



HUMBERSIDE
Fire & Rescue Service

QUARTERLY FINANCE AND PROCUREMENT UPDATE

For the period ending 31st December 2025



Safer communities, safer firefighters

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I. Executive Summary

At quarter three the Service is in a sound financial position with a slight overspend position anticipated for the end of 2025/26 and closing reserves of £14.1m.

The capital replacement reserve remains at over £5m, with plans in place to gradually release this over the next five years to meet some of the planned investments.

An efficiency target of £379k was included within the balanced budget for 2025/26. At quarter two £264k of efficiencies have been identified, with the Finance and Procurement Teams continuing to work with budget holders to deliver the remainder.

The Procurement Team continue to monitor and review risk critical contracts and have awarded contracts of £1.4m in the third quarter of the financial year. Alongside this, 36 contract management meetings have been conducted to ensure effective service delivery and value for money is maintained.

Three contracts were awarded outside of the Fire Authority Constitution between October and December 2025. These were exceptional circumstances due to the urgent nature of the procurement and need to provide continuity of services.

Martyn Ransom
Executive Director of Finance/S151 Officer
16/01/26

2. Finance

2.1 Revenue

The table below shows the actual and committed expenditure as at 31st December 2025 for revenue, compared to the 2025/26 profiled budget for the same period. The table also shows the forecasted outturn for the full year based on current levels of income and expenditure plus any known variances to the end of the financial year.

2025/26 Revenue Monitoring Summary 1st April 2025 to 31st December 2025 (Period 9)									
	Original Budget £'000	Revised Budget £'000	31 December 2025		Full Year			Status	Notes
			Profiled Budget £'000	Actual and Committed £'000	Projection £'000	Variance £'000	%		
Pay	50,095	50,050	37,433	37,244	49,995	(55)	(0.11)	Green	1
Non Pay	12,981	13,026	10,095	8,486	12,086	(940)	(7.22)	Green	2 - 3
Income	(3,726)	(3,726)	(2,795)	(3,568)	(3,891)	(165)	4.43	Green	4
Interest Receivable	(750)	(750)	(563)	(746)	(940)	(190)	25.33	Green	5
Capital Financing	3,961	3,961	456	337	3,784	(177)	(4.47)	Green	6
Transfers to / (from) Reserves	(2,430)	(2,430)	-	-	(869)	1,561	(64.24)	Red	7
Net Budget Requirement	60,131	60,131	44,626	41,753	60,165	34	0.06	Red	

Notes

The following details the reasons for the projected variances that are in excess of £100k, shown in the table on page 5:

1. This projected variance materially relates to:
 - a. Lower employer contributions, due to staff opt outs, in both the Firefighters' Pension Scheme and Local Government Pension Scheme.
 - b. Targeted recruitment of on-call firefighters, to maintain Station availability levels, has resulted in additional expenditure within this area.
 - c. More incidents, of a longer duration, have been seen in the first nine months of 2025/26, including Mutual Aid to North Yorkshire Fire and Rescue which will be offset against income received.
 - d. Additional training, beyond what was budgeted, has also been required to ensure the continued safety of firefighters.
2. The forecast underspend results from lower Estates costs than anticipated. Utilities should be highlighted, where a lower cost per unit than budgeted, alongside reduced usage following the implementation of energy efficient items (i.e lighting), have been seen.
3. The projected variance can be attributed to delays in other Services exiting the East Coast Consortium Control Room, which has reduced the level of cost reallocated to remaining Fire and

Rescue Services. Funding was originally allocated to this from an Earmarked Reserve (see note 5).

4. This projected variance is due to additional ringfenced grant income that has been received and income in relation to Mutual Aid to North Yorkshire Fire and Rescue (see note 1c).
5. A higher level of investment interest returns due to higher interest rates on a higher level of cash balances.
6. This projected overspend is due to lower Minimum Revenue Provision charge following lower capital spend and additional revenue contributions to capital during 2024/25.
7. The variance results from:
 - a. no longer requiring Earmarked Reserve Funding relating to the East Coast Consortium Control Room (see note 3); and
 - b. ringfencing the additional income from interest receipts (note 5), the underspend on capital financing (note 6) and the underspend on interest payable into reserves in order to fund the Stores capital project, which will now complete in 2026/27.

The table below shows a further breakdown of the data that is shown in the table on page 4:

2025/26 Revenue Monitoring Detail 1st April 2025 to 31st December 2025 (Period 9)									
	Original Budget £'000	Revised Budget £'000	31 December 2025		Full Year			Status	Note
			Profiled Budget £'000	Actual and Committed £'000	Projection £'000	Variance £'000	%		
Employees									
Wholetime Firefighters	32,053	32,023	24,025	23,600	31,648	(375)	(1.17)	Green	1
On-Call Firefighters	6,151	6,151	4,410	4,789	6,676	525	8.54	Red	1
Non-Uniformed	9,760	9,747	7,312	7,081	9,550	(197)	(2.02)	Green	1
Other Employee Expenses (Training, Occ Health, Insurances etc.)	2,131	2,129	1,686	1,774	2,121	(8)	(0.38)	Green	
Total Pay and Pensions	50,095	50,050	37,433	37,244	49,995	(55)	(0.11)	Green	
Non Pay Expenditure									
Premises	3,934	3,903	3,196	2,630	3,496	(407)	(10.43)	Green	2
Transport	2,312	2,312	1,734	1,770	2,298	(14)	(0.61)	Green	
Supplies and Services	6,767	6,579	5,020	3,871	6,060	(519)	(7.89)	Green	3
Support Services	347	347	260	215	347	-	-	Green	
Non Pay Efficiency Savings	(379)	(115)	(115)	-	(115)	-	-	Green	
Total Expenditure	63,076	63,076	47,528	45,730	62,081	(995)	(1.58)	Green	
Income									
	(3,726)	(3,726)	(2,795)	(3,568)	(3,891)	(165)	4.43	Green	4
Net Expenditure (Excluding Capital Charges)	59,350	59,350	44,733	42,162	58,190	(1,160)	(1.95)	Green	
Interest Payable									
	608	608	456	337	558	(50)	(8.22)	Green	
Interest Receivable									
	(750)	(750)	(563)	(746)	(940)	(190)	25.33	Green	5
Capital Financing									
	3,353	3,353	-	-	3,226	(127)	(3.79)	Green	6
Transfers to / (from) Reserves									
	(2,430)	(2,430)	-	-	(869)	1,561	(64.24)	Red	7
Net Budget Requirement	60,131	60,131	44,626	41,753	60,165	34	0.06	Red	

2.2 Cash Releasing Efficiency Savings

The National Fire Chiefs Council (NFCC) and the Local Government Association (LGA) have proposed that across Fire and Rescue Services (FRS) in England, the sector could create efficiency savings to the value of 2% of non-pay budgets whilst increasing productivity by 3%.

FRSs are required to produce an annual Productivity and Efficiency Plan which provides detail of the efficiency and productivity progress against the national goals. The 2025/26 Productivity and Efficiency Plan for Humberside can be found [here](#).

A cash releasing efficiency saving is a permanent reduction in recurring costs including reduction in revenue budget. Examples include:

- A permanent removal of a post (Deleted from the TOM/Establishment).
- Renegotiation of a contract to a reduced cost (doing the same for less) and therefore generating a permanent reduction in budget.
- Identification and removal of budget (permanently) due to either reprioritisation or a realisation that the budget is no longer required (permanently).

(This list is not exhaustive and is to provide examples of efficiency savings).

The Finance Team work closely with budget holders to identify and monitor any efficiencies that arise within their area of responsibility.

The table below shows the efficiencies that have been identified in the year to date compared to the efficiency target of £379k which was included when setting a balanced budget for 2025/26:

Cash Releasing Efficiency Savings 1st April 2025 to 31st December 2025 (Period 9)		
Efficiency	Amount £'000	Detail
IT Contracts	141	A review of IT contracts has generated an efficiency saving.
Review of Establishment	4	Following a review of the structure within our Digital Services team, an efficiency saving was generated.
Salary Sacrifice Car Scheme	39	The service operates a salary sacrifice scheme for electric vehicles which has lead to an efficiency in employer national insurance contributions.
Business Rates	31	Following a challenge of rateable values by the Finance team, a reduction in business rates was generated.
Smoke and Hearing Impaired Alarms	49	Following a change in supplier for smoke and hearing impaired alarms, this has created a reduction in cost.
Total Efficiency Savings Identified	264	
Non Pay Budget	10,972	
Efficiency Target (£'000)	379	
Efficiency Target (%)	3.45%	

The Finance Team will continue to work with budget holders throughout the year to drive efficiencies within the Service.

2.3 Capital

The table below shows the actual and committed expenditure as at 31st December 2025 for Capital, compared to the 2025/26 profiled budget for the same period. The table also shows the forecasted outturn for the full year based on current levels of expenditure plus any known variances to the end of the financial year.

2025/26 Capital Monitoring Summary 1st April 2025 to 31st December 2025 (Period 9)										
	Original Budget £'000	Revised Budget £'000	31 December 2025		Full Year			Status	Note	
			Profiled Budget £'000	Actual and Committed £'000	Projection £'000	Variance £'000	%			
Building Works										
New Buildings	600	2,185	1,639	2	1,712	(473)	(21.65)	Green	1	
Training Infrastructure	570	875	656	400	1,657	782	89.37	Red	2	
Station Refurbishments	151	1,326	994	377	513	(813)	(61.31)	Green	3	
Electrical Vehicle Charging Infrastructure	40	40	30	-	-	(40)	(100.00)	Green		
	1,361	4,426	3,319	779	3,882	(544)				
Vehicles										
Operational Vehicles	1,220	1,544	1,158	1,154	1,544	-	-	Green		
Support Vehicles	650	886	665	1,554	1,622	736	83.07	Red	4	
	1,870	2,430	1,823	2,708	3,166	736				
Equipment										
	400	400	300	147	402	2	0.50	Red		
ICT Equipment										
	350	750	563	521	750	-	-	Green		
Breathing Apparatus										
	-	150	113	237	237	87	58.00	Red		
	3,981	8,156	6,118	4,392	8,437	281				

Notes

The following details the reasons for the projected variances in excess of £100k that are shown in the table above:

1. This underspend is primarily due to the new stores facility not due to be completed until 2026/27.
2. Revised plans across the Service's Training Infrastructure, to ensure the safety of the site, has resulted in additional construction.
3. This underspend is due to:
 - a. The planned works at Immingham East are unlikely to commence during this financial year, and therefore the budget will need to be slipped into 2026/27.
 - b. The planned building works at Bridlington are unlikely to be completed during this financial year, and therefore some of this budget will need to be slipped into 2026/27.
4. The Service has made significant investments to strengthen the vehicle capabilities of its incident commanders across intermediate, advanced, and strategic levels. To fund this vehicle replacement the funding was reallocated across the MTRS period.

2.4 Firefighters' Pension Fund

The Firefighters' Pension Fund is administered by each Fire and Rescue Service with any deficit on the fund being met with a top-up grant by the Home Office. The grant is received in July annually and covers 80% of the estimated deficit for the year plus the balancing amount of the previous year.

The revised budgeted deficit for 2025/26 is £13.943m which is broken down in the following table:

2024/25 Pensions Account Summary 1st April 2025 to 31st December 2025 (Period 9)								
	Revised Budget £'000	31 December 2025		Full Year			Status	Note
		Profiled Budget £'000	Actual and Committed £'000	Projection £'000	Variance £'000	%		
Expenditure								
Payments to Pensioners	22,797	18,932	18,171	22,797	-	-	Green	
Commutations	2,698	2,024	2,000	2,698	-	-	Green	
Transfer Values	100	11	-	100	-	-	Green	
Total Pensions Expenditure	25,595	20,967	20,171	25,595	-	-		
Income								
Employer Pension Contributions	(8,400)	(6,300)	(6,300)	(8,400)	-	-	Green	
Employee Pension Contributions	(2,919)	(2,189)	(2,189)	(2,919)	-	-	Green	
III Health Pension Contributions	(233)	(175)	-	(233)	-	-	Green	
Transfer Values	(100)	(75)	(27)	(100)	-	-	Green	
Total Pensions Income	(11,652)	(8,739)	(8,516)	(11,652)	-	-		
Net Pensions Deficit/(Surplus)	13,943	12,228	11,655	13,943	-	-		

2.5 Investments and Borrowing

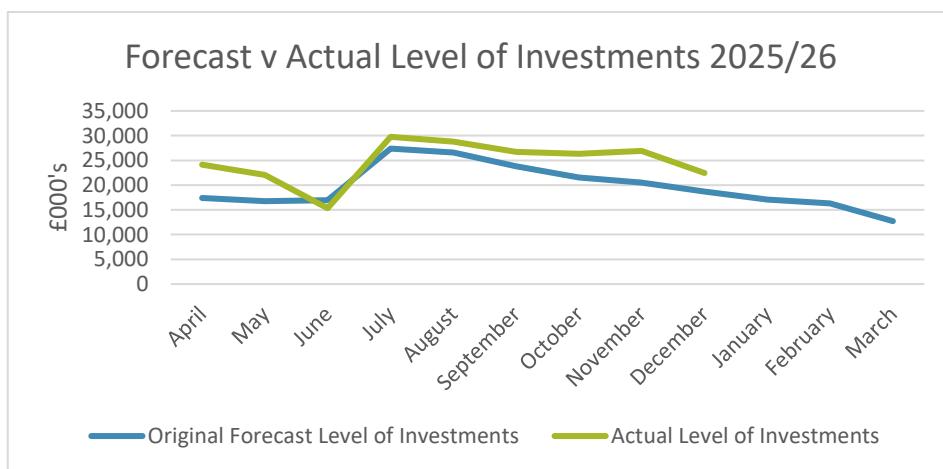
The Authority must ensure that:

- its cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low-risk appetite, providing liquidity initially before considering investment return.
- It understands its borrowing need in terms of funding its capital plans. This management of longer-term cash may involve arranging long or short-term borrowing.

Investments

The Authority had £22.450m of investments held at 31st December 2025. A breakdown of this and investments that have been returned during the period can be found in appendix 1.

The graph below shows the actual level of investments (cash) that the Authority holds compared to the original estimate level of investments(cash) held:



The actual amount invested is higher than that originally estimated due to some items of expenditure being incurred later than originally anticipated.

The following graph shows our level of investments during the year to date compared to the previous financial year:



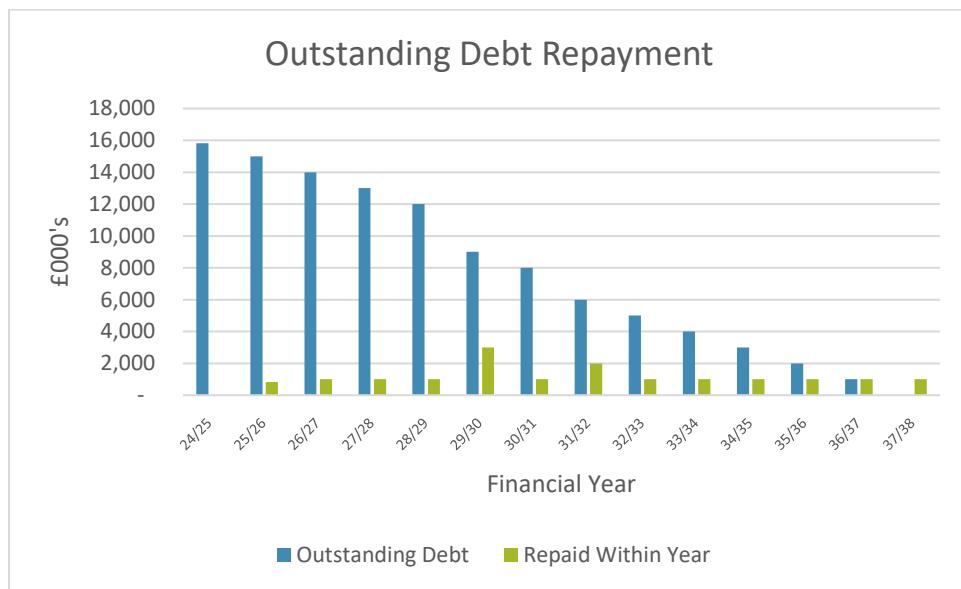
The Authority receives the Firefighters Pension Fund grant in July of each year which allows a higher level of investments to be held until the grant is fully utilised.

Borrowing

Long Term Borrowing

The current level of borrowing that the Authority holds as at 31st December 2025 is £15.4m.

The graph below shows the level of borrowing that the Authority currently holds at the end of each financial year and how this reduces over time as the debt matures:



There hasn't been any long-term borrowing taken during the year to date but this will be closely monitored by the Executive Director of Finance/S.151 Officer.

Short Term Borrowing

The Authority hasn't taken any short-term borrowing during the financial year.

2.6 Reserves

The Authority retains several revenue reserves that can be used to fund expenditure.

The table below shows the movement on these reserves for the period 1st April 2025 to 31st December 2025 and also what the projected balance will be at 31st March 2026 based on the projections in Revenue Monitoring table that can be found on page 4:

2025/26 Movement in Reserves 1st April 2025 to 31st December 2025 (Period 9)			
	As at 1st April 2025	In Year Movements	Projected Balance as at 31st March 2026
	£'000	£'000	£'000
General Reserve	6,001	(34)	5,967
Earmarked Reserves			
Insurance	500	-	500
National Flood Resilience	1,000	-	1,000
Capital Programme	5,335	(1,487)	3,848
Resilience Reserve	500	-	500
East Coast & Hertfordshire Control Room Consortium	1,245	-	1,245
Pay and Prices	600	-	600
Strategic Transformation Fund	500	-	500
	15,681	(1,521)	14,160

2.7 Budget Virements

The following budget virements have been processed during the quarter to 31st December 2025:

2025/26 Contracts Awarded Outside of Constitution 1st October 2025 to 31st December 2025			
Budget Vired From	Budget Vired To	Detail of Budget Virement	Virement Value £'000
Pay	Non-Pay Efficiency Savings	Identification of a Non-Pay Efficiency (See Efficiency section on page 5)	12
Premises	Non-Pay Efficiency Savings	Identification of a Non-Pay Efficiency (See Efficiency section on page 5)	31
Supplies and Services	Non-Pay Efficiency Savings	Identification of a Non-Pay Efficiency (See Efficiency section on page 5)	49
Supplies and Services	Non-Pay Efficiency Savings	Identification of a Non-Pay Efficiency (See Efficiency section on page 5)	41

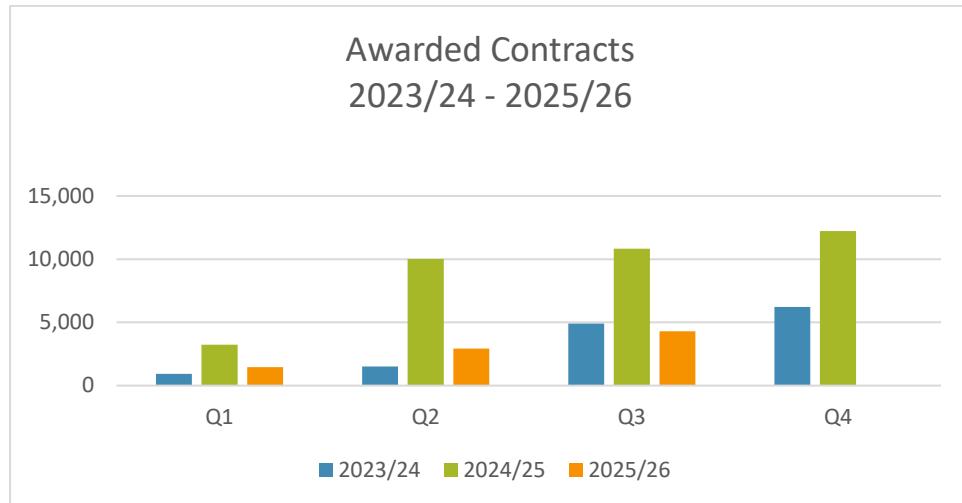
3. Procurement

3.1 Contracts

Contracts Awarded

The Authority has awarded contracts to the value of £4.316m during the nine months to 31st December 2025. A breakdown of the contracts that have been awarded in this period can be found in appendix 2.

The graph below shows the cumulative value of contracts that have been awarded in 2025/26 to date as well as in the previous two financial year:

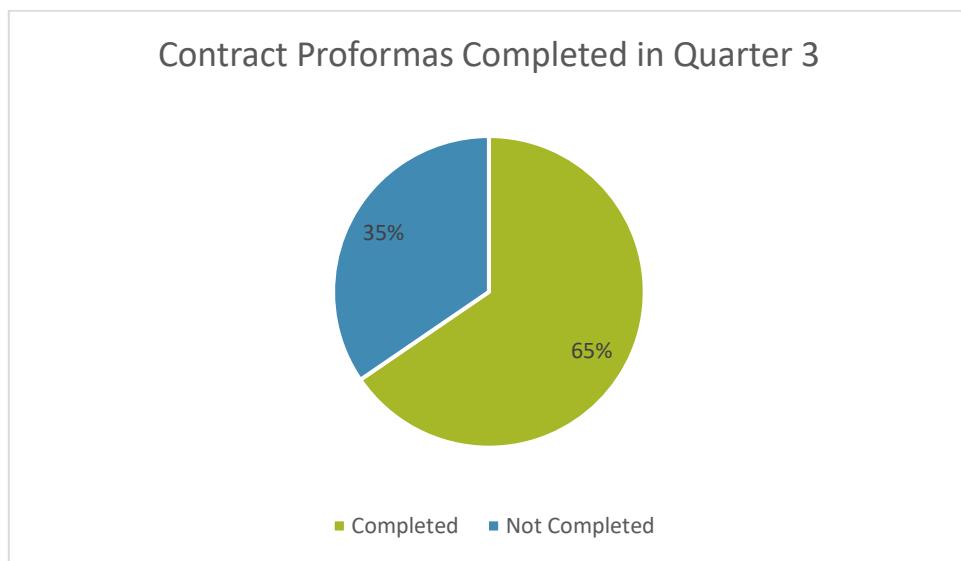


Contract Management

A review of the Services contracts has been undertaken using a supplier segmentation and analysis tool which is used to identify the risk to the Service. The contracts that have been identified as having the highest strategic importance rating can be found in appendix 3.

Following on from the identification of the risk rating of each contract, the Procurement Team will work closely with contract owners to implement the appropriate contract management measures required for each contract. This will allow for contract review meetings to be scheduled for the remainder of the financial year and beyond.

During this quarter, we received 55 notifications from the Service's contract register prompting the need for contract meetings. Contract owners successfully conducted 36 of these meetings, representing an 64% completion rate and demonstrating a strong commitment to contract management.



Details of contract meetings that have been held in this quarter with the supplier for those contracts that have been identified as having the highest strategic rating can be found in appendix 4.

Contracts Awarded Outside of the Constitution

The following contracts have been awarded outside the process detailed within part 4 section E of the constitution during the quarter ending 31st December 2025:

2025/26 Contracts Awarded Outside of Constitution 1st October 2025 to 31st December 2025				
Contract Description	Justification	Responsible Officer	Contract End Date	Contract Value £'000
Fire Service Rota - Rota and availability system extension	The original agreement is due to expire on 31st December 2025, having reached the end of the contractual period. However, the parties have mutually agreed to a six-month run-off extension to allow the Authority to transition smoothly to new ways of working.	Area Manager of Service Improvement	30/06/2026	21
Replacement WAN Core Switches SHQ	Continuation of existing contract for the supply of WAN/LAN infrastructure to HFRS sites and sites under the cover of the existing WAN contract as KCOM will have to configure the new hardware to integrate with our existing network and this needs to be undertaken whilst maintaining existing mobilising capability.	Head of Digital Services	12/12/2025	43
Connection Charges for replacement Network Lines	New lines have had to be procured due to the ceasing of existing Lines, removal of lower speed line provision, and the removal of ISDN lines, which are used as our 1st fall back communication links. This also connects up the recently procured replacement hardware at stations and SHQ of End of Life Switches, Routers and Backup connectivity kit.	Head of Digital Services	19/12/2025	62

3.2 Procurement Workstreams for the remainder of the year

During the past quarter, the Procurement Team has continued to deliver significant progress across a range of strategic and operational initiatives. Following the regional procurement exercise undertaken in Quarter 2 in collaboration with North Yorkshire, South Yorkshire, West Yorkshire, and Lincolnshire Fire and Rescue Services for a comprehensive suite of workwear garments, we have now completed the initial evaluation stage. Sample garments have been distributed to a representative group of staff for user trials, ensuring that feedback on quality, comfort, and functionality informs the final decision-making process. Quarter 4 will see the consolidation of evaluation scores across all participating services, culminating in contract awards.

In addition, we conducted a pre-market engagement exercise for an upcoming tender to procure a financial management system incorporating procure-to-pay and stock management modules. Responses from multiple suppliers have been received and assessed, and this valuable insight is now being used to refine the specification ahead of formal market engagement. This proactive approach ensures that the final tender will be aligned with best practice and operational needs.

The team successfully awarded contracts for the provision of legal services and an occupational health physician service, strengthening our ability to deliver essential support functions. Furthermore, the competitive three-stage process completed in Quarter 2 under the NHS Shared Business Services HPCCAS Framework Agreement for construction consultancy services has now been formalised. This appointment of a professional property partner marks a key milestone in delivering our ambitious five-year capital estates plan, with work already underway.

Several projects have progressed from Quarter 3 into Quarter 4. Notably, we have procured a Volkswagen Crafter panel van via the CCS Framework RM6244 and are in the final stages of a quotation exercise for its conversion into an Occupational Health Van. This initiative will enhance the efficiency and reach of our Occupational Health provision. Additionally, we have utilised the AEC Neutral-Vendor Framework to secure a long-term contract for the Service's Assurance Monitoring System, ensuring continuity of this critical software and reinforcing operational assurance, learning, and governance.

Looking ahead, Quarter 4 will see the commencement of strategically significant procurements, including the procurement of Wide Area Network (WAN) services. The selected supplier will work closely with HFRS to transition the existing WAN to a future-proofed, data-centric design capable of adapting to evolving digital and connectivity requirements. Furthermore, a procurement exercise will begin imminently for the delivery of Level 3 Operational Firefighter Apprenticeships, supporting the Service's commitment to maintaining a professional, resilient, and future-ready workforce.

Finally, contract management remains a core focus for the Procurement Team, ensuring that post-award activities deliver maximum value and efficiency across all contractual arrangements. This can be demonstrated by the 35 meetings held between HFRS and suppliers within previous quarter.

3.3 Procurement Savings

Through commercially sound practices the Procurement Function delivers a vital role for Humberside Fire and Rescue Service ensuring value for money is achieved whilst also ensuring the sustainability of goods and services and supporting local small and medium-sized enterprises.

Effective and efficient procurement is vital to the cost-effective delivery of our organisation's core services. It is integral to delivering commercially advantageous and innovative solutions essential for meeting our objectives and driving continuous improvement.

The methodology which HF&RS uses to identify and record the savings realised through its proactive procurement and contract management activity is summarised below and is in line with current Government Commercial Function guidance.

Baseline

Saving must be a consequence of commercial-led activity. Savings must have an evidenced baseline for the saving to be approved.

Baseline calculated based on an existing contract or in the case of procurement:

- Use the historical price paid for goods/services; the spending on the same goods or services in a previous period, adjusted for inflation using the Consumer Price Index (CPI) and any other appropriate changes based on market knowledge.

Baseline calculated on a new or novel procurement:

- Median compliant supplier bid (and the mean when only two compliant bids are received)
- External benchmarks/ market intelligence/ “Should cost” exercises e.g. CCS contract prices or pre-procurement market engagement.
- Budget – The budget must be a realistic expectation of the contract cost and is normally only appropriate for the purchase of new goods/services.
- Another agreed baseline model (particularly for complex procurements).

Cashable Procurement Savings

Cash-releasing savings are those that, all things being equal, will directly reduce a Departmental or contract budget requirement. They are financial savings that are made against an established baseline where the new cost results in a reduction in cost which can be released or redeployed to meet other cost pressures.

Worked example:

An existing 4 year service worth £2m is reprocured. The savings baseline is the cost of the existing service (i.e. £2m). The new contract will run for 4 years, and the winning supplier bid £1.5m. The result is a cashable saving of £500k. The savings would be recorded as:

- Y1 - £125k cashable
- Y2 - £125k cashable
- Y3 - £125k cashable
- Y4 - £125k cashable

The table below shows the cashable Procurement savings as at 31st December 2025:

Cashable Savings 1st April 2025 to 31st December 2025	
Contract	Saving £'000
FDS Vehicles (x16)	117
SIM Card and Mobile Data Usage	76
Microsoft Licensing Software	66
Incident Command System	37
Smoke and Heat Alarms	21
Competency Management and eLearning System	14
Volkswagen Crafter CR5 Panel Van	14
SLT Vehicles (x2)	13
Internal Audit Services	12
Multi-Functional Photocopier Devices	11
Training Vehicles (x4)	11
Fitness Testing Software	11
Occupational Health Physician Services	11
Legal Services	9
Microporous DB40 Suits (x600)	8
Under-counter BA Washing Machines	7
Experian Mosaic Software	7
Breathing Apparatus Cylinder Testing Service	6
Hazardous Materials Training	4
Defibrillator Pads (x100)	3
Cloud Based Appliance CCTV Storage	3
Defibrillators (x86)	2
46 Samsung Galaxy Tablets	2
Savings made through Cycle2Work Scheme	1
Savings made through Amazon Business Account	1
Total for 2025/26	467

Non-Cashable Procurement Savings

A quantifiable financial benefit generated by commercial activity which does not release cash back into a budget. This could include multiple categories or definitions, all of which can create non-cashable savings. Such as Inflation avoidance, value-add, price protection and cost avoidance. This would be the case when a cost increase is avoided or reduced e.g. a price reduction applied to additional demand or when the Authority receives greater outputs or improved quality for the same spending.

Worked example:

A contract runs at £1m a year for 5 years. At the end of Y1 the vendor proposes a cost increase of £200k pa. This is negotiated away completely for the remainder of the contract. Non cashable savings of £800k would be recorded as:

- Y2 - £200k non-cashable
- Y3 - £200k non-cashable
- Y4 - £200k non-cashable
- Y5 - £200k non-cashable

The table below shows the non-cashable Procurement savings as at 31st December 2025:

Non-Cashable Savings 1st April 2025 to 31st December 2025	
Contract	Saving £'000
Insurance Services	112
Total for 2025/26	112

4.Treasury Management

Prudential Indicators

The Prudential Indicators to 31st December 2025 are as follows:

Indicator 1 – Capital Expenditure

The estimated capital expenditure for the current year compared to the original estimate, together with estimates of expenditure to be incurred in future years are shown below:

	2024/25 Actual £'000	2025/26 Original £'000	2025/26 Revised £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
Total Capital Expenditure	4,571	8,156	8,437	9,153	5,076	11,957

Indicator 2 – Capital Financing Requirement

The capital financing requirement for 2025/26 and estimates for future years are as follows:

	2024/25 Actual £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
Capital Financing Requirement	19,842	24,346	31,014	33,122	41,413
Other Long Term Liabilities	1,072	1,047	1,020	990	957
Total Capital Financing Requirement	20,914	25,393	32,034	34,112	42,370

The capital financing requirement measures the Authority's need to borrow for capital purposes. In accordance with best professional practice, Humberside Fire Authority does not associate borrowing with particular items or types of expenditure. The Authority has, at any point in time, a number of cash flows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved strategy. In day to day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the Authority's underlying need to borrow for a capital purpose.

A key Indicator of prudence under the Prudential Code is: -

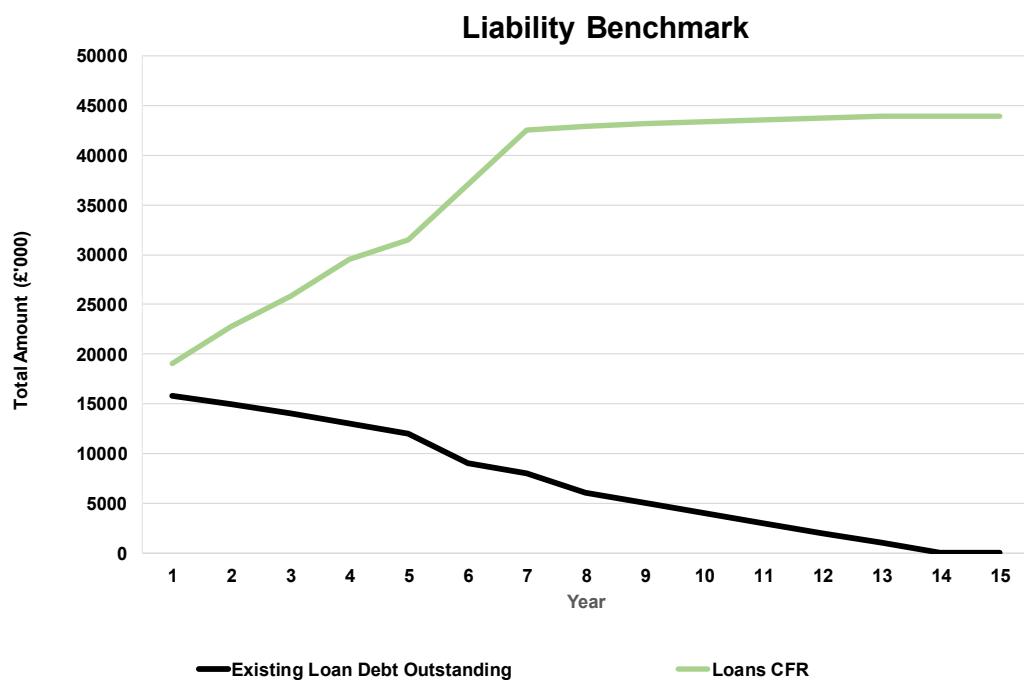
"In order to ensure that over the medium-term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years".

The S151 Officer reports that the Authority has had no difficulty meeting this requirement during the course of this financial year and no difficulties are envisaged in future years. This takes into account current commitments, existing plans and the proposals contained in the Medium Term-Resource Strategy.

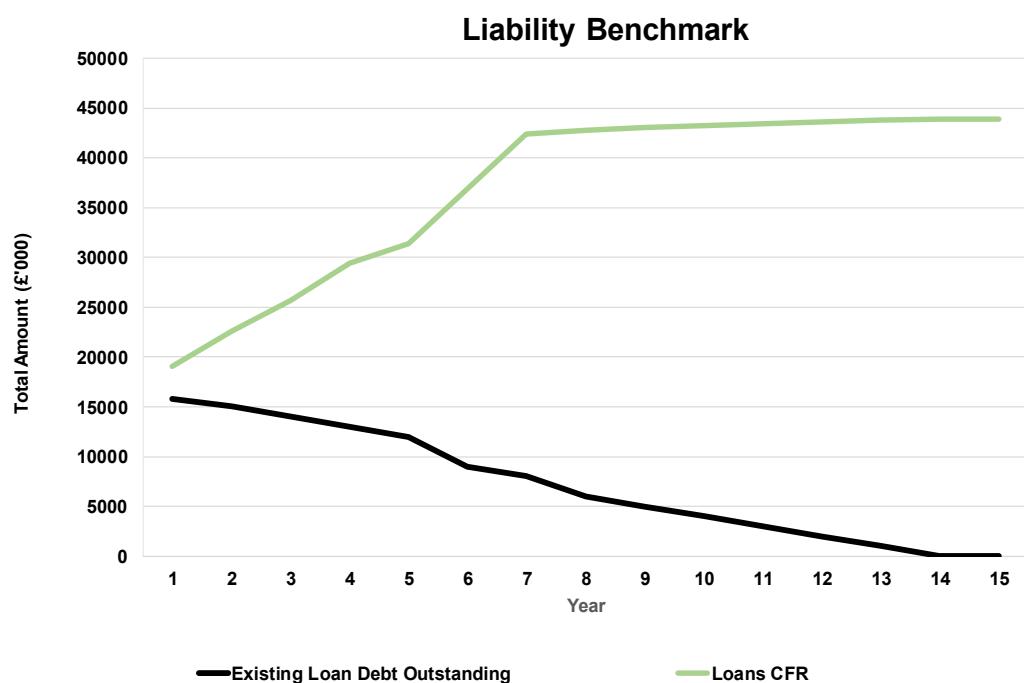
Indicator 3 – Liability Benchmark

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

The following graph shows what the Liability Benchmark was estimated to be for 2025/26 onwards as set in the Treasury Management Strategy 2025/26:



The Liability Benchmark has been updated to show revised estimates for 2025/26 onwards and is shown in the graph below:



Indicator 4 – Core Funds and Expected Investment Balances

The table below shows the estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

	2025/26 Original £'000	2025/26 Revised £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
Total Core Funds	13,786	14,160	11,948	11,387	9,738
Expected Investments	3,616	4,314	(3,566)	(5,235)	(14,175)

The actual total investments held at 31st December 2025 is £22.450m. This is higher than the expected investments at the end of the year due to cash flow fluctuations through the year.

Indicator 5 – Operational Boundary for External Debt

The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly the S151 Officer's estimate of the most likely, prudent but not worst-case scenario, without the additional headroom included within the authorised limit to allow for example for unusual cash movements and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring by the S151 Officer.

	2025/26 Boundary £'000	31/12/2025 Actual £'000	2026/27 Boundary £'000	2027/28 Boundary £'000	2028/29 Boundary £'000
Borrowing	31,500	15,428	31,500	31,500	31,500
Other Long Term Liabilities	3,500	1,047	3,500	3,500	3,500
Total Capital Financing Requirement	35,000	16,475	35,000	35,000	35,000

The S151.Officer confirms that borrowing in the year has not exceeded the operational boundary at any point within the year to date and is not expected to do so over the course of the next period based on information currently available.

Indicator 6 – Authorised Limit for External Debt

The table below shows the Authorised Limit for External Debt for 2025/26 and subsequent three-year period as approved by Members, compared to the actual level of borrowing as at 31st December 2025.

	2025/26 Boundary £'000	31/12/2025 Actual £'000	2026/27 Boundary £'000	2027/28 Boundary £'000	2028/29 Boundary £'000
Borrowing	36,500	15,428	36,500	36,500	36,500
Other Long Term Liabilities	3,500	1,047	3,500	3,500	3,500
Total Capital Financing Requirement	40,000	16,475	40,000	40,000	40,000

The Authorised Limit reflects the Authority's projected long- and short-term borrowing requirements, together with any other long-term liabilities it may have. The figures are based on the estimate of most

likely, prudent but not worst-case scenario, with sufficient headroom over and above this to allow for operational management of, for example unusual cash movements.

The S151 Officer confirms that the Authorised Limit has not been approached at any point during the first six months of the year, nor is it likely to during the remaining six months of 2025/26.

Indicator 7 – Ratio of Capital Financing Costs to Net Revenue Stream

The ratio of financing costs to net revenue stream for the current year and estimates for future years are as follows:

	2024/25 Actual %	2025/26 Original %	2025/26 Revised %	2026/27 Estimate %	2027/28 Estimate %	2028/29 Estimate %
Ratio of Financial Costs to Net Revenue Stream	0.88%	1.87%	1.26%	2.40%	3.36%	3.81%

These ratios indicate the proportion of the net budget of the Authority that is required to finance the costs of capital expenditure in any year. Estimates of financing costs include current commitments and the proposals contained in the capital programme of the Authority.

In calculating the ratio, Net Revenue Streams in any year have been taken to exclude any element of the net budget requirement that is intended to provide reserves for the Authority.

The projected increase in the ratio over the period reflects the increase in capital financing costs resulting from the capital allocations approved as part of the medium-term financial plan.

Indicator 8 – Upper and Lower Limits for the Maturity Structure of Borrowings

This indicator seeks to ensure the Authority controls its exposure to the risk of interest rate changes by limiting the proportion of debt maturing in any single period. Ordinarily debt is replaced on maturity and therefore it is important that the Authority is not forced to replace a large proportion of loans at a time of relatively high interest rates.

“The Authority will set for the forthcoming financial year both upper and lower limits with respect to the maturity structure of its borrowings. The prudential indicators will be referred to as the upper and lower limits respectively for the maturity structure of borrowing and shall be calculated as follows:

Amount of projected borrowing that is fixed rate maturing in each period expressed as a percentage of total projected borrowing that is fixed rate;

Where the periods in question are:

- Under 12 months
- 12 months and within 24 months
- 24 months and within 5 years
- 5 years and within 10 years
- 10 years and above”

	Actual 31/12/2025	Upper Limit	Lower Limit
	%	%	%
Under 12 months	9.26	15	0
12 months and within 24 months	6.48	15	0
24 months and within 5 years	32.41	30	0
5 years and within 10 years	32.41	60	0
10 years and above	19.44	80	0

Debt that is due to mature in the period 24 months and within 5 years is currently exceeding the upper limit. This is due to the decision to not take any borrowing during the last financial year due to the high interest rates thus reducing the interest payable by the Authority. The maturity profile of debt will be reviewed for 2025/26. There is no immediate risk to the cashflow of the organisation.

Appendix 1

2025/26 Investing Activities 1st October 2025 to 31st December 2025							
Counterparty	Amount (£)		Date		Rate %	Interest (£)	
	Invested	Returned	Invested	Returned			
Money Market Funds							
Deutsche Managed Sterling Fund	2,000,000						
Aberdeen Liquidity Fund	2,000,000						
Goldman Sachs Liquid Reserve Fund	2,000,000						
Investments							
Current Investments							
DMO	1,200,000.00		-	22/12/2025	06/01/2026	3.710	1,829.59
DMO	7,250,000.00		-	28/11/2025	12/01/2026	3.845	34,367.98
Surrey CC (rolled)	2,000,000.00		-	23/09/2025	23/01/2026	4.100	27,408.22
Cornwall Council	2,000,000.00		-	24/11/2025	30/01/2026	4.080	14,978.63
Powys County Council	2,000,000.00		-	17/11/2025	17/02/2026	4.100	20,668.49
DMO	2,000,000.00		-	28/10/2025	27/02/2026	3.855	25,770.41
Total Amount Invested as at 31 December 2025	22,450,000						Total Interest Due on Current Investments 125,023.32
Investments Returned During the Period							
Powys County Council (rolled)	2,000,000	2,000,000.00	08/07/2025	08/10/2025	4.200	21,172.60	
DMO	1,980,000	1,980,000.00	30/09/2025	14/10/2025	3.960	3,007.43	
DMO	1,600,000	1,600,000.00	20/10/2025	28/10/2025	3.950	1,385.21	
DMO	2,750,000	2,750,000.00	21/10/2025	28/10/2025	3.950	2,083.22	
DMO	2,000,000	2,000,000.00	08/10/2025	31/10/2025	3.960	4,990.68	
DMO	1,400,000	1,400,000.00	14/10/2025	04/11/2025	3.960	3,189.70	
DMO	12,750,000	12,750,000.00	29/08/2025	11/11/2025	3.970	102,621.78	
DMO	13,600,000	13,600,000.00	11/11/2025	18/11/2025	3.950	10,302.47	
DMO	1,900,000	1,900,000.00	21/11/2025	24/11/2025	3.950	616.85	
DMO	13,000,000	13,000,000.00	18/11/2025	28/11/2025	3.955	14,086.30	
Blackpool Council	2,000,000	2,000,000.00	04/06/2025	04/12/2025	4.200	42,115.07	
DMO	1,000,000	1,000,000.00	22/12/2025	23/12/2025	3.700	101.37	
DMO	1,200,000	1,200,000.00	22/12/2025	24/12/2025	3.700	243.29	
DMO	500,000	500,000.00	22/12/2025	31/12/2025	3.710	457.40	
DMO	2,000,000	2,000,000.00	28/11/2025	31/12/2025	3.875	7,006.85	
Total Amount Returned During the Period	59,680,000						Total Interest Received During the Period 213,380.21
Summary of Interest Receipts							
	Budget	Actual	&				
	£	£	Due				
Interest Receipts to 31 December 2025	(562,500)	(659,142)	(96,642)	(17.18)			

Appendix 2

2025/26 Contracts Awarded 1st October 2025 to 31st December 2025			
Contract Title	Contract Start Date	Contract End Date	Contract Value £'000
Competency Management System	01/10/2025	30/09/2026	348
Legal Services	01/11/2025	31/10/2028	313
Occupational Health Physician	01/12/2025	30/11/2026	174
BA Cylinder Testing	01/12/2025	30/11/2026	120
Samsung Galaxy Tab S10+ Tablets (x46)	07/10/2025	07/11/2025	48
Samsung Galaxy Tablets	20/11/2025	21/11/2025	45
Replacement WAN Core Switches SHQ	12/12/2025	12/01/2026	43
Purchase of VW Crafter	01/12/2025	30/06/2026	31
Lenovo Desktops	28/11/2025	29/11/2025	31
HFRS Data Warehouse Project - Data Scheme Build	14/10/2025	30/11/2025	25
Independent Board of Medical Referees	10/11/2025	30/09/2026	20
Level 7 Senior People Professional	01/11/2025	31/03/2027	19
Airwave Code of Connection Penetration Test for Control 25 project	12/11/2025	31/01/2026	17
Battenburg Livery for Service Vehicles	27/11/2025	31/03/2026	17
New GSM Modems for all stations	04/12/2025	04/01/2026	16
Annual Mosaic Licence Fee Experian Mosaic	01/12/2025	30/11/2026	13
NILO Ballistic Personal Protective Equipment	29/10/2025	30/10/2025	13
OSTVI – Tac Vent Instructor	01/10/2025	01/01/2027	11
Samsung Galaxy A36 Phones	03/12/2025	31/01/2026	10
Event Venue Hire	06/10/2025	20/10/2025	9
Sphera Health and Safety System	19/10/2025	18/10/2026	7
Productivity Index Prototype Development	13/10/2025	31/12/2025	7
TSI Portacount 8040	17/10/2025	17/11/2025	7
Bondholder Network	01/10/2025	31/10/2026	6
Scientific Support	01/10/2025	31/03/2026	6
NFRC Land Surveys	01/11/2025	01/06/2026	6
Digital Services Training Courses	17/10/2025	17/10/2026	5
Commercial Bulk LPG	01/10/2025	30/09/2030	3
AV Recognition Awards	10/10/2025	31/10/2025	3
Recognition Awards Venue Hire	17/10/2025	18/10/2025	3
Total Amount of Contracts Awarded Within The Period			1,376

Appendix 3

2025/26 Contract Management High Strategic Risk Rating				
Service Area	Contract Title	Contract Start Date	Contract End Date	Progress
Finance	Financial Management System	01/04/2008	31/03/2025	Pre-market engagement underway. Suppliers have been invited to present their systems as part of the pre-market engagement process.
Digital Services	New GSM Modems for all stations	04/12/2025	04/01/2026	The GSM Modems have been purchased, and are awaiting installation.
Digital Services	Replacement WAN Core Switches SHQ	12/12/2025	12/01/2026	The replacement core switches for SHQ have been successfully purchased and are currently in the process of installation. This work forms part of the wider WAN contract, ensuring improved network reliability and performance across the site. Further updates will be provided once installation is complete.
Digital Services	Airwave Code of Connection Penetration Test for Co	12/11/2025	31/01/2026	Contract is now live, and contract management in place.
Human Resources	Firewatch	20/03/2020	19/03/2026	Contract management is currently in place. One extension period of 12 months available. Work underway on solution for 2027 and beyond.
Fleet and Estates	Supply of Liquid Fuels	01/04/2022	31/03/2026	Procurement process being conducted by ERYC with resulting contract to follow on from existing contract.
Digital Services	HFRS Station End Equipment replacement	01/03/2025	30/04/2026	The hardware has been purchased and will be installed over the coming months. Contract management has begun to ensure contract deliverables are achieved.
Digital Services	MDT Software–Annual Maintenance & Support	01/05/2025	30/04/2026	Contract management is ongoing, and regular meetings are happening. Pre-procurement currently ongoing for the next steps in this contract.
Digital Services	Station end equipment – Annual Maintenance	01/07/2025	30/06/2026	Work to be conducted into a full replacement of the station end equipment. An extension to the current contract is likely whilst pre-procurement is completed and specification designed.
Digital Services	WAN, Firewall, Internet and Co-Location Services	15/07/2019	14/07/2026	Into final extension period and contract management is ongoing for existing contract. A tender process will be going live in January 2026 for the upcoming WAN contract.
Digital Services	TomTom Software Licence and Support	01/09/2025	31/08/2026	The contract has now gone live, and all necessary contract management measures are in place to ensure compliance and effective delivery. Performance will be monitored against agreed KPIs, and governance processes have been established to maintain transparency and accountability throughout the contract term.
Digital Services	Airwave Services	01/11/2006	31/10/2026	Project work currently happening, and contract management is currently in place. Home Office is exploring options to extend the life of Airwave due to the delayed release of Emergency Services Network (ESN).
Procurement	Laundry and Aftercare Services	01/08/2021	31/07/2027	Contract has been extended, and contract management is being undertaken by the contract owner.
Digital Solutions	SIM Cards and Mobile Data	17/02/2025	16/02/2028	Contract is recently awarded and implemented. Contract management has begun and contract management appendix's have been issued and completed in the past 2 quarters.
Fleet and Estates	Supply of Structural PPE	01/06/2021	30/06/2029	PPE delivered and contract management is ongoing. HFRS actively involved in regional contribution towards a national framework to provide procurement avenue for future contract.

Fleet and Estates	SCBA Replacement	01/09/2024	31/08/2029	New BA equipment delivered and rolled out. Contract management has begun to maintain contract deliverables are achieved. Contract management appendix's have been issued and completed in the current quarter.
Digital Services	Airwave San N Replacement	08/10/2024	31/12/2029	Project work currently happening, and contract management is currently in place.
Fleet and Estates	ESFM Fleet Maintenance	01/04/2015	31/03/2030	Contract agreement with Police.
Emergency Response	Control Room Systems	31/07/2024	30/07/2031	Implementation phase is currently in place, and contract management has begun to maintain performance of contract.
Control	MAIT	01/04/2025	29/06/2033	Contract management is in place, and contract is now live. Contract owner will liaise with the Procurement team on contract management.
Fleet and Estates	Underlease of Premises at the Jean Bishop ICC	11/07/2017	10/07/2042	Long term agreement for lease of property. Contract management ongoing.

Contract information correct as at 31st December 2025.

Appendix 4

2025/26 Contract Management Contract Meetings - High Strategic Risk Rating 1st October 2025 to 31st December 2025			
Contract Title	Supplier	Date of Meeting	Outcome
EL Claim	Dolman Solicitors	20/10/2025	Invoice received for initial work. Unlikely to require further work for this case unless it is escalated by either police or HSE.
Pension Administration	West Yorkshire Pension Fund	15/10/2025	<p>Matthews Exercise Progress Report</p> <p>A dedicated Matthews team is currently being established in West Yorkshire to manage the ongoing exercise. Across WYPF clients, 65 cases have been successfully processed, with an additional 145 cases pending assessment. The payment instruction sheet is in the final stages of preparation and will be issued to clients in due course. GAD data will be provided to WYPF, and WYPF will contact members upon receipt of the required documentation from clients.</p> <p>As part of the Age Discrimination Remedy, the majority of rollbacks for active members have been completed. Work on Transfer Values (TV) is still in progress, and data preparation for leavers is underway. A scheduled review of ill-health and injury cases, conducted on a three-year cycle, is ongoing. Pension savings statements have been distributed to members.</p> <p>Additionally, monthly file processing will transition to the MC3 process following a system update, which is scheduled to commence on 24 November 2025.</p>
ESRI Contract	ESRI	03/11/2025	<p>Discussions took place on the work HFRS are doing with the ESRI platform, the roadmap for the next 6 months and how ESRI can help the team maximise the ROI on the new enterprise arrangement. Planning took place for the free upgrade of the system which will take place in December. No issues to report.</p>
Laundry Services	Elis	10/11/2025	<p>KPI reports to be issued on a monthly basis for review during scheduled meetings. A record will be maintained in-house, including report dates, response dates, and related details. Additional HFRS staff will be granted access to the MyElis portal to support contract management and improve understanding of associated processes. The complaints and escalation process has been shared and will be adhered to going forward. All reported issues will be recorded internally, including outcomes, with a pass/fail status clearly indicated when escalated to Elis.</p>
East Riding Of Yorkshire Council	Secretariat Services	05/12/2025	<p>Supplier to continue to provide more proactive management and procedural advice to the Chair during GAS Committee meetings to keep Members on track and in keeping with the scope of the agenda item and to confirm/reiterate resolution/recommendations of items. Discussed all the requirements of the HFA Procedure Notes and any aspects required amending. Agreed to remain as set. Also reminded of previous discussion regarding greater proactive management and procedural advice at GAS Committee meeting. This has improved since.</p>
Structural PPE	Ballyclare	15/01/2026	<p>Delivery times have significantly improved since previous meeting. Conversation surrounding recommended washes per garment and recommended garments per wash cycle. Update on latest orders and status of those orders. All other targets and performance measures are being met.</p>