplus) or Deficit on the General Fund in the Year** | | 169 | | |
| **5,971** | | | **Closing General Fund Balance at 31 March** | | **5,802** | | |

**3. Material Risk and Uncertainty**

| Item | Uncertainties | Effect if actual results differ from assumptions |
|---|---|---|
| Pensions Liability (Firefighters' Pension Scheme) | The estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, and changes in retirement and mortality assumptions. The Authority receives actuarial advice in relation to the Firefighters' Pension Schemes. | The opening balance on the Firefighters' pension Liabilities at 1 April 2025 was £475.580m. The effects on the net pension Liabilities of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate would result in an increase in the pension liabilities of £29m. However, the assumptions interact in complex ways so changes in individual assumptions should be treated with caution. |
| Pensions Liability (Local Government Pension Scheme) | The estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement and mortality assumptions and the valuation of scheme assets. The Authority receives actuarial advice in relation to the Local Government Pension Scheme. | The opening balance on the Local Government pension Liabilities at 1 April 2025 was £36.213m (The opening balance on scheme Assets was £59.939m). The effects on the net pension Liabilities of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the real discount rate would result in an increase in the pension Liabilities of £3.600m. However, the assumptions interact in complex ways so changes in individual assumptions should be treated with caution. |
| Property, Plant and Equipment | Assets are regularly re-valued by an external valuer to ensure values are a true reflection of the market at the 31 March. Asset values could be under or overstated. Depreciation is calculated based on the estimated useful life of the asset. | For each 1% of under/over statement the value of Property would need to be adjusted by £515k. The carrying value of Property, Plant and Equipment is £65.382m.<br>If the estimated useful life is under or overestimated by one year then the depreciation charge to the Comprehensive Income and Expenditure would be increased or reduced by £1.053m. The Depreciation charge is £3.788m. |

## 4. Pensions

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Authority offers retirement benefits. Although these will not actually be payable until employees retire, the Authority has a commitment to make the payments and these should be disclosed at the time that employees earn their future entitlement.

The Authority participates in five pension schemes:

- The 1992, 2006, 2015 and Modified (1992) Firefighters' Pension Schemes (FPS) - these are unfunded schemes, which means that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet the actual payments as they fall due. The Authority is required by legislation to operate a Pension Fund, with the amounts that must be paid into or out of the Pension Fund being specified by regulation. The Authority set up a Pension Fund on 1 April 2006 from which pension payments are made and into which contributions, from the Authority and employees, are received. The Pension Fund receives a top-up grant from the Government equal to the deficit each year, with any surplus on the Pension Fund being repaid to the Government. The Pension Fund is shown separately in the Accounts.

- The Local Government Pension Scheme for non-uniformed employees, administered by the East Riding of Yorkshire Council, is a funded scheme which means that the Authority and employees pay contributions into a fund, calculated at a level estimated to balance pension liabilities with investment assets.

The table below shows the key features of the four Firefighters' Pension Schemes and details of the Local Government Pension Scheme.

| **Key Features** | **1992 Firefighters' Scheme** | **2006 Firefighters' Scheme** | **Modified (1992) Pension Scheme** | **2015 Firefighters' Scheme** | **Local Government Pension Scheme** |
|---|---|---|---|---|---|
| Status | Closed | Closed | Closed | Open | Open |
| Contribution Rate<br>• employee<br>• employer<br>• ill health | 11% to 17%<br>37.3%<br>5.2% | 8.5% to 12.5%<br>27.4%<br>3.2% | 11% to 17%<br>37.3% | 11% to 14.5%<br>37.6% | 5.5% to 12.5%<br>18.5% |
| Benefits<br>• maximum pension<br><br>• minimum lump sum | 2/3 final salary | ½ final salary | | CARE Scheme | Varies<br><br>Nil or 3/80ths |
| Maximum pensionable service | 30 years | None | 30 years | None | None |
| Normal retirement age | 55 years | 60 years | 55 Years | 60 years | 68 years |
| Accrual rate | 1/60$^{th}$ for 20 years<br>2/60$^{th}$ for 20+ years up to a maximum of 30 years | 1/60$^{th}$ | 1/45$^{th}$ | 1/59.7$^{th}$ | 1/49$^{th}$ |

Transactions Relating to Retirement Benefits

The costs of retirement benefits are recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. The charge the Authority is required to make against the levies raised is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the revenue account after Net Operating Expenditure.
The following transactions have been made in the Comprehensive Income and Expenditure Account during the year.

| | Firefighters' 1992 Pension Scheme | | Firefighters' 2006 Pension Scheme | | Firefighters' 2015 Pension Scheme | | Local Government Pension Scheme | |
|---|---|---|---|---|---|---|---|---|
| | 2025/26 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2024/25 £'000 |
| *Net Cost of Service* | | | | | | | | |
| Current Service Cost | (80) | (160) | - | 40 | (1,180) | (2,360) | (1,036) | (1,414) |
| Unfunded Benefits | - | - | - | - | - | - | - | - |
| Past Service Costs | - | - | - | - | - | - | - | - |
| *Net Operating Expenditure* | | | | | | | | |
| Interest Cost | (24,380) | (22,320) | (1,220) | (1,140) | (700) | (1,060) | (2,106) | (2,014) |
| Expected Return on Assets in the Scheme | - | - | - | - | - | - | 3,496 | 2,761 |
| **Retirement costs included in the Comprehensive Income and Expediture Statement** | **(24,460)** | **(22,480)** | **(1,220)** | **(1,100)** | **(1,880)** | **(3,420)** | **354** | **(667)** |

In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Account (shown in the table above), actuarial gains of £25.925m were included in the Statement of Comprehensive Income and Expenditure (£68.696m for 2024/25).

The estimated contributions payable to the Authority's pension schemes for 2026/27 is £10.189m (£9.944m for 2025/26).

Actuarial gains and losses comprise:

a) Experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred), and
b) The effect of changes in actuarial assumptions.

Actuarial gains and losses are recognised in the Comprehensive Income and Expenditure Statement.

## Assets and Liabilities in Relation to Retirement Benefits

Reconciliation of present value of the scheme Assets/Liabilities and Net Obligation of the Firefighters' Pension Schemes:

| Period ended 31 March | Firefighters' 1992 Pension Scheme Assets | | Firefighters' 1992 Pension Scheme Obligation | | Firefighters' 1992 Pension Scheme Net Obligation | | Firefighters' Injury Awards Assets | | Firefighters' Injury Awards Obligation | | Firefighters' Injury Awards Net Obligation | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2025/26 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2024/25 £'000 |
| Fair value of employer assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Present value of funded liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Present value of unfunded liabilities | - | - | (433,410) | (470,630) | (433,410) | (470,630) | - | - | (7,930) | (8,920) | | (8,920) |
| **Opening Position as at 31 March** | **-** | **-** | **(433,410)** | **(470,630)** | **(433,410)** | **(470,630)** | **-** | **-** | **(7,930)** | **(8,920)** | **-** | **(8,920)** |
| Service Cost | | | | | | | | | | | | |
| Current Service Cost | - | - | - | (60) | - | (60) | - | - | (80) | (100) | (80) | (100) |
| Past Service Cost (inc curtailments) | - | - | - | - | - | - | - | - | - | - | - | - |
| Effect of Settlements | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Service Cost** | **-** | **-** | **-** | **(60)** | **-** | **(60)** | **-** | **-** | **(80)** | **(100)** | **(80)** | **(100)** |
| Net Interest | | | | | | | | | | | | |
| Interest income on plan assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest cost on defined benefit obligation | - | - | (23,940) | (21,900) | (23,940) | (21,900) | - | - | (440) | (420) | (440) | (420) |
| Impact of asset ceiling on net interest | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total net interest** | **-** | **-** | **(23,940)** | **(21,900)** | **(23,940)** | **(21,900)** | **-** | **-** | **(440)** | **(420)** | **(440)** | **(420)** |
| **Total defined benefit cost recognised in Income and Expenditure** | **-** | **-** | **(23,940)** | **(21,960)** | **(23,940)** | **(21,960)** | **-** | **-** | **(520)** | **(520)** | **(520)** | **(520)** |
| Cashflows | | | | | | | | | | | | |
| Plan participants' contributions | - | - | - | - | - | - | - | - | - | - | - | - |
| Employer Contributions | - | - | - | - | - | - | - | - | - | - | - | - |
| Contributions in respect of unfunded benefits | - | - | - | - | - | - | - | - | - | - | - | - |
| Benefits paid | (19,850) | (19,570) | 19,850 | 19,570 | - | - | (450) | (460) | 450 | 460 | - | - |
| Unfunded benefits paid | - | - | - | - | - | - | - | - | - | - | - | - |
| **Expected closing position** | **(19,850)** | **(19,570)** | **(437,500)** | **(473,020)** | **(457,350)** | **(492,590)** | **(450)** | **(460)** | **(8,000)** | **(8,980)** | **(8,450)** | **(9,440)** |
| Remeasurements | | | | | | | | | | | | |
| Changes in demographic assumptions | - | - | - | 780 | - | 780 | - | - | - | - | - | - |
| Changes in financial assumptions * | 19,850 | 19,570 | 10,500 | 38,490 | 30,350 | 58,060 | 450 | 460 | 160 | 640 | 610 | 1,100 |
| Other experience | - | - | 21,840 | 340 | 21,840 | 340 | - | - | 630 | 410 | 630 | 410 |
| Return on assets excluding amounts included in net interest | - | - | - | - | - | - | - | - | - | - | - | - |
| Changes in assumptions underlying the present value of the retained settlement | - | - | - | - | - | - | - | - | - | - | - | - |
| Changes in asset ceiling | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total remeasurements recognised in Other Comprehensive Income** | **19,850** | **19,570** | **32,340** | **39,610** | **52,190** | **59,180** | **450** | **460** | **790** | **1,050** | **1,240** | **1,510** |
| Exchange differences | - | - | - | - | - | - | - | - | - | - | - | - |
| Effect of business combinations and disposals | - | - | - | - | - | - | - | - | - | - | - | - |
| Fair Value of employer assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Present value of funded liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Present value of unfunded liabilities | - | - | (405,170) | (433,410) | (405,170) | (433,410) | - | - | (7,210) | (7,930) | (7,210) | (7,930) |
| **Closing position as at 31 March** | **-** | **-** | **(405,170)** | **(433,410)** | **(405,170)** | **(433,410)** | **-** | **-** | **(7,210)** | **(7,930)** | **(7,210)** | **(7,930)** |

**there are no Firefighter Pension Scheme assets so the changes in financial assumptions under assets is the balancing figure of the benefits paid and the contributions into the scheme to net the assets to zero..*

| Period ended 31 March | Firefighters' 2006 Pension Scheme Assets | | Firefighters' 2006 Pension Scheme Obligation | | Firefighters' 2006 Pension Scheme Net Obligation | | Firefighters' 2015 Pension Scheme Assets | | Firefighters' 2015 Pension Scheme Obligation | | Firefighters' 2015 Pension Scheme Net Obligation | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2025/26 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2024/25 £'000 |
| Fair value of employer assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Present value of funded liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Present value of unfunded liabilities | - | - | (21,820) | (24,140) | (21,820) | (24,970) | - | - | (12,410) | (22,560) | | (22,560) |
| **Opening Position as at 31 March** | **-** | **-** | **(21,820)** | **(24,140)** | **(21,820)** | **(24,970)** | **-** | **-** | **(12,410)** | **(22,560)** | **-** | **(22,560)** |
| Service Cost | | | | | | | | | | | | |
| Current Service Cost | - | - | - | - | - | - | - | - | (1,180) | (2,360) | (1,180) | (2,360) |
| Past Service Cost (inc curtailments) | - | - | - | - | - | - | - | - | - | - | - | - |
| Effect of Settlements | - | - | - | | - | - | - | - | - | - | - | - |
| **Total Service Cost** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **(1,180)** | **(2,360)** | **(1,180)** | **(2,360)** |
| Net Interest | | | | | | | | | | | | |
| Interest income on plan assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest cost on defined benefit obligation | - | - | (1,220) | (1,140) | (1,220) | (1,140) | - | - | (700) | (1,060) | (700) | (1,060) |
| Impact of asset ceiling on net interest | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total net interest** | **-** | **-** | **(1,220)** | **(1,140)** | **(1,220)** | **(1,140)** | **-** | **-** | **(700)** | **(1,060)** | **(700)** | **(1,060)** |
| **Total defined benefit cost recognised in Income and Expenditure** | **-** | **-** | **(1,220)** | **(1,140)** | **(1,220)** | **(1,140)** | **-** | **-** | **(1,880)** | **(3,420)** | **(1,880)** | **(3,420)** |
| Cashflows | | | | | | | | | | | | |
| Plan participants' contributions | - | - | - | - | - | - | 2,970 | 2,900 | (2,970) | (2,900) | - | - |
| Employer Contributions | - | - | - | - | - | - | 8,441 | 8,189 | - | - | 8,441 | 8,189 |
| Contributions in respect of unfunded benefits | - | - | - | - | - | - | - | - | - | - | - | - |
| Benefits paid | (480) | (450) | 480 | 450 | - | - | (4,110) | (5,900) | 4,110 | 5,900 | - | - |
| Unfunded benefits paid | - | - | - | - | - | - | - | - | - | - | - | - |
| **Expected closing position** | **(480)** | **(450)** | **(22,560)** | **(24,830)** | **(23,040)** | **(25,280)** | **7,301** | **5,189** | **(13,150)** | **(22,980)** | **(5,849)** | **(17,791)** |
| Remeasurements | | | | | | | | | | | | |
| Changes in demographic assumptions | - | - | - | 80 | - | 80 | - | - | - | 280 | - | 280 |
| Changes in financial assumptions * | 480 | 450 | 590 | 2,750 | 1,070 | 3,200 | (7,301) | (5,189) | 1,960 | 8,880 | (5,341) | 3,691 |
| Other experience | - | - | 750 | 180 | 750 | 180 | - | - | (22,130) | 1,410 | (22,130) | 1,410 |
| Return on assets excluding amounts included in net interest | - | - | - | - | - | - | - | - | - | - | - | - |
| Changes in assumptions underlying the present value of the retained settlement | - | - | - | - | - | - | - | - | - | - | - | - |
| Changes in asset ceiling | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total remeasurements recognised in Other Comprehensive Income** | **480** | **450** | **1,340** | **3,010** | **1,820** | **3,460** | **(7,301)** | **(5,189)** | **(20,170)** | **10,570** | **(27,471)** | **5,381** |
| Exchange differences | | | | | | | | | | | | |
| Effect of business combinations and disposals | - | - | - | - | - | - | - | - | - | - | - | - |
| Fair Value of employer assets | - | - | - | - | - | - | - | - | - | - | | |
| Present value of funded liabilities | - | - | - | - | - | - | - | - | - | - | | |
| Present value of unfunded liabilities | - | - | (21,220) | (21,820) | (21,220) | (21,820) | - | - | (33,320) | (12,410) | (33,320) | (12,410) |
| **Closing position as at 31 March** | **-** | **-** | **(21,220)** | **(21,820)** | **(21,220)** | **(21,820)** | **-** | **-** | **(33,320)** | **(12,410)** | **(33,320)** | **(12,410)** |

**there are no Firefighter Pension Scheme assets so the changes in financial assumptions under assets is the balancing figure of the benefits paid and the contributions into the scheme to net the assets to zero.*

Reconciliation of present value of the scheme Assets/Liabilities and Net Obligation of Local Government Pension Scheme:

| Period ended 31 March | Local Government Pension Scheme Assets | | Local Government Pension Scheme Liability | | Local Government Pension Scheme Net (Obligation) / Surplus | |
|---|---|---|---|---|---|---|
| | 2025/26 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2024/25 £'000 |
| Fair value of employer assets | 59,939 | 56,527 | - | - | 59,939 | 56,527 |
| Present value of funded liabilities | - | - | (36,184) | (41,061) | (36,184) | (41,061) |
| Present value of unfunded liabilities | - | - | (29) | (32) | (29) | (32) |
| **Opening Position as at 31 March** | **59,939** | **56,527** | **(36,213)** | **(41,093)** | **23,726** | **15,434** |
| Service Cost | | | | | | |
| Current Service Cost | - | - | (1,036) | (1,414) | (1,036) | (1,414) |
| Past Service Cost (inc curtailments) | - | - | - | (177) | - | (177) |
| Effect of Settlements | - | - | - | - | - | - |
| **Total Service Cost** | **-** | **-** | **(1,036)** | **(1,591)** | **(1,036)** | **(1,591)** |
| Net Interest | | | | | | |
| Interest income on plan assets | 3,496 | 2,761 | - | - | 3,496 | 2,761 |
| Interest cost on defined benefit obligation | - | - | (2,106) | (2,014) | (2,106) | (2,014) |
| Impact of asset ceiling on net interest | - | - | - | - | - | - |
| **Total net interest** | **3,496** | **2,761** | **(2,106)** | **(2,014)** | **1,390** | **747** |
| **Total defined benefit cost recognised in Income and Expenditure** | **3,496** | **2,761** | **(3,142)** | **(3,605)** | **354** | **(844)** |
| Cashflows | | | | | | |
| Plan participants' contributions | 537 | 534 | (537) | (534) | - | - |
| Employer Contributions | 1,498 | 1,539 | - | - | 1,498 | 1,539 |
| Contributions in respect of unfunded benefits | 5 | 5 | - | - | 5 | 5 |
| Benefits paid | (1,357) | (1,202) | 1,357 | 1,202 | - | - |
| Unfunded benefits paid | (5) | (5) | 5 | 5 | - | - |
| **Expected closing position** | **64,113** | **60,159** | **(38,530)** | **(44,025)** | **25,583** | **16,134** |
| Remeasurements | | | | | | |
| Changes in demographic assumptions | | - | 38 | 73 | 38 | 73 |
| Changes in financial assumptions | | - | 1,687 | 7,362 | 1,687 | 7,362 |
| Other experience | (694) | - | (4,082) | 377 | (4,776) | 377 |
| Return on assets excluding amounts included in net interest | 3,244 | (220) | - | - | 3,244 | (220) |
| **Total remeasurements recognised in Other Comprehensive income** | **2,550** | **(220)** | **(2,357)** | **7,812** | **193** | **7,592** |
| Exchange differences | | | | | | |
| Effect of business combinations and disposals | | | | | | |
| Fair Value of employer assets | 66,663 | 59,939 | - | - | 66,663 | 59,939 |
| Present value of funded liabilities | - | - | (40,861) | (36,184) | (40,861) | (36,184) |
| Present value of unfunded liabilities | - | - | (26) | (29) | (26) | (29) |
| **Closing position as at 31 March** | **66,663** | **59,939** | **(40,887)** | **(36,213)** | **25,776** | **23,726** |
| **Effect of Asset Ceiling** | | | | | | |
| Effect of the Asset Ceiling B/Fwd | (23,755) | (15,466) | - | - | (23,755) | (15,466) |
| Changes to the Asset Ceiling in Year | (2,047) | (8,289) | - | - | (2,047) | (8,289) |
| Effect of the Asset Ceiling C/Fwd | **(25,802)** | **(23,755)** | **-** | **-** | **(25,802)** | **(23,755)** |
| **Closing Position as at 31 March (Incl. Asset Ceiling)** | **40,861** | **36,184** | **(40,887)** | **(36,213)** | **(26)** | **(29)** |

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

### Asset Ceiling

Following the pensions valuation by the Authority's actuary, Hymans Robertson, the Authority determined that the fair value of its pension plan assets outweighed the present value of the plan obligations at 31 March 2026 resulting in a pension plan asset. IAS 19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan; and
- The asset ceiling.

The calculation has been completed by the actuary as at 31 March 2026, resulting in an adjustment that has floored the pension plan asset to nil.

Reconciliation of opening and closing surplus/(deficit):

Scheme History

| | 2021/22 £'000 | 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 |
|---|---|---|---|---|---|
| **Present Value of Liabilities** | | | | | |
| Local Government Pension Scheme | (59,849) | (40,101) | (41,093) | (36,213) | (40,887) |
| Firefighters' 1992 Pension Scheme | (591,350) | (470,800) | (470,630) | (433,410) | (405,170) |
| Firefighters' Injury Awards | (12,230) | (9,340) | (8,920) | (7,930) | (7,210) |
| Firefighters' 2006 Pension Scheme | (32,650) | (23,310) | (24,140) | (21,820) | (21,220) |
| Firefighters' 2015 Pension Scheme | (65,160) | (18,530) | (22,560) | (12,410) | (33,320) |
| **Fair Value of Assets** | | | | | |
| Local Government Pension Scheme | 50,475 | 47,040 | 41,061 | 36,184 | 40,861 |
| Firefighters' 1992 Pension Scheme | - | - | - | - | - |
| Firefighters' Injury Awards | - | - | - | - | - |
| Firefighters' 2006 Pension Scheme | - | - | - | - | - |
| Firefighters' 2015 Pension Scheme | - | - | - | - | - |
| **Surplus/(Deficit) in the Scheme** | | | | | |
| Local Government Pension Scheme | (9,374) | 6,939 | (32) | (29) | (26) |
| Firefighters' 1992 Pension Scheme | (591,350) | (470,800) | (470,630) | (433,410) | (405,170) |
| Firefighters' Injury Awards | (12,230) | (9,340) | (8,920) | (7,930) | (7,210) |
| Firefighters' 2006 Pension Scheme | (32,650) | (23,310) | (24,140) | (21,820) | (21,220) |
| Firefighters' 2015 Pension Scheme | (65,160) | (18,530) | (22,560) | (12,410) | (33,320) |
| | (710,764) | (515,041) | (526,282) | (475,609) | (466,946) |

The Fair Value of Assets in the above table have been restated as permitted by IAS 19.

The Liabilities show the underlying commitments that the Authority has in the long run to pay retirement benefits. The total net Liability of £466.946m (£475.609 in 2024/25) has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet, resulting in a negative overall balance of £411.610m (£423.103m in 2024/25). However, there are statutory provisions (most recently, S13 of the Local Government Act 2003) for funding any Local Authority deficit. In addition, the surplus on the Local Government Scheme will be made good by decreased contributions over the remaining working life of employees as assessed by the scheme actuary.

Finance is only required to be raised to cover firefighters' pensions when pensions are actually paid, i.e. as they actually retire.

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the Projected Unit Method by Hymans Robertson, an independent firm of actuaries for the Local Government Pension Scheme and by the Government Actuaries Department (GAD) in relation to the Firefighters' Pension Schemes. Estimates for the Local Government Pension Scheme administered by the East Riding of Yorkshire Council have been based on the latest full valuation of the scheme as at 31 March 2025.

The principal assumptions used by the actuaries have been:

| | Local Government Pension Scheme | | Firefighters' Pension Schemes | |
|---|---|---|---|---|
| | 2025/26 | 2024/25 | 2025/26 | 2024/25 |
| Longevity at 65 for current pensioners: | | | | |
| Males | 21.1 | 20.5 | 21.3 | 21.3 |
| Females | 24.0 | 23.5 | 21.3 | 21.3 |
| Longevity at 45 for future pensioners: | | | | |
| Males | 21.9 | 21.2 | 22.8 | 22.7 |
| Females | 25.4 | 25.0 | 22.8 | 22.7 |
| Rate of Inflation | 3.0% | 2.8% | 3.0% | 2.7% |
| Rate of increase in salaries | 3.0% | 2.8% | 3.7% | 3.5% |
| Rate of increase in pensions | 3.0% | 2.8% | 3.0% | 2.7% |
| Rate for discounting scheme liabilities | 6.3% | 5.8% | 6.1% | 5.7% |
| Take-up of option to convert annual pension into retirement lump sum | 65.0% | 65.0% | 20.0% | 25.0% |

Mortality rates are projected using published tables and future mortality improvements are in line with the 2022-based population projections.

The sensitivity of scheme liabilities to the changes in the main assumptions are as follows:

**2025/26**

| | Firefighters' Pension Schemes | | Local Government Pension Scheme | |
|---|---|---|---|---|
| | % | £'000 | % | £'000 |
| Change in assumption: | | | | |
| 0.5% increase in salaries increase rate | 1.0 | 4,000 | 0.5 | 180 |
| 0.5% increase in pensions increase rate | 6.0 | 28,000 | 10.0 | 3,420 |
| 0.5% decrease in discounting of liabilities rate | 6.0 | 29,000 | 10.0 | 3,600 |
| 1 year increase in member life expectancy rate | 2.5 | 12,000 | 4.0 | 1,635 |

**2024/25**

| | Firefighters' Pension | | Local Government | |
|---|---|---|---|---|
| | % | £'000 | % | £'000 |
| Change in assumption: | | | | |
| 0.5% increase in salaries increase rate | 1.0 | 4,000 | 0.5 | 150 |
| 0.5% increase in pensions increase rate | 6.0 | 29,000 | 10.0 | 3,520 |
| 0.5% decrease in discounting of liabilities rate | 6.5 | 30,000 | 10.0 | 3,570 |
| 1 year increase in member life expectancy rate | 2.5 | 11,000 | 4.0 | 1,449 |

Assets

Firefighters' Pension Schemes have no Assets to cover their Liabilities. Assets in the Local Government Pension Scheme administered by the East Riding of Yorkshire Council are valued at bid value and consist of the following categories, of the total Assets held by the East Riding Pension Fund:

| | Period Ended 31 March 2026 | | | | Period Ended 31 March 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| **Asset Category** | **Quoted prices in active markets £(000)** | **Quoted prices not in active markets £(000)** | **Total £(000)** | **Percentage of Total Assets** | **Quoted prices in active markets £(000)** | **Quoted prices not in active markets £(000)** | **Total £(000)** | **Percentage of Total Assets** |
| **Equity Securities:** | | | | | | | | |
| Consumer | 0.0 | 0.0 | 0.0 | 0% | 0.0 | 0.0 | 0.0 | 0% |
| Manufacturing | 0.0 | 0.0 | 0.0 | 0% | 0.0 | 0.0 | 0.0 | 0% |
| Energy and Utilities | 0.0 | 0.0 | 0.0 | 0% | 0.0 | 0.0 | 0.0 | 0% |
| Financial Institutions | 0.0 | 0.0 | 0.0 | 0% | 0.0 | 0.0 | 0.0 | 0% |
| Health and Care | 0.0 | 0.0 | 0.0 | 0% | 0.0 | 0.0 | 0.0 | 0% |
| Information Technology | 0.0 | 0.0 | 0.0 | 0% | 0.0 | 0.0 | 0.0 | 0% |
| Other | 0.0 | 0.0 | 0.0 | 0% | 0.0 | 0.0 | 0.0 | 0% |
| **Debt Securities:** | | | | | | | | |
| Corporate Bonds (investment grade) | 0.0 | 0.0 | 0.0 | 0% | 0.0 | 0.0 | 0.0 | 0% |
| Corporate Bonds (non-investment grade) | 1,307.3 | 2,193.4 | 3,500.7 | 5% | 1,175.5 | 1,972.2 | 3,147.7 | 5% |
| UK Government | 1,152.8 | 0.0 | 1,152.8 | 2% | 1,036.5 | 0.0 | 1,036.5 | 2% |
| Other | 540.7 | 0.0 | 540.7 | 1% | 486.1 | 0.0 | 486.1 | 1% |
| **Private Equity:** | | | | | | | | |
| All | 781.7 | 3,375.7 | 4,157.4 | 6% | 702.8 | 3,035.2 | 3,738.0 | 6% |
| **Real Estate:** | | | | | | | | |
| UK Property | 691.1 | 4,848.1 | 5,539.2 | 8% | 621.4 | 4,359.2 | 4,980.6 | 8% |
| Overseas Property | 0.0 | 0.0 | 0.0 | 0% | 0.0 | 0.0 | 0.0 | 0% |
| **Investment Funds and Unit Trusts:** | | | | | | | | |
| Equities | 33,395.0 | 0.0 | 33,395.0 | 50% | 30,026.6 | 0.0 | 30,026.6 | 50% |
| Bonds | 5,186.7 | 552.9 | 5,739.6 | 9% | 4,663.6 | 497.1 | 5,160.7 | 9% |
| Hedge Funds | 0.0 | 0.0 | 0.0 | 0% | 0.0 | 0.0 | 0.0 | 0% |
| Commodities | 0.0 | 0.0 | 0.0 | 0% | 0.0 | 0.0 | 0.0 | 0% |
| Infrastructure | 506.0 | 4,109.6 | 4,615.6 | 7% | 454.9 | 3,695.0 | 4,149.9 | 7% |
| Other | 4,996.2 | 2,291.5 | 7,287.7 | 11% | 4,492.3 | 2,060.4 | 6,552.7 | 11% |
| **Derivatives:** | | | | | | | | |
| Inflation | 0.0 | 0.0 | 0.0 | 0% | 0.0 | 0.0 | 0.0 | 0% |
| Interest Rate | 0.0 | 0.0 | 0.0 | 0% | 0.0 | 0.0 | 0.0 | 0% |
| Foreign Exchange | 0.0 | 0.0 | 0.0 | 0% | 0.0 | 0.0 | 0.0 | 0% |
| Other | 0.0 | 0.0 | 0.0 | 0% | 0.0 | 0.0 | 0.0 | 0% |
| **Cash and Cash Equivalents:** | | | | | | | | |
| All | 734.3 | 0.0 | 734.3 | 1% | 660.2 | 0.0 | 660.2 | 1% |
| **Totals** | **49,292** | **17,371** | **66,663** | **100.00%** | **44,320** | **15,619** | **59,939** | **100.00%** |

The Actuarial Gains identified as movements on the Pensions Reserve in 2025/26 can be analysed into the following categories, measured as a percentage of Assets or Liabilities at the 31 March 2026:

| | 2021/22 % | 2022/23 % | 2023/24 % | 2024/25 % | 2025/26 % |
|---|---|---|---|---|---|
| **Local Government Pension Scheme** | | | | | |
| Difference between the expected and actual return on assets | 7.01 | (1.86) | 3.46 | (0.39) | 5.41 |
| Experience gains and (losses) on liabilities | 1.54 | 2.33 | 6.15 | 6.72 | 9.65 |
| **Firefighters' Pension Scheme 1992** | | | | | |
| Experience gains and (losses) on liabilities | 2.20 | 22.50 | 0.60 | 8.42 | 7.46 |
| **Firefighters' Injury Awards** | | | | | |
| Experience gains and (losses) on liabilities | (9.83) | 24.45 | 5.03 | 11.77 | 9.96 |
| **Firefighters' Pension Scheme 2006** | | | | | |
| Experience gains and (losses) on liabilities | 2.85 | 36.42 | - | 12.47 | 6.14 |
| **Firefighters' Pension Scheme 2015** | | | | | |
| Experience gains and (losses) on liabilities | (8.71) | 60.35 | (10.26) | 46.87 | (162.66) |

The Fire Authority of Humberside, along with other Fire Authorities, currently have a number of claims lodged against them with the Central London Employment Tribunal. The claims are in respect of alleged unlawful discrimination arising from the Transitional Provisions in the Fire Pension Regulations 2015. Claims of unlawful discrimination have also been made in relation to the changes to the Judiciary and Firefighters Pension regulations. The Central London Employment Tribunal have upheld the claims and the remedy needed to make good these claims has been considered by Government and Legislation was published in October 2023. The Service is currently working with its Pensions administrator to implement the changes resulting from the remedy.

The Actuaries (GAD and Hymans Robertson) have included a reasonable estimate for the effect of the McCloud judgement within the overall scheme liabilities. The impact of an increase in scheme liabilities arising from these claims will be measured through the pension valuation process, which determines employer and employee contribution rates.

The Fire Pension valuation took place in 2025 with implementation of the results planned for 2026/27 and Fire Authorities will need to plan for the impact of this on employer contribution rates alongside other changes identified through the valuation process. The impact of an increase in annual pension payments arising from McCloud / Sargeant is determined through The Fire Pension Fund Regulations 2007. These require a Fire Authority to maintain a fire pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the fire pension fund does not have enough funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the Fire Authority in the form of a central government top-up grant.

## 5. Non-Current Assets

| | Operational Assets | | | | Operational Assets (Intangible) | Non-operational Assets | | |
|---|---|---|---|---|---|---|---|---|
| | Land and Buildings | Vehicles | Plant and Equipment | TOTAL | Intangible Assets* | Assets Under Construction | Surplus Assets | Total Assets |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Cost or Valuation** | | | | | | | | |
| **1 April 2025** | **47,685** | **17,969** | **6,960** | **72,614** | **165** | **1,693** | **875** | **75,347** |
| Additions/Enhancement | 1,802 | 1,222 | 1,570 | 4,594 | | 1,953 | | 6,547 |
| Donated/Other Additions | | 50 | | 50 | | | | 50 |
| Revaluation increases / (decreases) to Revaluation Reserve | 1,493 | | | 1,493 | | | 6 | 1,499 |
| Revaluation increases / (decreases) to Comprehensive Income and Expenditure Statement | (489) | | | (489) | | | | (489) |
| Derecognition - Disposals | | (455) | (2,405) | (2,860) | | | (525) | (3,385) |
| Other movements | 916 | 1,960 | | 2,876 | | (1,960) | | 916 |
| **At 31 March 2026** | **51,407** | **20,746** | **6,125** | **78,278** | **165** | **1,686** | **356** | **80,485** |
| | | | | | | | | |
| **Depreciation/Impairment** | | | | | | | | |
| **1 April 2025** | **2,018** | **11,584** | **3,743** | **17,345** | **33** | **0** | **27** | **17,406** |
| Charge for the year | 1,589 | 1,131 | 1,027 | 3,747 | 26 | | 15 | 3,788 |
| Depreciation written out to the Revaluation Reserve | (3,349) | | | (3,349) | | | | (3,349) |
| Derecognition - Disposals | | (417) | (2,272) | (2,689) | | | (42) | (2,731) |
| **At 31 March 2026** | 258 | 12,298 | 2,498 | 15,054 | 59 | 0 | 0 | 15,114 |
| | | | | | | | | |
| **Net Book Value** | | | | | | | | |
| **1st April 2025** | **45,667** | **6,386** | **3,217** | **55,270** | **132** | **1,693** | **848** | **57,935** |
| **31 March 2026*** | **51,149** | **8,448** | **3,627** | **63,224** | **106** | **1,686** | **356** | **65,367** |

*£89k is included in non-current assets (on the Balance Sheet) that are owned by ESFM (Humberside) Ltd, please see note 13 for details.

## 2024/25 Comparatives

| | Operational Assets | | | | Operational Assets (Intangible) | Non-operational Assets | | |
|---|---|---|---|---|---|---|---|---|
| | Land and Buildings | Vehicles | Plant and Equipment | TOTAL | Intangible Assets* | Assets Under Construction | Surplus Assets | Total Assets |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Cost or Valuation** | | | | | | | | |
| **1 April 2024** | **50,934** | **19,146** | **6,753** | **76,833** | **165** | **0** | **350** | **77,348** |
| Additions/Enhancement | 1,212 | 108 | 1,558 | 2,878 | | 1,693 | | 4,571 |
| Donated/Other Additions | 379 | 64 | | 443 | | | | 443 |
| Revaluation increases / (decreases) to Revaluation Reserve | (3,063) | | | (3,063) | | | | (3,063) |
| Revaluation increases / (decreases) to Comprehensive Income and Expenditure Statement | (1,252) | | | (1,252) | | | | (1,252) |
| Derecognition - Disposals | | (1,349) | (1,351) | (2,700) | | | | (2,700) |
| Other movements | (525) | | | (525) | | | 525 | 0 |
| **At 31 March 2025** | **47,685** | **17,969** | **6,960** | **72,614** | **165** | **1,693** | **875** | **75,347** |
| | | | | | | | | |
| **Depreciation/Impairment** | | | | | | | | |
| **1 April 2024** | **1,759** | **11,831** | **3,921** | **17,511** | **0** | **0** | **18** | **17,529** |
| Charge for the year | 1,550 | 1,437 | 913 | 3,900 | 33 | | 9 | 3,943 |
| Depreciation written out to the Revaluation Reserve | (1,291) | | | (1,291) | | | | (1,291) |
| Derecognition - Disposals | | (1,684) | (1,091) | (2,775) | | | | (2,775) |
| **At 31 March 2025** | 2,018 | 11,584 | 3,743 | 17,345 | 33 | 0 | 27 | 17,406 |
| | | | | | | | | |
| **Net Book Value** | | | | | | | | |
| **1st April 2024** | **49,175** | **7,315** | **2,832** | **59,322** | **165** | **0** | **332** | **59,813** |
| **31 March 2025*** | **45,667** | **6,386** | **3,217** | **55,270** | **132** | **1,693** | **848** | **57,935** |

*£93k is included in non-current assets (on the Balance Sheet) that are owned by ESFM (Humberside) Ltd, please see note 13 for details.

Asset Classes

The table below analyses the major types of Assets and the numbers held in each category:

| Category of Asset | No. Held 31 March 2026 | No. Held 31 March 2025 |
|---|---|---|
| **Operational Land & Buildings** | | |
| Service Headquarters | 1 | 1 |
| Fire Stations | 30 | 30 |
| Other Offices | 2 | 2 |
| **Operational Vehicles** | | |
| Fire Appliances | 65 | 61 |
| Lorries | 1 | 1 |
| Vans | 56 | 52 |
| Cars | 107 | 81 |
| Others | 5 | 5 |
| New Dimensions Assets | 6 | 6 |

Capital Financing Requirement

Movements in the Capital Financing Requirement for the year 2025/26 are shown in the table below:

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Opening Capital Financing Requirement | 20,914 | 18,499 |
| Capital Investment | | |
| Operational Assets | 5,972 | 2,878 |
| Non Operational Assets | 575 | 1,693 |
| Right of Use Assets | 551 | 443 |
| Sources of Finance | | |
| Capital Receipts | (691) | - |
| Minimum Revenue Provision | (1,177) | (999) |
| Revenue Contributions to Capital Outlay | (2,087) | (1,600) |
| | **24,057** | **20,914** |
| Explanation of Movements in Year | | |
| Increase/(Decrease) in the Underlying Need to Borrow Unsupported by Government Financial Assistance | 3,143 | 2,415 |
| | **3,143** | **2,415** |

Capital Commitments

The Authority had outstanding commitments under capital contracts as at 31 March 2026 to the value of £1.988m which will take place during 2026/27.

Valuation of Property carried at Current Value

The Authority's property assets carried at current value are subject to a programme of valuation to ensure that their carrying amounts do not differ materially from current value at the reporting date. The Authority's property valuations are undertaken by Clark Weightman Ltd, independent external valuers.

Properties are subject to a full revaluation at least every five years, with annual indexation applied in the intervening years using the best appropriate index available. Where an appropriate index is not available, a desktop revaluation is undertaken in year three and a full revaluation in year five. The basis of valuation for each class of asset is set out in Note 1, Accounting Policies.

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**2025/26**

| | Other Land & Buildings | | | |
|---|---|---|---|---|
| | Operational | Non Operational | | |
| | Assets | Surplus Assets | Assets Under Construction | Total |
| | £'000 | £'000 | £'000 | £'000 |
| **Value at Current Value with** | | | | |
| **Formal valuation in 2025/26** | 23,516 | | | 23,516 |
| **Indexed in 2025/26 with formal valuation in** | | | | |
| 2024/25 | 7,946 | 356 | | 8,302 |
| 2023/24 | 1,644 | | | 1,644 |
| 2022/23 | 5,079 | | | 5,079 |
| 2021/22 | 12,964 | | | 12,964 |
| **Value at Historical Cost** | | | 940 | 940 |
| **Value as at 31 March 2026** | **51,149** | **356** | **940** | **52,445** |
| **Nature of asset holding** | | | | |
| Leased | 2,337 | | | **2,337** |
| Owned | 48,812 | 356 | 940 | **50,108** |
| | **51,149** | **356** | **940** | **52,445** |

Note: the above valuations as at 31 March 2026 are net of accumulated Depreciation to that date.

## 6. Leases

The Authority lease contracts comprise of leases of operational land and buildings used as part of the overall estate strategy and vehicles as part of the overall vehicle strategy. During 2025/26 the Authority had 4 individual contracts in place for leases which have been deemed to come under IFRS16 and are therefore included within the balance sheet.

- Right of Use Assets

The table below shows the change in value of right of use assets held under leases by the Authority in 2025/26:

| | Land | Buildings | Vehicles | Plant and Equipment | Total |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Balance as at 1 April 2025** | **340** | **1,508** | **32** | **-** | **1,880** |
| Additions | - | 551 | - | - | **551** |
| Revaluations | 85 | - | - | - | **85** |
| Depreciation | - | (147) | (32) | - | **(179)** |
| Disposals | - | - | - | - | **-** |
| **Balance as at 31 March 2026** | **425** | **1,912** | **-** | **-** | **2,337** |

- Lease Liabilities

The table below shows the movement in both long- and short-term liabilities with leases held by the Authority in 2025/26:

| | Short Term Lease Liabilities £'000 | Long Term Lease Liabilities £'000 |
|---|---|---|
| **Balance as at 1 April 2025** | **79** | **1,047** |
| Additions | - | - |
| Remeasurements | 34 | 517 |
| Disposals | - | - |
| Repayment of Principal | (113) | - |
| Transfer from Long to Short Term Liability | 63 | (63) |
| **Balance as at 31 March 2026** | **63** | **1,501** |

- Transactions Under Lease

The Authority incurred the following expenses and cashflows in relation to leases:

| | 2025/26 £'000 |
|---|---|
| **Comprehensive Income and Expenditure Statement** | |
| Interest expense on lease liabilities | 87 |
| Expense relating to short-term leases | 113 |
| Expense relating to exempt leases of low-value items | - |
| Income from Sub-Letting right-of-use asset | - |
| Gains or losses arising form sale and leaseback transactions | - |
| **Cash Flow Statement** | |
| Total cash outflow for leases | 200 |

- Maturity Analysis of Lease Liabilities

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

| | 31st March 2026 £'000 | 31st March 2025 £'000 |
|---|---|---|
| No later than one year | 63 | 79 |
| Later than one year and not later than five years | 286 | 125 |
| Later than five years | 1,215 | 922 |
| **Total Undiscounted Liabilities** | **1,564** | **1,126** |

## 7. Reserves held by the Authority

Useable Reserves

The Authority retains a number of Reserves which are available to fund Expenditure.

General Fund Balance - This is retained to fund unforeseen expenditure pressures.

Earmarked Reserves - These reserves are retained to fund particular items of expenditure and are reviewed each year, currently the Earmarked Reserves balance is £10.064m (£10.238m at the end of 2024/25). Please see the description of each reserve below.

| 31 March 2025 £'000 | Earmarked Reserves | 31 March 2026 £'000 |
|---|---|---|
| 500 | Resilience Reserve | 500 |
| 5,335 | Capital Funding Reserve | 5,335 |
| 500 | Insurance Reserve | 500 |
| 1,000 | National Flood Resilience Centre Reserve | 1,000 |
| 528 | Share of ESFM (Humberside) Ltd Net Assets | 384 |
| 500 | Strategic Transformation Fund | 500 |
| 1,245 | East Coast & Herfordshire Control Room Consoritum Reserve | 1,245 |
| 600 | Pay and Prices Reserve | 600 |
| 30 | Environmental Reserve | - |
| **10,238** | **Total Earmarked Reserves** | **10,064** |

Resilience Reserve – This can be used to fund any costs associated with the resilience of the service.

Capital Funding Reserve - This reserve is utilised to fund items of Capital expenditure.

Insurance Reserve – This reserve is to fund any costs that are not covered by the Authority's insurance policies.

National Flood Resilience Centre Reserve – This funding is identified to fund the National Flood Resilience Centre development with other partners.

Share of ESFM (Humberside) Ltd Net Assets – This reflects the Authority's share of ESFM (Humberside) Ltd net assets at the balance sheet date.

Strategic Transformation Fund – This funding is identified to support transformation initiatives.

East Coast & Hertfordshire Control Room Consortium Reserve – This funding is identified to meet Humberside's share of the infrastructure costs of the East Coast and Hertfordshire Control Room Consortium.

Pay and Prices Reserve – This funding is identified to cover any pay and prices increases in excess of budget assumptions.

Environmental Reserve – This funding is identified to develop environmental infrastructure.

Capital Receipts Reserve - This can be used to fund items of Capital Expenditure.

Unusable Reserves

The Authority now retains five unusable reserves:

**Capital Adjustment Account** – This Reserve is required by the CIPFA Code of Practice on Local Authority Accounting and is used to allow the Authority to nullify the effect of Non-current Asset expenses on the Accounts.

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Net Book Value of Assets disposed of | 654 | 271 |
| Depreciation | 3,808 | 3,963 |
| Impairments | 124 | 1,252 |
| Compensatory adjustment from the Revaluation Reserve to convert current value depreciation debits to historical cost. | (475) | (434) |
| Deferred Grants and Contributions applied | (2,829) | (1,940) |
| Provision for Repayments of External Loans (MRP) | (1,177) | (999) |
| Total Movement on Reserve | 105 | 2,113 |
| Balance Brought Forward 1 April | (14,237) | (16,348) |
| Balance Carried Forward at 31 March | (14,131) | (14,237) |

**Revaluation Reserve** – This Reserve is required by the Code of Practice on Local Authority Accounting and reflects the amount to which the value of the property owned by the Authority has increased. A transfer can be made from the Revaluation Reserve to the Capital Adjustment Account to reflect the amount of additional Depreciation that has been charged due to the increase in value of the property, should the value of a previously revalued property fall some or all of the loss can be offset against the amount remaining in the Revaluation Reserve.

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Gains on Revaluation of Non Current Assets | (6,588) | (1,421) |
| Losses on Revaluation of Non Current Assets | 1,739 | 3,193 |
| Compensatory adjustment from the Revaluation Reserve to convert current value depreciation debits to historical cost. | 475 | 434 |
| Total Movement on Reserve | (4,374) | 2,206 |
| Balance Brought Forward 1 April | (21,596) | (23,802) |
| Balance Carried Forward at 31 March | (25,970) | (21,596) |

**Pensions Reserve** – Please see Note 4 Pensions.

**Collection Fund Adjustment Account** – This Reserve is required by the CIPFA Code of Practice on Local Authority Accounting for Adjustment Account billing and precepting Authorities regarding the collection and distribution of collection fund receipts.

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Balance at 1 April | (624) | (576) |
| Amount by which council tax income credited to the Comprhensive Income and Expenditure Statement is different from Council Tax and Non-Domestic Rate | 976 | (48) |
| Balance at 31 March | **352** | **(624)** |

**Accumulated Absence Account** – This Reserve is required by CIPFA Code of Practice on Local Authority Accounting to neutralise the impact on the General Funding Balance for the accruing of compensated absences earned but not yet taken in the year e.g. annual leave entitlement carried forward at 31 March.

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Balance at 1 April | 287 | 180 |
| Settlement or cancellation of accrual made at the end of the preceding year | (287) | (180) |
| Amounts accrued at the end of the current year | 395 | 287 |
| Balance at 31 March | **395** | **287** |

## 8. Borrowing and Investments

Long Term Liabilities

The outstanding borrowings and Liabilities of the Authority are disclosed below:

| | 2025/26 | | | 2024/25 | | |
|---|---|---|---|---|---|---|
| | Total | Repayable within 12 months | Repayable after 12 months | Total | Repayable within 12 months | Repayable after 12 months |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Public Works Loan Board | 15,062 | 1,062 | 14,000 | 15,894 | 894 | 15,000 |
| Leases | 1,564 | 63 | 1,501 | 1,126 | 79 | 1,047 |
| Other Borrowing | - | - | - | 4,080 | 4,080 | - |
| Pension Liability - Firefighters' Pension Fund | 466,920 | - | 466,920 | 475,580 | - | 475,580 |
| Pension Liability - Local Government Pension Scheme | 26 | - | 26 | 29 | - | 29 |
| | **483,572** | **1,125** | **482,447** | **496,709** | **5,053** | **491,656** |

The outstanding borrowings of the Authority at 31 March 2026 which were repayable within a period in excess of 12 months were as follows:

| Source of Loan | Interest Rate Payable % | Amount Outstanding at 31 March 2026 £'000 | Amount Outstanding at 31 March 2025 £'000 |
|---|---|---|---|
| Public Work Loans Board | 1.80 | 1,000 | 1,000 |
| Public Work Loans Board | 1.86 | 1,000 | 1,000 |
| Public Work Loans Board | 1.96 | 1,000 | 1,000 |
| Public Work Loans Board | 1.99 | 1,000 | 1,000 |
| Public Work Loans Board | 2.09 | 1,000 | 1,000 |
| Public Work Loans Board | 2.10 | 1,000 | 1,000 |
| Public Work Loans Board | 2.14 | 1,000 | 1,000 |
| Public Work Loans Board | 2.19 | 1,000 | 1,000 |
| Public Work Loans Board | 2.25 | 1,000 | 1,000 |
| Public Work Loans Board | 3.70 | - | 1,000 |
| Public Work Loans Board | 3.75 | 1,000 | 1,000 |
| Public Work Loans Board | 3.88 | 1,000 | 1,000 |
| Public Work Loans Board | 4.55 | 3,000 | 3,000 |
| | | 14,000 | 15,000 |

Loans analysed by maturity are as follows:

| | 31 March 2026 £'000 | 31 March 2025 £'000 |
|---|---|---|
| Maturing in 1-2 Years | 1,000 | 1,000 |
| Maturing in 2-5 Years | 5,000 | 5,000 |
| Maturing in 5-10 Years | 6,000 | 6,000 |
| Maturing in More Than 10 Years | 2,000 | 3,000 |
| | 14,000 | 15,000 |

Short Term Investments

The Authority places funds with counterparties on a commercial basis. These loans are made to counterparties who meet a specified criteria and are short-term (less than a year). Accrued interest is included in the Balance Sheet as at 31 March. The value of these investments is £17.051m as at 31 March. (2024/25 was £24.988m).

## 9. Other Creditors and Debtors

- Long-Term Creditors
  There are no long-term creditors as at 31 March 2026.

  Short-Term Creditors

  Analysis of short-term creditors is as follows: -

| | 31 March 2026 £'000 | 31 March 2025 £'000 |
|---|---|---|
| Central Government Bodies | 7,255 | 9,656 |
| Other Local Authorities | 3,075 | 1,338 |
| NHS Bodies | - | 100 |
| Bodies External to General Government | 8,962 | 7,273 |
| | **19,292** | **18,367** |

*included in the Short-Term Creditors figure on the Balance Sheet is £107k relating to ESFM (Humberside) Ltd, please see note 13 for details.

- Long-Term Debtors
  There were no long-term debtors at 31 March 2026.

- Short-Term Debtors
  Amounts falling due within one year may be analysed as follows: -

| | 31 March 2026 £'000 | 31 March 2025 £'000 |
|---|---|---|
| Central Government Bodies | 320 | 1,830 |
| Other Local Authorities | 293 | 688 |
| NHS Bodies | 6 | - |
| Bodies External to General Government | 7,596 | 5,914 |
| | **8,215** | **8,432** |

*included in Short-Term Debtors is £384k relating to ESFM (Humberside) Ltd, please see note 13 for further details.

## 10. Financial Instruments

The Financial Instruments held by the Authority are included below and the Authority fully complies with the CIPFA Code of Practice on Local Authority Accounting.

Amortised Cost

Financial Instruments (whether borrowing or investment) are valued on an amortised costs basis using the Effective Interest Rate (EIR) method.

Fair Value

In these disclosure notes, Financial Instruments are also required to be shown at Fair Value.

Compliance

The Authority has complied with the following:

It has adopted the CIPFA Treasury Management in the Public Services: Code of Practice.

Set treasury management indicators to control key Financial Instrument risks in accordance with CIPFA's Prudential Code.

Accounting regulations require the Financial Instruments (investment, lending and borrowing of the Authority) shown on the Balance Sheet to be further analysed into various defined categories. The investments, lending & borrowing disclosed in the Balance Sheet are made up of the following categories of "Financial Instruments".

| | Long Term 31 March | | Current 31 March | |
|---|---|---|---|---|
| | 2026 £'000 | 2025 £'000 | 2026 £'000 | 2025 £'000 |
| **Investments at Amortised Cost** | | | | |
| Loans and Receivables at Amortised Cost | | | 17,051 | 24,988 |
| **Total Investments at Amortised Cost** | **-** | **-** | **17,051** | **24,988** |
| **Debtors** | | | | |
| Financial Assets (including Trade Debtors and General and Other Debtors and Long Term Debtors) | | | 1,969 | 1,908 |
| **Total Debtors** | **-** | **-** | **1,969** | **1,908** |
| **Borrowings at Amortised Cost** | | | | |
| Financial Liabilities at Amortised Cost | (15,051) | (16,047) | (1,125) | (5,053) |
| **Total Borrowings at Amortised Cost** | **(15,051)** | **(16,047)** | **(1,125)** | **(5,053)** |
| **Creditors** | | | | |
| Financial Liabilities Carried at Contract Amount | | | (2,807) | (3,982) |
| **Total Creditors** | **-** | **-** | **(2,807)** | **(3,982)** |

Analysis of the Financial Liabilities and Loans and Receivables is shown in the table below:

| | 31 March 2026 £'000 | 31 March 2025 £'000 |
|---|---|---|
| **Financial Liabilities** | | |
| Current | | |
| Creditors | (2,807) | (3,982) |
| Public Works Loans Board Loans and Leases | (1,125) | (973) |
| Borrowing from other Local Authorities | - | (4,080) |
| | (3,932) | (9,035) |
| Long Term | | |
| Public Works Loans Board Loans | (14,000) | (15,000) |
| Leases | (1,501) | (1,047) |
| | (15,501) | (16,047) |
| | (19,433) | (25,082) |
| **Financial Assets** | | |
| Current | | |
| Debtors | 1,969 | 1,908 |
| Investments | 17,051 | 24,988 |
| | 19,020 | 26,896 |

Gains and losses recognised in the Comprehensive Income and Expenditure Account for 2025/26 in relation to financial instruments are made up as follows:

| | 2025/26 | | | | 2024/25 | | | |
|---|---|---|---|---|---|---|---|---|
| | Financial Liabilities | Financial Assets | | Total | Financial Liabilities | Financial Assets | | Total |
| | Measured at amortised cost | Loans and Receivables | Available for sale Assets | | Measured at amortised cost | Loans and Receivables | Available for sale Assets | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Interest Expense | (566) | - | - | **(566)** | (696) | - | - | **(696)** |
| Loss on derecognition | - | - | - | **-** | - | - | - | **-** |
| Impairment losses | - | - | - | **-** | - | - | - | **-** |
| **Interest payable and similar charges** | (566) | - | - | **(566)** | (696) | - | - | **(696)** |
| Interest income | - | 964 | - | **964** | - | 1,191 | - | **1,191** |
| Losses on revaluation | - | - | - | **-** | - | - | - | **-** |
| Amounts recycled to the Income and | - | - | - | **-** | - | - | - | **-** |
| Expenditure Account after impairment | - | - | - | **-** | - | - | - | **-** |
| **Interest and investment income** | - | 964 | - | **964** | - | 1,191 | - | **1,191** |
| Gains on revaluation | - | - | - | **-** | - | - | - | **-** |
| Losses on revaluation | - | - | - | **-** | - | - | - | **-** |
| Amounts recycled to the Income and | - | - | | | - | - | | |
| Expenditure Account after impairment | - | - | - | **-** | - | - | - | **-** |
| **Surplus arising on revaluation of financial assets** | - | - | - | **-** | - | - | - | **-** |
| **Net gain/(loss) for the year** | (566) | 964 | - | **398** | (696) | 1,191 | - | **495** |

The Fair value of each class of Financial Assets and Liabilities which are carried in the balance sheet at Amortised Cost is disclosed below.

The Authority engaged MUFG, a firm of financial consultants specialising in treasury management and capital finance in the U.K. Public Sector, who have calculated the Fair Value of the Financial Instruments stated above. MUFG methodology and assumptions have been adopted and are stated below.

Methods and Assumptions in Valuation Technique

The Fair Value of a Financial Instrument is determined by calculating the Net Present Value (NPV) of future cash flows, which provides an estimate of the value of payments in the future in today's terms.

The discount rate used in the NPV calculation is the rate applicable in the market on the date of valuation for a Financial Instrument with the same structure, terms and remaining duration. For debt, this will be the new borrowing rate since premature repayment rates include a margin which represents the lender's profit as a result of rescheduling the loan; this is not included in the Fair Value calculation since any motivation other than securing a fair price should be ignored.

The rates quoted in this valuation were obtained by our treasury management consultants from the market on 31 March 2026, using bid prices where applicable.

The calculations are made with the following assumptions:

For Public Works Loans Board debt, the discount rate used is the rate for new borrowing as per rate sheet number 126/26. For other market debt and investments the discount rate used is the rate available for a Financial Instrument with the same terms from a comparable lender. Interpolation techniques have been used between available rates where the exact maturity period was not available. No early repayment or Impairment is recognised.

Fair Values have been calculated for all Financial Instruments in the portfolio, but only those which are materially different from the carrying value have been disclosed (for loans of less than one year the principal amount of the loan is deemed to be fair value). The Fair Value of trade and other receivables is taken to be the invoiced or billed amount.

The Fair Values are calculated as follows:

| | 31 March 2026 | | 31 March 2025 | |
|---|---|---|---|---|
| | Carrying Amount £'000 | Fair Value £'000 | Carrying Amount £'000 | Fair Value £'000 |
| Financial Liabilities | (15,000) | (12,981) | (15,828) | (13,731) |
| Loans and Receivables | (16,965) | (16,965) | (24,650) | (24,650) |

The decrease in the Fair Value of Financial Liabilities over the carrying amount is because the interest rate payable on the Authority's portfolio of fixed rate loans is lower than the rates for similar loans as at the Balance Sheet date.

The Authority's management of treasury risks actively works to minimise the exposure to the unpredictability of financial markets and to protect the financial resources available to fund services. The Authority has fully adopted CIPFA's Code of Treasury Management Practices and has written principles for overall risk management as well as written policies and procedures covering specific areas such as credit risk, liquidity risk and market risk.

Credit Risk

Credit risk arises from the short-term lending of surplus funds to banks, building societies and other local authorities as well as credit exposures to the Authority's customers. It is the policy of the Authority to place deposits only with a limited number of high-quality banks and building societies whose credit rating is independently assessed as sufficiently secure by the Authority's treasury advisers and to restrict lending to a prudent maximum amount for each institution. In order to mitigate against risk and in the light of market conditions, the Executive Director of Finance and Section 151 Officer considered that the most prudent approach was to restrict investments to UK based, and other 'AAA' rated European institutions with a maximum limit of £2m. The Authority has access to three money market investment funds, these are highly secure funds that are 'AAA' rated and provide instant return of the investment if required.

The following analysis summarises the Authority's potential maximum exposure to credit risk, based on past experience and current market conditions. No credit limits were exceeded during the financial year and the Authority expects full repayment on the due date of deposits placed with its counterparties.

| | 31 March 2026 | Historical experience of default | Historical experience adjusted for market conditions at 31 March 2026 | Estimated maximum exposure to default and uncollectability 31 March 2026 |
|---|---|---|---|---|
| | £'000 | % | % | £'000 |
| Deposits with banks and financial institutions | 16,965 | 0.00 | 0.00 | - |
| Bonds | - | 0.00 | 0.00 | - |
| Customers | 166 | 0.11 | 0.11 | - |
| | 17,131 | | | - |

No credit limits were exceeded during the Accounting Period and the Authority does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

Debtors

The Authority does not generally allow credit for customers, such that £92k of the £166k balance is past its due date for payment. The past due amount can be analysed by age as follows:

| | 31 March 2026 £'000 | 31 March 2025 £'000 |
|---|---|---|
| Less than three months | 60 | 25 |
| Three to six months | 32 | 26 |
| Six months to one year | - | - |
| More than one year | - | - |
| | 92 | 51 |

Liquidity Risk

The Authority has access to a facility to borrow from the Public Works Loans Board. As a result, there is no significant risk that the Authority will be unable to raise finance to meet its commitments under Financial Instruments. The Authority has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. The Authority's policy is to ensure that not more than 10% of loans are due to mature within any financial year and 25% within any rolling five-year period through a combination of prudent planning of new loans taken out and, where it is economic to do so, making early repayments.

See Note 7 of the Notes to the Accounts for an analysis of the maturity of long-term loans with the Public Work Loans Board.

All trade and other payables are due to be paid in less than one year.

Market Risk

Interest Rate Risk

The Authority is exposed to interest rate risk in two different ways; the first being the uncertainty of interest paid/received on variable rate Financial Instruments, and the second being the effect of fluctuations in interest rates on the fair value of a Financial Instrument.

The current interest rate risk for the Authority is summarised below:

The Fair Value of fixed rate Financial Assets will fall if interest rates rise. This will not impact on the Balance Sheet for the majority of Assets held at Amortised Cost but it will impact on the disclosure note for Fair Value. It would have a negative effect on the Balance Sheet for those assets held at Fair Value in the Balance Sheet, which would also be reflected in the Comprehensive Income and Expenditure Statement.

The Fair Value of fixed rate Financial Liabilities will rise if interest rates fall. This will not impact on the Balance Sheet for the majority of Liabilities held at Amortised Cost but it will impact on the disclosure note for Fair Value.

The Authority has a number of strategies for managing interest rate risk. Policy is to aim to keep a maximum of 25% of its borrowings in variable rate loans. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. The risk of loss is ameliorated by the fact that a proportion of government grant payable on financing costs will normally move with prevailing interest rates or the Authority's cost of borrowing and provide compensation for a proportion of any higher costs.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget and which is used to update the budget quarterly during the year. This allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

According to this investment strategy, at 31 March 2026, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

| | 31 March 2026 £'000 | 31 March 2025 £'000 |
|---|---|---|
| Increase in Fair Value of fixed rate borrowing liabilities | (642) | (701) |

Price Risk

The Authority does not invest in equity shares and does not have shareholdings in any joint ventures and therefore is not at significant risk to price movements.

Foreign Exchange Risk

The Authority has no Financial Assets or Liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

Financial Guarantees

The Authority does not provide any financial guarantees.

## 11. Note to Expenditure and Fundings Analysis

| Year ended 31 March 2025 | | | | | Year ended 31 March 2026 | | | |
|---|---|---|---|---|---|---|---|---|
| £'000 | £'000 | £'000 | £'000 | | £'000 | £'000 | £'000 | £'000 |
| Adjustments for Capital Purposes | Net Change for the Pensions Adjustments | Other Differences | Total Adjustments | | Adjustments for Capital Purposes | Net Change for the Pensions Adjustments | Other Differences | Total Adjustments |
| (5) | 124 | | 119 | Community Fire Safety | | 194 | | 194 |
| (4,628) | 5,178 | | 550 | Fire Fighting & Rescue Operations | (3,456) | 6,271 | | 2,815 |
| (546) | 635 | | 89 | Management and Support | (489) | 1,183 | | 694 |
| | (177) | | (177) | Non Distributed Cost | | | | - |
| **(5,179)** | **5,760** | **-** | **581** | **Net Cost of Services** | **(3,945)** | **7,648** | **-** | **3,703** |
| 3,015 | (23,773) | 1,764 | (18,994) | Other Operating Expenditure | 3,351 | (24,910) | (1,258) | (22,817) |
| **(2,164)** | **(18,013)** | **1,764** | **(18,413)** | **Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services** | **(594)** | **(17,262)** | **(1,258)** | **(19,114)** |

## 12. Other Operating Expenditure, Financing, Investment Income, Taxation and Non-Specific Grants

| | 2025/26 | 2024/25 |
|---|---|---|
| **Other Operating Expenditure** | **£000s** | **£000s** |
| (Profit)/Loss on the disposal of assets | (23) | (109) |
| **Total Other Operating Expenditure** | **(23)** | **(109)** |
| | | |
| **Financing and Investment Income and Expenditure** | | |
| Interest Payable | 566 | 696 |
| Interest Receivable | (964) | (1,191) |
| Net interest cost on the net defined pension liability | | |
| - Firefighters' Pension Scheme | 26,300 | 24,520 |
| - Local Government Pension Scheme | (1,390) | (747) |
| **Total Financing and Investment Income and Expenditure** | **24,512** | **23,278** |
| | | |
| **Taxation and Non Specific Grant Income** | | |
| Council Tax Payers | 29,940 | 28,665 |
| General Government Grants (See breakdown below) | 2,093 | 1,922 |
| Localised Business Rates | 7,003 | 6,761 |
| National Non Domestic Rates and Revenue Support Grant | 22,202 | 22,717 |
| Recognised Capital Grant - Right of use Asset | 50 | 340 |
| **Total Taxation and Non Specific Grant Income** | **61,288** | **60,405** |
| | | |
| **General Government Grants** | | |
| Additional Pensions Grant | 1,725 | 1,833 |
| National Insurance Grant | 368 | - |
| Services Grant | - | 89 |
| | **2,093** | **1,922** |

**Precepts**

The Authority, at its meeting on 14 February 2025, set a precept for 2025/26 equivalent to a Band D Council Tax of £102.93. Precepts and Collection Fund balances received from the four constituent Authorities for 2025/26 are as follows:

| | Precepts 2025/26 | Collection Fund Surplus/(Deficit) Residual 2025/26 | 31 March 2026 | Total 2025/26 |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| Kingston upon Hull City Council | 6,846 | 33 | (18) | **6,861** |
| East Riding of Yorkshire Council | 13,213 | 2 | 158 | **13,373** |
| North East Lincolnshire Council | 4,859 | (28) | (22) | **4,809** |
| North Lincolnshire Council | 5,370 | 13 | (59) | **5,324** |
| | **30,288** | **20** | **59** | **30,367** |

| | Precepts 2024/25 | Collection Fund Surplus/(Deficit) Residual 2024/25 | 31 March 2025 | Total 2024/25 |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| Kingston upon Hull City Council | 6,461 | 1 | 126 | **6,588** |
| East Riding of Yorkshire Council | 12,205 | 36 | 194 | **12,435** |
| North East Lincolnshire Council | 4,584 | 30 | (10) | **4,604** |
| North Lincolnshire Council | 5,075 | 19 | (55) | **5,039** |
| | **28,325** | **86** | **255** | **28,665** |

The Authority is made up of 22 Members who are nominated by the 4 Unitary Authorities in the Humberside region. The Police and Crime Commissioner for Humberside, Jonathan Evison, also sits on the Authority.

## 13. Related Parties

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

**Central Government**

Central Government has significant influence over the general operations of the Authority; it is responsible for providing the statutory framework within which the Authority operates, it provides a significant part of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties. The Authority receives NNDR, General Government grants and Capital Grants from the Department for Communities and Local Government or the Home Office. (Details of these grants are disclosed in note 12).

**Pensions**

See note 4 in the Notes to the Financial Statements.

**Members**

The Precept is collected on the Authority's behalf by the four Local Authorities in the Humberside area (as disclosed in note 12), the following Members are Local Councillors on these councils:

East Riding of Yorkshire Council: Linda Bayram, John Bovill, Carolyn Cantrell, Derek Cary, John Dennis, Coleen Gill, Mike Heslop-Mullens, Margot Sutton.

Kingston upon Hull City Council: Alison Collinson, Sharon Hofman, Tracey Henry, Shane McMurray, Tracey Neal, Rosie Nicola.

North East Lincolnshire Council: Les Bonner, Ian Lindley, Matt Patrick, Ron Shepherd.

North Lincolnshire Council: Mick Grant, Ralph Ogg, Nigel Sherwood, Rob Waltham MBE.

In addition to the above Members, The Police and Crime Commissioner for Humberside, Jonathan Evison, also sits on the Authority.

The total of Members' allowances paid in 2025/26 is shown in Note 14. During 2025/26 no Members of the Authority, or their close relations, undertook any declarable related party transactions with the Authority. The Authority requires Members to complete a declaration of related party transactions, and these declarations are used as the basis of this note.

**Officers**

During the course of 2025/26 no Senior Officers of the Authority (with the exception of two members of staff that are Directors of Emergency Services Fleet Management (Humberside) Ltd and two members of staff that are seconded to Humberside Police and Crime Commissioner), undertook any declarable related party transactions with the Authority. One Senior Officer's close relations undertook declarable related party transactions with the Authority. The Authority requires Senior Officers to complete a declaration of related party transactions, and these declarations are used as the basis of this note.

Two officers of the Fire Authority are also Directors of Emergency Services Fleet Management (Humberside) Ltd (Deputy Chief Fire Officer Niall McKiniry and Area Manager Dan Meeke). Emergency Services Fleet Management (Humberside) Ltd is a joint arrangement that provides vehicle maintenance services to the Authority and Humberside Police. Emergency Services Fleet Management (Humberside) Ltd supplied goods and services during 2025/26 with a value of £1.7m (£1.4m during 2024/25) to Humberside Fire Authority.

Two officers of the Fire Authority are also seconded to Police and Crime Commissioner for Humberside on a part time basis (Executive Director/S.151 Officer Martyn Ransom and Joint Deputy Chief Finance Officer/Deputy S.151 Officer Antoinette Diovisalvi). Humberside Police supplied goods and services to the Authority during 2025/26 with a value of £4.5m (£3.7m during 2024/25). The Authority supplied goods and services to Humberside Police during 2025/26 with a value of £0.3m (£0.4m during 2024/25).

One officers spouse (Executive Director/S.151 Officer Martyn Ransom) works for NEC Software Solutions. NEC Software Solutions supplied goods and services to the Authority during 2025/26 with a value of £1.3m (£0.8m during 2024/25).

The Authority retains joint control of Emergency Services Fleet Management (Humberside) Ltd with Humberside Police on a 50/50 split. The Authority's share of the net assets and reserves for 2025/26 are £0.4m (£0.5m 2024/25) and have been consolidated into the Financial Statements of the Authority. These amounts are taken from the Emergency Services Fleet Management (Humberside) Ltd draft accounts at 31 March 2026.

The disclosure note itself has been prepared in accordance with guidance on the interpretation of IAS 24 (Related Party Transactions) and its applicability to the public sector.

## 14. Members' Allowances

From 1 April 2003, the Authority is required to have its own scheme of Members' Allowances under the terms of the Local Authorities (Members' Allowances) (England) Regulations 2003. The total amount paid to Members under this scheme for 2025/26 was £131,858 (2024/25 was £126,121).

## 15. Officers' Emoluments

Regulation 7 (3) of the Accounts and Audit Regulations 2015 [SI 2015 No. 234] requires the publication of the following disclosures relating to the remuneration of senior employees.

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 are disclosed below:

| Remuneration Band | Number of Officers in Band | | | | | |
|---|---|---|---|---|---|---|
| | 2025/26 | | | 2024/25 | | |
| | Operational | Non Operational | Total | Operational | Non Operational | Total |
| £195-199,999 | 1 | - | **1** | - | - | **-** |
| £190-194,999 | - | - | **-** | - | - | **-** |
| £185-189,999 | - | - | **-** | - | - | **-** |
| £180-184,999 | - | - | **-** | 1 | - | **1** |
| £175-179,999 | - | - | **-** | - | - | **-** |
| £170-174,999 | - | - | **-** | - | - | **-** |
| £165-169,999 | 1 | - | **1** | - | - | **-** |
| £160-164,999 | - | - | **-** | - | - | **-** |
| £155-159,999 | 1 | - | **1** | 1 | - | **1** |
| £150-154,999 | - | - | **-** | - | - | **-** |
| £145-149,999 | - | - | **-** | 1 | - | **1** |
| £140-144,999 | - | - | **-** | - | - | **-** |
| £135-139,999 | - | 1 | **1** | - | - | **-** |
| £130-134,999 | - | - | **-** | - | - | **-** |
| £125-129,999 | - | - | **-** | - | 2 | **2** |
| £120-124,999 | - | - | **-** | - | - | **-** |
| £115-119,999 | 2 | - | **2** | - | - | **-** |
| £110-114,999 | 2 | - | **2** | 1 | - | **1** |
| £105-109,999 | - | - | **-** | - | - | **-** |
| £100-104,999 | - | - | **-** | - | - | **-** |
| £95-99,999 | - | - | **-** | 1 | - | **1** |
| £90-94,999 | - | - | **-** | - | - | **-** |
| £85-89,999 | 3 | - | **3** | 2 | - | **2** |
| £80-84,999 | 5 | - | **5** | 6 | - | **6** |
| £75-79,999 | 2 | - | **2** | 3 | - | **3** |
| £70-74,999 | 9 | 2 | **11** | 4 | - | **4** |
| £65-69,999 | 25 | - | **25** | 18 | 1 | **19** |
| £60-64,999 | 23 | 10 | **33** | 27 | 9 | **36** |
| £55-59,999 | 37 | 1 | **38** | 39 | 5 | **44** |
| £50-54,999 | 54 | 8 | **62** | 53 | 6 | **59** |
| | **165** | **22** | **187** | **157** | **23** | **180** |

The increase in number of officers shown in the bands above is primarily due to pay awards that were agreed nationally for the 2025/26 financial year.

The following table sets out the remuneration disclosures for senior officers whose salary is equal to or more than £50,000 per year:

**Disclosure for 2025/26**

| Post Title | Salary (Including fees & Allowances) | Benefits in Kind (e.g. Car Allowance) | Total Remuneration excluding employer's pension contributions 2025/26 | Employer's pension contributions 2025/26 | Total Remuneration including employer's pension contributions 2025/26 |
|---|---|---|---|---|---|
| **Chief Fire Officer & Chief Executive** - Phil Shillito | 195,857 | - | **195,857** | 73,545 | **269,403** |
| **Deputy Chief Fire Officer & Executive Director of Service Delivery** - Niall McKiniry | 166,259 | - | **166,259** | 62,514 | **228,773** |
| **Assistant Chief Fire Officer & Executive Director of Corporate Services -** Matthew Sutcliffe | 156,479 | - | **156,479** | 58,836 | **215,315** |
| **Director of Service Improvement** (1 April 2025 to 31 May 2026) | 18,284 | - | **18,284** | 6,875 | **25,159** |
| **Director of Service Improvement** (1 June 2025 to 31 March 2026) | 99,349 | - | **99,349** | 26,077 | **125,426** |
| **Director of Prevention, Protection, Fleet and Estates** (1 April 2025 - 31 May 2025) | 18,284 | - | **18,284** | 5,069 | **23,353** |
| **Director of Resilience and Public Safety** (1 June 2025 - 31 March 2026) | 99,349 | - | **99,349** | 37,355 | **136,705** |
| **Director of Emergency Response** | 118,258 | - | **118,258** | 44,465 | **162,723** |
| *** Executive Director of Finance and Section 151 Officer** | 136,920 | 1,568 | **138,488** | 25,330 | **163,818** |
| **Executive Director of People and Development** (1 April 2025 - 5 May 2025) | 12,287 | 120 | **12,407** | 2,273 | **14,680** |
| **Director of People & Service Improvement** (1 June 2025 to 31 March 2026) | 99,974 | - | **99,974** | 37,590 | **137,565** |
| **Assistant Director of People & Culture** (10 November 2025 to 31 March 2026) | 32,682 | 518 | **33,199** | 6,046 | **39,245** |
| | **1,153,984** | **2,205** | **1,156,189** | **385,976** | **1,542,165** |

* This post is shared with Humberside PCC

**Disclosure for 2024/25**

| Post Title | Salary (Including fees & Allowances) | Benefits in Kind (e.g. Car Allowance) | Total Remuneration excluding employer's pension contributions 2024/25 | Employer's pension contributions 2024/25 | Total Remuneration including employer's pension contributions 2024/25 |
|---|---|---|---|---|---|
| **Chief Fire Officer & Chief Executive** - Phil Shillito | 182,805 | - | **182,805** | 33,819 | **216,624** |
| **Deputy Chief Fire Officer & Executive Director of Service Delivery** - Niall McKiniry | 155,385 | - | **155,385** | 58,425 | **213,810** |
| **Assistant Chief Fire Officer & Executive Director of Corporate Services** | 146,318 | - | **146,318** | 54,988 | **201,306** |
| **Director of Service Improvement** (1 April 2024 - 30 September 2024) | 57,830 | - | **57,830** | 21,744 | **79,574** |
| **Director of Service Improvement** (1 October 2024 to 3 November 2024) | 10,056 | - | **10,056** | 2,788 | **12,844** |
| **Director of Service Improvement** (4 November 2024 to 31 March 2025) | 44,795 | - | **44,795** | 12,420 | **57,215** |
| **Director of Prevention, Protection, Fleet and Estates** (1 April 2024 - 3 November 2024) | 67,953 | - | **67,953** | - | **67,953** |
| **Director of Prevention, Protection, Fleet and Estates** (4 November 2024 - 31 March 2025) | 44,795 | - | **44,795** | 12,420 | **57,215** |
| **Director of Emergency Response** (1 April 2024 - 30 September 2024) | 57,897 | - | **57,897** | 21,769 | **79,666** |
| **Director of Emergency Response** (1 October 2024 - 31 March 2025) | 54,852 | - | **54,852** | 20,624 | **75,476** |
| *** Executive Director of Finance and Section 151 Officer** | 127,964 | 1,464 | **129,429** | 23,673 | **153,102** |
| **Executive Director of People and Development** | 127,964 | 1,682 | **129,647** | 23,673 | **153,320** |
| | **1,078,616** | **3,147** | **1,081,763** | **286,344** | **1,368,106** |

* This post is shared with Humberside PCC

The number of employee compulsory and voluntary exit packages agreed with total cost per band and total cost of the redundancies are set out below:

| | 2025/26 | | | | 2024/25 | | | |
|---|---|---|---|---|---|---|---|---|
| Exit Package Cost Band | Number of Compulsory Redundancies | Number of Other Agreed Departures | Total Number of Exit Packages by Cost Band | Total Cost (£'000) | Number of Compulsory Redundancies | Number of Other Agreed Departures | Total Number of Exit Packages by Cost Band | Total Cost (£'000) |
| £60,001 - £80,000 | - | - | - | - | - | 1 | 1 | 61 |
| £40,001 - £60,000 | - | - | - | - | - | 1 | 1 | 47 |
| £20,001 - £40,000 | - | - | - | - | - | - | - | - |
| £0 - £20,000 | - | - | - | - | - | 1 | - | 11 |
| **Total Cost in Bandings** | **-** | **-** | **-** | **-** | **-** | **3** | **2** | **119** |

## 16. Other Notes To The Financial Statements

### Contingent Liabilities

### Court of Appeal Judgement – Virgin Media v NTL Pension Trustees II Limited

In June 2023 the High Court ruled in the case of Virgin Media Limited v NTL Pension Trustees II Ltd. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by the correct actuarial confirmation. The High Court ruling has since been appealed. In a judgement delivered on 25th July 2024, the Court of Appeal unanimously upheld the decision of the High Court.

On 5th June 2025, the Government announced that it will “introduce legislation to give affected pension met the necessary standards.” Once the legislation has been passed, this will mean that pension schemes will be able to obtain written confirmation from an actuary about the benefit changes that were previously made and apply that confirmation retrospectively without making the plan amendments void, if the changes met the necessary standards.

Royal Ascent was passed on 29th April 2026 but uncertainty remains as to whether any additional liabilities might arise, and if they were, how they would be reliably measured.

### Matthews Pensions Remedy

Following the Matthews judgment, eligible retained firefighters are able to purchase additional pension benefits in respect of historic service. The Authority has recognised a liability in respect of eligible individuals who had made an election under the Matthews options exercise by 31 March 2026.

The options exercise remains open until 31 March 2027 and, consequently, further eligible individuals may make an election after the reporting date. The Authority therefore has a potential additional liability in respect of eligible individuals who had not made an election at 31 March 2026.

The extent of any additional liability cannot presently be determined with sufficient reliability, as it will depend upon the number of eligible individuals who ultimately make an election, their eligible service and pay history and the level of take-up before the options exercise closes.

Any additional pension costs arising from elections made under the Matthews remedy will be accounted for through the Firefighters' Pension Fund arrangements and are not expected to result in an equivalent direct cost to the Authority's General Fund.

Accordingly, no provision has been recognised at 31 March 2026 in respect of individuals who had not made an election by that date and the potential obligation is disclosed as a contingent liability.

### Exceptional Items

There are no exceptional items.

### Material Items of Income and Expenditure

There were no material items of income and expenditure during 2025/26 that are not disclosed elsewhere within the Statement of Accounts.

**Heritage Assets**

The Authority does not have any Heritage Assets; a collection of fire memorabilia is held by the Authority but has little financial value.

**Audit Fees**

During 2025/26 the Authority incurred £108k in Audit fees (£105k in 2024/25) from Forvis Mazars relating to external audit.

**Prior Period Adjustments**

There are no prior period adjustments.

**Events After The Balance Sheet Date**

There have been no events either adjusting or non-adjusting after the Balance Sheet date.

## 17. Cash Flow Notes

Movements in Cash and Cash Equivalents

| | 31 March 2026 £'000 | 31 March 2025 £'000 | Movement £'000 |
|---|---|---|---|
| Bank In Hand/(Overdrawn) | 57 | 74 | (17) |
| | **57** | **74** | **(17)** |

Cash Flow Statement – Adjust net surplus or deficit on the provision of services for non-cash movements

| | £'000 | £'000 |
|---|---|---|
| Depreciation/Amortisation & Impairment | 3,932 | 5,215 |
| Increase/(decrease) in Creditors | (1,337) | 12,218 |
| (Increase)/decrease in Debtors | 469 | 640 |
| (Increase)/decrease in Inventories | (53) | (52) |
| Increase/(decrease) in Provisions | 30 | (170) |
| Movement in Pension Liability | 17,246 | 18,006 |
| Carrying amount of non-current assets held for sale, sold or de-recognised | 654 | (76) |
| Right of use Asset | (50) | (340) |
| | 20,891 | 35,441 |

Cash Flow Statement – Adjust for items included in the net surplus or deficit on the provision of services that are investing and finance activities

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Proceeds from short-term and long-term investments | - | - |
| Proceeds from the sale of Property, Plant and Equipment and Intangible Assets | (676) | (33) |
| Any other items for which the cash effects are investing or financing cash flows | - | - |
| | (676) | (33) |

Cash Flow Statement – Operating activities within the cash flow statement include the following cash flows relating to interest

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Interest Received | (964) | (1,191) |
| Interest Paid | 566 | 696 |
| | (398) | (495) |

Cash Flow Statement – Cash Flows from Investing Activities

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Payments to acquire property, plant and equipment, investment property and intangible assets | (7,098) | (4,570) |
| Opening Capital Creditors | (781) | (560) |
| Closing Capital Creditors | 1,999 | 781 |
| Purchase of short term investments | - | (14,575) |
| New Leases | 551 | 103 |
| Proceeds from the sale of property, plant and equipment, investment property and intangible assets | 677 | 33 |
| Proceeds from short-term and long-term investments | 7,685 | - |
| **Net cash flows from investing activities** | 3,033 | (18,788) |

Cash Flow Statement – Financing Activities

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Cash receipts of short and long-term borrowing | - | 4,000 |
| Appropriation to/from Collection Fund Adjustment Account | 976 | (48) |
| Repayments of short and long-term borrowing | (4,844) | (841) |
| Principal on Finance Leases | (113) | (72) |
| **Net cash flows from financing activities** | (3,982) | 3,039 |

Government Grants

An analysis of other Government grants received during 2025/26 is given in note 12 of the notes to the Financial Statements.

2025/26

HUMBERSIDE
Fire & Rescue Service

# Humberside Fire Authority Pension Fund Account 2025/26

## FIREFIGHTERS' PENSION FUND ACCOUNT

The following table analyses movements on the Fund for the year 2025/26

| 2024/25 £'000s | | 2025/26 £'000s |
|---|---|---|
| | Contributions receivable: | |
| (8,303) | Employers' contributions receivable | (8,470) |
| (2,870) | Firefighters' contributions | (4,305) |
| (11,173) | | (12,775) |
| (123) | Transfers in from other authorities | (39) |
| | Benefits payable: | |
| 22,402 | Pensions | 23,310 |
| 5,381 | Commutations & lump sum retirement benefits | 3,541 |
| 27,783 | | 26,851 |
| | Payments to and on account leavers | |
| - | Transfers out to other authorities | - |
| **16,487** | **Net amount payable for the year** | **14,037** |
| (16,487) | Top-up grant receivable to the Firefighters' Pension Fund | (14,037) |
| **-** | **Fund Account balance** | **-** |

**Net Assets Statement**

| 2024/25 | | 2025/26 |
|---|---|---|
| | **Current Assets** | |
| 1,675 | Pensions Paid in Advance | 1,731 |
| 7,169 | Humberside Fire Authority | 8,563 |
| | **Current Liabilities** | |
| (1,493) | Pensions owing to members (See Matthews note) | (2,055) |
| (1,675) | Humberside Fire Authority | (1,731) |
| (5,676) | Home Office Grant creditor | (6,508) |
| **-** | | **-** |

**Notes to the Firefighters' Pension Fund Account**

The funding arrangements for the Firefighters' Pension Scheme (FPS) changed on 1 April 2006. The Pension Fund was established under the Firefighters' Pension Scheme (Amendment) (England) Order 2006. The Pension Fund administers all four of the Firefighters' Pension Schemes (the 1992 Firefighters' Pension Scheme, the 2006 Firefighters' Pension Scheme, the 2015 Firefighters' Pension Scheme and the Modified Firefighters' Pension Scheme).

The Pension Fund is administered by Humberside Fire Authority.

The Pension Fund is managed by the Executive Director of Finance and Section 151 Officer.

The benefits payable from the Pension Fund are pensions, lump sum commutation payments and ill health pensions. Injury awards are payable from the Authority's General Fund Account.

The Pension Fund is an unfunded scheme, consequently:

- It has no investment assets;
- Benefits payable are funded by contributions from employers and employees; and
- any difference between benefits payable and contributions receivable is met by top-up grant from the Home Office (HO)

The Pension Fund is statutorily prevented from including interest on cashflows and administration expenses in the pension fund. These expenses are accounted for in the Authority's General Fund Account.

Employee and employer contribution levels are based on percentages of pensionable pay set nationally by HO and are subject to triennial revaluation by the Government Actuary's Department. The employers' contribution rates are determined nationally by the Government Actuary's Department and is currently 37.6% for the 2015 FPS.

The membership for the pensions fund is as follows;

| Category of Member | 31/3/2026 1992 FPS | 31/3/2026 2006 NFPS | 31/3/2026 Modified Pension Scheme | 31/3/2026 2015 FPS | 31/3/2025 1992 FPS | 31/3/2025 2006 NFPS | 31/3/2025 Modified Pension Scheme | 31/3/2025 2015 FPS |
|---|---|---|---|---|---|---|---|---|
| Contributors | - | - | - | 785 | - | - | - | 754 |
| Deferred Pensioners | 41 | 154 | 19 | 238 | 37 | 96 | 4 | 248 |
| Pensioners | 947 | 36 | 83 | 133 | 961 | 28 | 92 | 103 |

**Matthews Pensions Remedy**

Following the Matthews judgment, eligible retained firefighters are able to purchase additional pension benefits in respect of historic service. The Authority has recognised a liability in respect of eligible individuals who had made an election under the Matthews options exercise by 31 March 2026.

The options exercise remains open until 31 March 2027 and, consequently, further eligible individuals may make an election after the reporting date. The Authority therefore has a potential additional liability in respect of eligible individuals who had not made an election at 31 March 2026.

The extent of any additional liability cannot presently be determined with sufficient reliability, as it will depend upon the number of eligible individuals who ultimately make an election, their eligible service and pay history and the level of take-up before the options exercise closes.

Accordingly, no provision has been recognised at 31 March 2026 in respect of individuals who had not made an election by that date and the potential obligation is disclosed as a contingent liability.

Statement of Accounting Policies

The Accounting Policies adopted for the Pension Fund follow those set out in the Authority's Statement of Accounting Policies (Note 1 of the Notes to the Financial Statements). Transfer values are an exception to this policy and are on a cash basis.

The following item(s) are estimated and are material to the Pension Fund account:

- Estimation of top-up grant receivable

The Pension Fund Account does not take account of the obligations to pay pensions and benefits that fall due after the end of the financial year. These are reflected in the Authority's accounts in accordance with IAS 19 – Employee Benefits (Please see note 4 in the Notes to the Financial Statements).

CERTIFICATIONS

We, the undersigned, certify that:

The Statement of Accounts represents a True and Fair View of the financial position of Humberside Fire Authority as at 31 March 2026 and the Comprehensive Income and Expenditure for the year ended 31 March 2026.

.....

Niall McKiniry – Chief Fire Officer/Chief Executive

.....

Councillor Nigel Sherwood – Chair

.....

Martyn Ransom – Executive Director of Finance/Section 151 Officer

tbc (authorised for issue date)

**Appendix 1**

**Revenue Variance Analysis**

| 2024/25 | | 2025/26 | | |
|---|---|---|---|---|
| | | Revised Estimate | Actual | Variance |
| **£'000** | **Expenditure** | **£'000** | **£'000** | **£'000** |
| 48,370 | Employees | 50,035 | 50,097 | **62** |
| 3,305 | Premises | 3,903 | 3,292 | **(611)** |
| 2,048 | Transport | 2,284 | 2,233 | **(51)** |
| 5,625 | Supplies and Services | 6,507 | 5,691 | **(816)** |
| 377 | Support Services | 347 | 365 | **18** |
| 3,943 | Capital Charges | 1,959 | 3,423 | **1,464** |
| **63,668** | **Total Expenditure** | **65,035** | **65,101** | **66** |
| (2,403) | **Income** | (1,633) | (2,134) | **(501)** |
| **61,265** | **Net Expenditure** | **63,402** | **62,967** | **(435)** |
| 696 | Interest Payable | 608 | 566 | **(42)** |
| (1,191) | Interest Receivable | (750) | (964) | **(214)** |
| (1,344) | Accounting Adjustments | 1,394 | (159) | **(1,553)** |
| 621 | Contributions to / (from) Reserves | (2,430) | (143) | **2,287** |
| **60,047** | **Net Budget Requirement** | **62,224** | **62,267** | **43** |
| (1,922) | General Government Grant | (2,093) | (2,093) | **-** |
| (6,779) | Business Rates | (7,013) | (7,003) | **10** |
| (22,717) | NNDR | (22,424) | (22,424) | **-** |
| (28,600) | Precepts | (30,694) | (30,694) | **-** |
| **29** | **Net (Surplus)/Deficit** | **-** | **53** | **53** |

| **£'000** | **Movement on the General Fund** | **£'000** |
|---|---|---|
| 29 | (Surplus)/Deficit as above | 53 |
| 1,225 | Reserve Movements as per Fire Authority | (30) |
| - | Budgeted Transfer (To)/From General Reserve | 143 |
| **1,254** | **(Surplus)/Deficit on the General Fund in the Year** | **166** |

**A breakdown of major variances is as follows:**

| | Overspend / (Underspend) £'000 |
|---|---|
| Premises<br>a) lower utility usage and unit rates<br>b) less spend on repairs following statutory servicing | (611) |
| Supplies and Services<br>a) delays in all Services exiting the East Coast Consortium Control Room, which has reduced the level of costs reallocated to remaining Fire and Rescue Services (offset with Contribution from Reserves note)<br>b) a slight delay in the implemntation of the new Control system that will be used to mobilise appliances | (816) |
| Capital Charges<br>Impairment and depreciation of the estate has caused this variance (offset with accounting adjustment note) | 1,464 |
| Income<br>a) Additional ringfenced grant income received from Government<br>b) Additional income in relation to Mutual Aid to other Fire and Rescue Services<br>c) Additional income in relation to staff secondments | (501) |
| Interest Receivable<br>This is due to higher interest rates on our investments | (214) |
| Accounting Adjustments<br>a) Impairment and depreciation of the estate (offset with asset rental interest note)<br>b) Lower Minimum Revenue Provision charge following lower capital spend and additional revenue contributions during the previous financial year | (1,553) |
| Contributions from Reserves<br>a) The Earmarked Reserve Funding relating to the East Coast Consortium was no longer required (see Supplies and Servcies note)<br>b) The Earmarked Reserve Funding relating to Revenue Contribution of Capital Outlay was no longer required due to the variances on all of the lines above | 2,287 |

**Appendix 2**

**Capital Expenditure Breakdown and Variance Analysis**

A breakdown of capital expenditure can be found in the table below.

| Project | 2025/26 | | |
|---|---|---|---|
| | Revised Estimate £'000 | Actual £'000 | Variance £'000 |
| **Buildings** | | | |
| Howden | 1,435 | 575 | (860) |
| Beverley | 200 | 231 | 31 |
| Epworth | 36 | 4 | (32) |
| Training Infrastructure | 875 | 1,295 | 420 |
| Immingham East | 475 | 40 | (435) |
| Stores | 750 | - | (750) |
| Electric Vehicle Charging Points | 40 | 6 | (34) |
| Headquarters | 100 | 86 | (14) |
| Winterton | - | 2 | 2 |
| Fire Station External Works | 100 | 128 | 28 |
| Bridlington | 415 | 9 | (406) |
| **Vehicles** | | | |
| Operational | 1,544 | 1,392 | (152) |
| Support | 886 | 1,208 | 322 |
| **Plant & Equipment** | | | |
| IT Equipment | 750 | 771 | 21 |
| Equipment | 400 | 563 | 163 |
| Breathing Apparatus | 150 | 237 | 87 |
| | **8,156** | **6,547** | **(1,609)** |

Analysis of the most significant capital variances:

| | Overspend/ (Underspend) £'000 |
|---|---|
| **Howden** | (860) |
| This work is expected to be completed during 2026/27 | |
| **Training Infrastructure** | 420 |
| Additional construction due to revised plans across the Service's Training Infrastructure, to ensure the safety of the site and our Firefighters | |
| **Immingham East** | (435) |
| The planned works at Immingham East didn't commence during 2025/26 | |
| **Stores** | (750) |
| The planned works for the new stores facility didn't commence during 2025/26 | |
| **Bridlington** | (406) |
| The planned works at Bridlington didn't commence during 2025/26 | |
| **Vehicles** | 170 |
| The Service made significant investments to stenghthen the vehicle capabilities of its Incident Commanders across intermediate, advanced and strategic levels | |
| **Equipment** | 163 |
| Additional equipment purchased during 2025/26 | |

## Appendix 3

## Glossary of terms

| | |
|---|---|
| Accounting Date | This is the date at which the Balance Sheet is produced, for this Authority it is 31 March each year. |
| Accounting Period | The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date. |
| Accruals | Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March. |
| Actuarial Gains and Losses | For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because:<br><br>events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed. |
| Agency Arrangements | An arrangement between two organisations where one will act as an agent, collecting money on behalf of the other party, to whom the money is then paid over. An example of this is council tax collections, where the four local authorities collect money from tax payers on behalf of the Authority and then pay it over. |
| Amortisation | The measure of the cost of the wearing out, consumption or other reduction in the useful economic life of the Authority's Intangible Assets during the accounting period, whether from use, the passage of time, or obsolescence through technological or other changes. |
| Asset | An item having value to the Authority in monetary terms. Assets are categorised as either current or non-current: |

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| | A **current** asset will be consumed or cease to have material value within the next financial year (e.g. cash and inventories);<br><br>A **non-current** asset provides benefits to the Authority and to the services it provides for a period of more than one year and may be **tangible** e.g. a fire station or **intangible**, e.g. computer software licences. |
| Audit of Accounts | An independent examination of the Authority's financial affairs. |
| Balance Sheet | A statement of the recorded Assets, Liabilities and other balances at the end of the Accounting Period. |
| Budget | The forecast of net revenue and Capital Expenditure over the Accounting Period. |
| Capital Expenditure | Expenditure on the acquisition of a non-current asset, which will be used in providing services beyond the current Accounting Period or expenditure that adds to, and not merely maintains, the value of an existing non-current Asset. |
| Capital Financing | Funds used to pay for Capital Expenditure. There are various methods of financing Capital Expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, revenue reserves and earmarked reserves. |
| Capital Programme | The capital schemes the Authority intends to carry out over a specified period of time. |
| Capital Receipts | The proceeds from the disposal of land or other non-current Assets. Capital receipts can be used to finance new Capital Expenditure, but they cannot be used to finance Revenue Expenditure. |
| Carrying Value | This is the value of an Asset or Liability as shown in the Statement of Accounts |
| Cash Equivalents | Short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. |
| Code Of Practice | The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice on Local Authority Accounting. |
| Component | A part of an Asset requiring separating from the total (host) Asset into an Asset in its own right as it has a cost that is significant in relation to the total cost of the Asset. If the components also have a significantly different depreciable life from the host then it is depreciated separately. |
| Comprehensive Income and Expenditure Statement | Shows the accounting economic cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation |

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| | position is shown in the Movement in Reserves Statement. |
| Consistency | The concept that the accounting treatment of like items, within an Accounting Period and from one period to the next, are the same. |
| Consolidation | The process of combining the Financial Statements from the Authority and the Authority's share of Emergency Services Fleet Management (Humberside) Ltd. |
| Contingent Asset | A possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority. |
| Contingent Liability | A contingent liability is either:<br><br>a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority, or<br><br>a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability. |
| Corporate and Democratic Core | The corporate and democratic core comprises all activities that fire authorities engage in specifically because they are comprised of members elected to local authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent, single purpose, nominated bodies managing the same services. There is therefore no logical basis for apportioning costs to services. |
| Creditor | Amount owed by the Authority for works done, goods received or services rendered within the Accounting Period, but for which payment has not been made by the end of that Accounting Period. |
| Current Service Cost (Pensions) | The increase in the present value of a defined benefit pension scheme's liabilities, expected to arise from employee service in the current period. |
| Debtor | Amount owed to the Authority for work done, goods received or services rendered within the Accounting Period, but for which payment has not been received by the end of that Accounting Period. |
| Defined Benefit Pension Scheme | Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to any investments of the scheme. |
| Depreciation | The measure of the cost of the wearing out, consumption or other reduction in the useful economic life of the Authority's non-current Assets during the accounting period, whether from use, the passage of |

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| | time, or obsolescence through technological or other changes. |
| Derecognition | The removal of an Asset or Liability from Authority's Balance Sheet. |
| Effective Interest Rate | This is the rate of interest necessary to discount the estimated stream of principal and interest cash flows through the expected life of a Financial Instrument to equal the amount after initial recognition. |
| Events after the Reporting Period | Events after the reporting period are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue. |
| Exceptional Items | Material items which derive from events or transactions that fall within the ordinary activities of the Authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the Accounts. |
| Existing Use Value (EUV) | The estimated amount for which a property should be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction, assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause the market value to differ from that needed to replace the remaining service potential at least cost. Under IFRS this is the same as Fair Value. |
| Expected Return on Pension Assets | For a funded Defined Benefit Scheme, this is the average rate of return including both income and changes in Fair Value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme. |
| Fair Value | The amount of which an Asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's-length transaction. Under IFRS there is no consistent definition of Fair Value; different definitions apply in different circumstances. |
| Financial Instrument | Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities, from straightforward trade receivables (invoices owing) and trade payables (invoices owed) to complex derivatives and embedded derivatives. |
| Finance Lease | A lease that transfers substantially all the risks and rewards of ownership of an asset to the lessee (even though title to the property may not be transferred). The asset is recorded on the Balance Sheet of the lessee. |
| Going Concern | The concept that the Statement of Accounts are prepared on the assumption that the Authority will |

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| | continue in operational existence for the foreseeable future. |
| Government Grants | Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain stipulations relating to the activities of the Authority. Grants may be specific to a particular scheme or may support the revenue or capital spend (respectively) of the Authority in general. |
| Held for Sale | Property, plant and equipment assets held by the Authority pending sale. Assets must meet strict criteria before being classified as Held for Sale. |
| Heritage Assets | An asset with historic, artistic, scientific, technological, geophysical, or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it. |
| Impairment | A reduction in the value of a non-current Asset to below its Carrying Value on the Balance Sheet. Impairment is caused by a consumption of economic benefit such as obsolescence or physical damage of an Asset. |
| Income | Amounts that the Authority receives or expects to receive from any source, including fees, charges, sales and grants. |
| Intangible Assets | An intangible (non-physical) item may be defined as an identifiable non-monetary asset when it is probable that the expected future economic benefits attributable to the asset will flow to the entity, and its cost can be measured reliably. An asset meets the identification criteria when it:<br>(a) Is separable, i.e. capable of being separated or divided from the entity and sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract, asset or liability; or<br>(b) Arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations. |
| Interest Cost (Pensions) | For a Defined Benefit Scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement. |
| International Accounting Reporting Standards (IAS) | These are accounting standards published and produced by the International Accounting Standards Board. Further detail on International Accounting Standards can be found at www.ifrs.org |
| Inventories | Items of raw materials and stores, the Authority has procured and holds in expectation of future use. Examples are consumable stores, raw materials and products and services in intermediate stages of completion (work in progress). |

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| Investments | A sum invested on a long-term or continuing basis to support the activities of an organisation, or where the disposal of the investment is restricted in some way. Monies invested which do not meet these criteria are classified as current assets. |
| Liability | A liability is where the Authority owes payment to an individual or another organisation, arising from past events.<br>• A **current** liability is an amount which will or could become payable in the next Accounting Period, e.g. creditors or cash overdrawn.<br>• A **deferred** liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time. |
| Long-term Contract | A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one Accounting Period. |
| Materiality | The concept that the Statement of Accounts should include all amounts which, if omitted, or misstated, could be expected to lead to a distortion of the Financial Statements and ultimately mislead a user of the Accounts. |
| Minimum Revenue Provision (MRP) | The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Authority. |
| Net Book Value (NBV) | The amount at which non-current Assets are included in the Balance Sheet, i.e. their historical costs or current value, less the cumulative amounts provided for Depreciation and Impairment. |
| Net Current Replacement Cost | The estimated cost of replacing or recreating a particular asset in its existing condition and in its existing use, i.e. the cost of its direct replacement. |
| Net Debt | The Authority's borrowings less cash, cash equivalents and short term investments. |
| Net Present Value | Net Present Value (NPV) is the difference between the present value of cash inflows and the present value of cash outflows |
| Net Realisable Value | The open market value of an asset less the expenses to be incurred in realising the asset. |
| Non-current Assets | Property, Plant and Equipment held or occupied, used or consumed by the Authority in pursuit of its strategic objectives in the direct delivery of those services for which it has either a statutory or discretionary responsibility. |

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| Non Distributed Costs (NDC) | These are the overheads for which no user now benefits and as such are not apportioned to services. |
| National Non Domestic Rates (NNDR) | The non-domestic rate is a levy on businesses, based on a national rate in the pound set by the Government and multiplied by the assessed rateable value of the premises they occupy. It is collected by Local Authorities on behalf of Central Government and is then redistributed back to the Authority. |
| Operating Lease | A lease other than a Finance Lease. The risks and rewards of ownership of a non-current asset that is leased remain with the lessor and on the lessor's Balance Sheet. The lessee accounts for the rental payments as revenue income and expenditure. |
| Past Service Cost (Pensions) | For a Defined Benefit Pension Scheme, the increase in the present value of the scheme liabilities related to the employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits. |
| Pension Scheme Liabilities | The liabilities of a Defined Benefit Pension Scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to that date. |
| Precept | The levy made by precepting authorities on billing authorities, requiring the latter to collect income from council taxpayers on their behalf. |
| Prior Year Adjustment | Material adjustments applicable to prior years arising from changes in accounting policies or from the correction of material errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years. |
| Projected Unit Method | An assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees. |
| Prospective Application | Applying new accounting policies to transactions, other events and conditions occurring after (not before) the date as at which the policy is changed and recognising the effect of the change in the accounting estimate in the current and future period affected by the change. |
| Provision | An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur as a result of a past event, but the amounts or dates of which they will arise are uncertain. |
| Public Works Loan Board (PWLB) | A Central Government Agency, which provides loans for one year and above to authorities at interest rates only slightly higher than those at which the Government itself can borrow. |
| Related Parties | There is a detailed definition of related parties IPSAS 20. For the Authority's purposes, related parties are deemed |

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| | to include the Authority's Members, Senior Officers and their close family, partners, levying bodies, other public sector bodies, the Pension Fund and Assisted Organisations. |
| Related Party Transactions | The Code requires the disclosure of any material transactions between the Authority and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such. |
| Remuneration | All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the monetary value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded. |
| Reserves | The residual interest in the Assets of the Authority after deducting all of its Liabilities. These are split into two categories, usable and unusable. Usable reserves are those reserves that contain resources that an authority can apply to fund expenditure of either a revenue or capital nature (as defined). Unusable reserves are those that an authority is not able to utilise to provide services. They hold unrealised gains and losses (for example the revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences between expenditure being incurred and its financing e.g. Capital Adjustment Account. |
| Residual Value | The net realisable value of an asset at the end of its useful life. |
| Retirement Benefits | All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. |
| Retrospective Application | Applying a new accounting policy to transactions, other events and conditions as if that policy had always been applied. Opening balances and prior year income and expenditure comparatives must be adjusted. |
| Revaluation Loss | A reduction in the value of a non-current Asset below its Carrying Amount in the Balance Sheet, caused by a general fall in prices across a whole class of assets. |
| Revenue Expenditure | The day-to-day expenses of providing services. |
| Revenue Support Grant | A grant paid by Central Government to authorities, contributing towards the general cost of services. |
| Single Entity | Refers to transactions and balances that form part of the Authority Accounts. |
| Statement of Accounts | The set of Statements comprising the Expenditure and Funding Analysis Statement, Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and accompanying notes. |

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| Temporary Borrowing | Money borrowed for a period of less than one year. |
| True and Fair View | The Statement of Accounts should be the faithful representation of the effects of the transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the code. Compliance with the Code is presumed to result in financial statements that achieve a true and fair presentation. |
| Useful Economic Life | The period over which the Authority will derive benefits from the use of a non-current Asset. |

**Appendix 4**

**Feedback form**

**Humberside Fire Authority**

**STATEMENT OF ACCOUNTS 2025/26**
**FEEDBACK FORM**

The Statement of Accounts evolves each year and notwithstanding a large amount of information being prescribed by the Accounting Codes of Practice, the Authority attempts to make the document as readable and user friendly as possible.

We would therefore welcome any comments from readers on the Statement of Accounts regarding improvements to the layout and readability for future years. If you could complete the following questionnaire and return it to the address below we will try to accommodate any comments received. Alternatively, if you are viewing this document on the internet, there is an on-line form which you can submit.

We will attempt to incorporate any comments received by 31 March 2027 into the 2026/27 Statement of Accounts where possible and the Authority will try to include any comments received after that date into future years' documents.

1. Please indicate in what capacity you are viewing this Statement.

Local Tax Payer ☐ Local Business ☐

Other, please specify ……

2. Is the format and the layout of the Statement of Accounts easy to understand and follow?

Yes ☐ No ☐

If not why not?

| |
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| |

3. Did you find the information you were looking for?

Yes ☐ No ☐

If no, why?

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| |

4. Any other comments you have would be welcome:

Please return by attaching the freepost form on the next page to the front of an envelope.

Business Reply
Licence Number
RTRC-GLXU-LCJT

HUMBERSIDE
Fire & Rescue Service

2

Humberside Fire Service
Brigade Headquarters
Summergroves Way
Hull
HU4 7BB

# Executive Summary

This Annual Governance Statement (AGS) provides an overall assessment of the effectiveness of the governance arrangements of Humberside Fire Authority (the Authority) for the period 1 April 2025 to 31 March 2026. It is informed by an annual review of governance undertaken in line with the principles of good governance as set out in *Delivering Good Governance in Local Government: Framework* (2016 Edition) and *Addendum, covering the annual review of governance and the annual governance statement* (May 2025) by the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE).

The Authority is satisfied that its governance arrangements were fit for purpose during 2025/26 and supported the delivery of its strategic objectives, statutory responsibilities and value for money duties. No significant governance failures were identified during the year. Arrangements were in place and operating effectively across the key principles of good governance, supported by a robust system of internal control and assurance.

The Authority remains committed to continuous improvement and recognises the importance of ensuring that governance arrangements remain resilient and responsive to future challenges. Key areas of focus for 2026/27 include responding to the evolving national policy and devolution landscape, maintaining financial sustainability, and strengthening organisational capacity and culture.

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# Our Review of Effectiveness

## How the review was conducted

The Authority has a responsibility under The Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement.

There is a requirement to undertake an annual review of the effectiveness of its governance framework, including the system of internal control. The review for 2025/26 was coordinated by senior officers and informed by multiple sources of assurance gathered throughout the year, rather than solely at year-end.

The review drew on:

- The current Governance framework.
- Assurances provided by statutory officers and senior management on the effectiveness of governance arrangements within their areas of responsibility.
- The annual opinion of the Head of Internal Audit which was satisfied that, for the areas reviewed during the year, the Service had reasonable and effective risk management, control and governance processes in place.
- Performance and financial monitoring reports considered by the Fire Authority and the Governance, Audit and Scrutiny (GAS) Committee.
- The Strategic Risk and Opportunity Register and associated risk management processes.
- Findings, reports and feedback from external audit and external inspection bodies.

- Outcomes from GAS Committee scrutiny activity and Authority Member engagement.

This evidence was considered collectively to form an overall assessment of whether governance arrangements were adequate, operating effectively, and aligned to the seven principles of good governance.

## Review Outcome

The key elements of the Authority's governance framework included:

(1) The Constitution of the Authority which includes:

- Committee Membership and Terms of Reference.
- Designation of Statutory Officers
- Scheme of Delegation to Officers.
- Financial Procedure Rules.
- Contract Procedure Rules.
- Members' Code of Conduct.
- Employees' Code of Conduct.
- Protocol for Member and Officer relationships.
- Code of Corporate Governance.

(2) The GAS Committee, as well as the Authority itself, received regular reports on the Service's performance arrangements.

(3) An approved Corporate Risk and Improvement Framework Policy which includes risk management and the regular monitoring and review of the Strategic Risk and Opportunity Register.

(4) An approved 'Local Code of Corporate Governance' in accordance with the CIPFA/SOLACE Framework for Corporate Governance.

(5) The designation of the Chief Fire Officer as Chief Executive responsible to the Authority for all aspects of operational management.

(6) The designation of the Executive Director of Finance and S.151 Officer (Local Government Act 1972) in accordance with Section 112 of the Local Government Finance Act 1988 and conforming with the governance requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government (2010).

(7) The designation of the Secretary as Monitoring Officer with the requirement to report to the full Authority if it is considered that any proposal, decision or omission would give rise to unlawfulness or maladministration.

(8) The Executive Leadership Team has considered a strategic overview of the Authority control environment, including the response to external audit, performance management, strategic planning and scrutiny of risk and opportunity management.

(9) Finance Planning process.

- The production of quarterly Finance and Procurement Updates which are distributed to all members of SLT and are considered at the GAS Committee and Authority meetings.
- The production of a Medium Term Resource Strategy.
- The production of an annual Productivity and Efficiency Plan.

(10) Strategic Planning process.

- The Community Risk Management Plan (CRMP) 2025-28 was published in line with the requirements of the Fire and Rescue National Framework for England, providing a detailed assessment of the risks facing our communities and personnel and the measures taken to mitigate those risks. The CRMP was approved by the Authority on 28 March 2025 following a public consultation and is reviewed annually.

- The Strategic Plan 2025-28 included strategic objectives and Directorate responsibilities. The Strategic Plan was approved by the Authority on 28 March 2025.

(11) Financial crime management and speaking up provision.

- The Service is committed to the highest possible standards of integrity, openness, fairness, inclusivity, probity and accountability. The Authority aims to provide a positive and supportive culture to enable employees to raise their concerns.
- The Service publishes its Anti-Fraud and Corruption, Anti-Bribery and Anti-Money Laundering Policies and other such Policies on the website, and associated data under its data transparency section.
- The Service has in place a Whistleblowing Policy published on its website. Staff and the public can also raise serious concerns through the independent reporting line, Independent Speak Up (a contract procured by the Service powered by Crimestoppers).
- The Service has 'Freedom to Speak up Guardian' roles, providing another independent reporting route for staff to raise concerns.

(12) A Service Improvement Plan is in place that ensures improvement areas across the Service, including any actions arising from His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Inspection, are documented, evidenced and regularly reviewed.

(13) Member and Officer Development Programmes.

- During 2025/26 Officers undertook facilitated supportive leadership development sessions. Access to the T2Hub of Management and Leadership Self Development resources, Continual Professional Development through the Leadership Forum and Guest Speakers and Officers, completing the Executive Leadership Programme.

(14) Scheduled Member Days throughout the year support Member development and awareness of developing agenda for the Service and across the Sector as a whole.

(15) An approved Treasury Management Strategy with Prudential Indicators.

(16) A Protective Marking Scheme (based upon the His Majesty's Government Security Framework).

(17) In line with the Equality Act 2010, the publication of Equality, Diversity and Inclusion Priorities.

(18) Aligned service delivery with our four Local Authorities (Hull, East Riding, North Lincolnshire and North East Lincolnshire) through District management teams, is helping partnership work and assists us to be closer and more accountable to local communities.

(19) Bi-Annual Performance Reports to the Authority are published on our website.

(20) A Pension Board, as required under The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015, was formed in 2015 to oversee compliance in the operation of the Firefighters' Pension Scheme (FPS). The Pension Board met twice during 2025/26.

(21) Regular Joint Consultative Committee meetings attended by all Representative Bodies to discuss any matters relating to staff terms and conditions.

(22) Member Champions continue to support functional areas and are invited to attend local District performance meetings and to meet with Area Managers and Executive Directors.

(23) Public consultation on our Council Tax Precept allowing Authority Members to make an informed decision on the setting of the precept.

(24) A Service or Local Level Serious Incident Review (SIR) conducted within 30 days of a serious incident. The purpose of the SIR is to investigate an incident that has led to the serious injury or death of a person(s). This inclusive process enables the Service, along with partners and stakeholders, to come together and identify, develop, implement, and embed learning opportunities.

- One Service Level SIR has been conducted over the past twelve-month period, which resulted in one male fatality.
- Over the same twelve-month period two local level reviews were conducted.
- All learning from these reviews has been communicated and shared at the Regional Prevention Performance Meeting and the National NFCC Safeguarding Practitioners Meeting.

(25) In line with legislative requirements the Authority published its Gender, Ethnicity and Disability Pay Gap Report by the end of March 2026.

(26) Emergency Preparedness for significant events is assured through provision of a fulltime team, established and tested Business Continuity Plans and a lead role within the Humber Local Resilience Forum (LRF).

(27) Policies relating to compliance, management and administration of information governance, under the General Data Protection Regulation (GDPR) are published on the website.

(28) The Service has appropriate arrangements in place should the use of the powers under the Regulation of Investigatory Powers Act (RIPA) 2000 be necessary. There was no use of RIPA or requests for covert surveillance during 2025/26.

**Partnership Working**

(29) The Police & Crime Act 2017 places a statutory duty upon Fire and Rescue, Police and Ambulance services to collaborate. We continue to proactively identify collaborative opportunities with the Police, Ambulance services and other bodies. This has included:

- The provision of S151 and Deputy S.151 officer function to Humberside PCC.
- A joint Emergency Service Fleet Management workshop with the Humberside Police.
- A Joint Estates Service function with Humberside Police.
- Shared provision of a Health and Safety function with Humberside Police, managed by the Service.
- Provision of a medical First Responder scheme in partnership with Yorkshire Ambulance (YAS), East Midlands Ambulance Service (EMAS).
- The Hull Falls, Intervention Response, Safety Team (F.I.R.S.T) in partnership with NHS partners, Hull City Council and East Riding of Yorkshire Council.
- An agreement with Yorkshire Ambulance Service (YAS) for them to provide Service wide Clinical Governance.
- Memorandums of Understanding with Humberside Police and Ambulance Trusts to support response activities including:
  - Fire Investigation
  - Forced Entry for Medical Rescues
  - Drone
  - Bariatric
- An Integrated Health Centre incorporating a Full-Time fire station, in partnership with Humber, Coast and Vale ICS.

## Review Conclusion

- Governance arrangements were adequately aligned to support delivery of the Authority's Community Risk Management Plan, mission, vision and strategic objectives, while meeting best value and stewardship responsibilities.
- The Authority had appropriate arrangements in place to support each of the seven principles of good governance, including ethical standards, openness and engagement, strategic planning, performance management, risk management and accountability.

- Core arrangements set out in the CIPFA/Solace Framework and Addendum were in place and operating effectively, including the roles of statutory officers, financial management arrangements, risk and assurance frameworks, internal audit and member oversight.
- Internal Audit concluded that the Authority had reasonable and effective risk management, control and governance processes for the areas reviewed during the year.

The overall conclusion that governance arrangements were fit for purpose was agreed by the Strategic Leadership Team and considered by the GAS Committee as part of its scrutiny role.

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## Where Our Governance Needs to Improve

The review did not identify any significant governance failures during 2025/26. However, governance is not static and the Authority recognises that continuous improvement remains essential.

Areas for ongoing attention and improvement include:

- Ensuring governance arrangements remain sufficiently flexible and resilient to respond to emerging national developments, including legislative change and devolution proposals.
- Maintaining strong oversight of financial sustainability in the context of ongoing uncertainty around national funding and cost pressures.
- Continuing to strengthen leadership capacity, workforce development and organisational culture to support ethical behaviour, openness and high performance in line with the National Fire Chiefs Council (NFCC) Core Code of Ethics.

Progress against these areas will be monitored through existing performance management, risk management and committee reporting arrangements.

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## How We Have Improved Our Governance Arrangements in 2025/26

During 2025/26 the Authority continued to strengthen its governance framework through a range of actions, including:

- Ongoing development and scrutiny of the Service Improvement Plan, including actions arising from His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspection activity.
- Continued use of Internal Audit as a source of independent assurance to support improvement in targeted areas.
- Enhanced leadership and management development activity to support organisational capacity, capability and culture.

- Regular review of strategic risks and opportunities through the Strategic Risk and Opportunity Register and reporting to Members.

Governance improvements implemented during the year will continue to be embedded and monitored where actions extend beyond the AGS period.

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## Forward Look on Governance

Looking ahead, the Authority recognises that governance arrangements will need to continue to evolve to meet future challenges and opportunities. Key areas likely to impact governance over the medium term include:

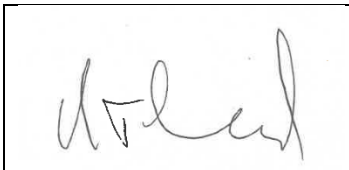
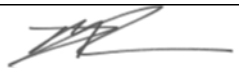
- Potential changes arising from national devolution policy and any future structural or accountability reforms affecting fire and rescue governance.
- Continuing financial pressures and the need to sustain robust financial planning, reserves management and value for money arrangements.
- Increasing complexity of partnership and collaborative working, requiring clear accountability, transparency and assurance arrangements.
- The ongoing requirement to ensure governance arrangements support organisational resilience, performance and public confidence.

The Authority will keep governance under regular review to ensure that arrangements remain fit for purpose and support the achievement of its strategic outcomes.

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## Approval and Signatures

The Annual Governance Statement was approved by the Fire Authority at its meeting of 17 July 2026 following consideration by the Governance, Audit and Scrutiny Committee at its meeting of 6 July 2026.

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| <br>Councillor Nigel Sherwood<br>Chair of the Fire Authority | <br>Phil Shillito<br>Chief Fire Officer & Chief Executive |
| <br>Martyn Ransom<br>Section 151 Officer | <br>Lisa Dixon<br>Monitoring Officer to the Fire Authority |