



Staffordshire Commissioner Fire and Rescue Authority

Statement of Accounts UNAUDITED

2025/26

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Foreword by the Staffordshire Commissioner



As the Staffordshire Commissioner I am now in my fifth year and continue to be pleased with the progress Staffordshire Fire & Rescue Service has made. The last inspection by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) confirmed marked improvement across almost all areas, reflecting the professionalism, dedication and leadership of our firefighters, staff and volunteers. I thank them for their outstanding work and am confident the Service will continue to build on this success ahead of the upcoming inspection in June 2026, guided by my Local Fire & Rescue Plan.

The primary responsibility of your local Police, Fire & Crime Commissioner is to ensure that government funding and local council tax precepts are spent well. For me this means that the budget must focus on keeping people safe, with operational decisions based on evidence and assessment of risk, balanced with the public expectations set out in my Local Fire & Rescue Plan. In Staffordshire the total Fire & Rescue budget was £52 million for 2025/26, which is part funded by taxpayer's money. I aim to ensure as much of this funding as possible is used to support the frontline Fire & Rescue Service.

As the elected representative of the public with responsibility for the governance of Staffordshire Fire & Rescue Service I have published an updated Fire & Rescue Plan covering the period up to 2028. This plan sits alongside the service's Community Risk Management Plan published by the Service in December 2024.

I will continue to support central government's plans to reform and improve Fire & Rescue Services across the country and I will work closely with the Chief Fire Officer Glynn Luznyj to drive the local change and improvement expected in three key areas: People, Professionalism and Governance.

In Staffordshire, we see every day the benefits of a single point of governance, as it allows for a more efficient, responsive service, able to react quickly to emerging public demand. The benefits are also seen through collaboration with co-location with Staffordshire Police in stations at Hanley in Stoke-on-Trent, Tamworth, Chase Terrace, Penkridge, Kinver, Stone and Uttoxeter. Estates are just one part of a programme of collaboration which has seen shared services developed in vehicle maintenance and procurement meaning more resources can be allocated to the frontline.

Staffordshire Fire & Rescue Service has made good progress in recent years which was recognised in the most recent inspection report by HMICFRS. The improvement in many of the areas assessed being testament to the hard work and dedication of the Service's staff, firefighters, leaders and Chief Fire Officer.

The Service has also continued to build on existing partnerships such as our Fire and Health Partnership activities where I am pleased with the work ongoing with the NHS through the local Integrated Care Board (ICB) and Midland Partnership Foundation Trust (MPFT) in providing a Falls Response Service and Home from Hospital Service. These two initiatives are providing improved outcomes to some of the most vulnerable people within our communities with both being excellent examples of how the Service can add real value and support the communities we serve.

Over the past three years, my office and the Service have delivered more than £2.3m in recurring savings through a comprehensive transformation programme. Further work is underway to identify an additional £2.1m of efficiencies over the next three years to improve productivity and protect frontline services.

To ensure the Chief Fire Officer has the resources needed to deliver the Community Risk Management Plan and meet national and local priorities, I have increased the Fire & Rescue council tax precept for 2026/27 by 5.45% which equates to £5 per year, or 10p per week for a Band D property and is in line with the referendum limit set for the next three years.

I am responsible for approving the Statement of Accounts for 2025/26 and will give due consideration to the recommendations made by the Joint Audit and Risk Committee on 30 September 2026.



Ben Adams
Staffordshire Commissioner

Narrative Statement by the Director of Finance

The Statement of Accounts sets out the financial activities of the Staffordshire Commissioner Fire and Rescue Authority for the year ended 31 March 2026 and includes comparative figures for the previous year. The Statement of Accounts have been prepared in accordance with the accounting principles contained within the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and International Financial Reporting Standards (IFRS). The Code of Practice and relevant guidance notes specify the principles and practices of accounting required to give a “true and fair” view of the financial position and transactions of the Authority.

The purpose of the Narrative Statement is to provide the reader with a broad understanding of the Authority’s financial performance for the year ended 31 March 2026, by clearly explaining the funding position, and how this funding is spent in order to deliver the priorities as set out within the Community Risk management Plan (CRMP). In addition, the Narrative Statement also provides further information to the reader about economy, efficiency and the effective use of resources during the financial year. It also looks to the future and considers some of the challenges faced by Staffordshire Fire and Rescue Service (SFRS).

The Staffordshire Commissioner, Ben Adams, was re-elected to office in May 2024 and is responsible for approving this set of accounts. The Commissioner released his updated Fire and Rescue Plan during 2024 which sets out the main priorities for the four-year period to May 2028. The Commissioner is committed to ensuring that Staffordshire Fire and Rescue is fit for a changing future and is a leading example for other services to follow so that the people of Staffordshire can be reassured that their money is being used efficiently and effectively and the workforce better reflects the diversity of the communities it serves.

This statement also reflects upon current challenges and discusses how the Service is preparing for the challenges ahead by focussing upon being even more efficient and delivers improved productivity.

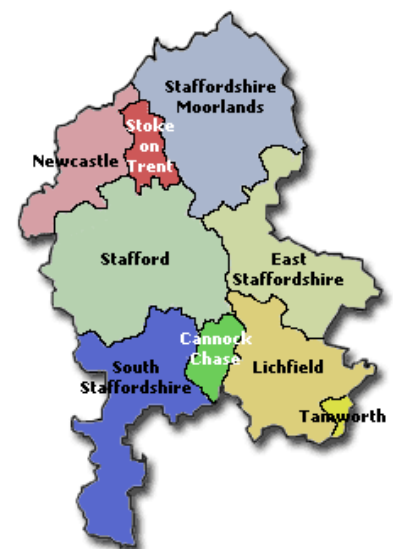
This narrative report contains:

1. Introduction to Staffordshire
2. Organisation overview
3. Our priorities
4. Our service delivery
5. HMICFRS Inspection Findings
6. Risks
7. Basis of preparation
8. Financial performance
9. Outlook

1. Introduction to Staffordshire

The Staffordshire Commissioner is responsible for the finances of Staffordshire Fire and Rescue Service (SFRS) with a net revenue budget of £52m approved for 2025/26 on 10 February 2025 by the Staffordshire Commissioner following presentation to the Police Fire and Crime Panel. SFRS is responsible for providing its services to a population of around 1.14 million people in the City of Stoke on Trent and the County of Staffordshire.

There are varying levels of deprivation amongst the diverse communities of the County and this is reflected by the differing demand levels placed upon the Service, with Stoke-on-Trent having the most accidental dwelling fires and total number of incidents attended over the last three years. In total, the Service attended over 10,425 emergency incidents during the year ending 31 March 2026 (up circa 13% to the previous year), with almost half of the incidents attended occurring in the north of the County (Stoke on Trent, Newcastle and Staffordshire Moorlands). Staffordshire has the largest total road length of any authority area of the West



Midlands and has one of the largest in the Country. There are 64.5 miles of motorway in Staffordshire and the West Coast Mainline connects the County by rail. The section of the motorway through Staffordshire and Cheshire has around 21 million vehicle movements per year.

2. Organisation Overview

The Service operates through three main service delivery areas covering the County and has 33 fire stations, a Headquarters site based in Stone and a separate Joint Emergency Transport and Engineering facility that is shared with Staffordshire Police. A close relationship with our communities and partners is at the heart of our Service supported by the Commissioner's Estates Strategy which includes 21 community fire stations across the County built under two Private Finance Initiatives (PFI's); which complements the existing premises and has enabled co-location with Staffordshire Police in many locations in addition to supporting opportunities for community use, along with shared facilities for our partners.

The number of deaths and injuries caused by fire have fallen in recent years, and whilst the number of deaths remains low the focus and investment in proactive and targeted activities that help prevent fires and other emergencies happening in the first place must continue to be a priority. Demand placed on the fire and rescue service has also started to rise and change both locally and nationally with new risks emerging, including terrorism, illegal waste tipping, battery storage facilities and incidents caused by extreme weather and health pandemics. With these comes increased pressure on our people and our resources.

The following shows a snapshot of the key performance measures and activity undertaken by the Service during the year and provides a trend during the last three years. In terms of the numbers of incidents attended and the number of accidental dwelling fires attended the activity levels are increasing and show an upward trend.

The total number of deaths and injuries has increased compared to last year. There have been 4 fire related deaths for the year, an increase from 2 reported on 2024/25. Road Traffic Collisions (RTC's) attended by the Service has also increased to 927 for the year compared to 771 in 2024/25. The demand on the Service as a whole has increased from 9,124 incidents attended in 2024/25 to 10,425 incidents attended during 2025/26.

2025/26 Annual Incident Statistics in Comparison to Previous year					
<u>All Incidents Attended:</u> 10425		<u>Accidental Dwelling Fires:</u> 441		<u>Fire Related Events:</u> Fatalities: 4 Injuries: 33	
<u>Business Fires Excluding Prisons:</u> 161		<u>Prison Fires:</u> 91		<u>Road Traffic Collisions:</u> 927	
<u>Unwanted Fire Signals:</u> Received: 4896 Attended: 1714		<u>Special Service Calls:</u> 1653		<u>Secondary Fires:</u> 2511	

Vulnerable households continue to be targeted by the Service for prevention activity and information relating to those who are most at risk of Accidental Dwelling Fires has been developed and updated so that it can be utilised by our Service Delivery Groups. Prevention work has now returned to more normal levels following the restrictions imposed during the Coronavirus pandemic period where home visits were restricted.

The Service analyses performance data to investigate instances where response times are not met and also to understand issues which impact on levels of appliance availability. The Chief Fire Officer reviews performance with the senior team on a monthly basis to ensure that Service priorities are being delivered.

Following the tragic fire at Grenfell Tower in 2017, inquiries into building regulations and fire safety have identified the need to tighten these arrangements to keep people safe in their homes. This has placed greater responsibilities on all fire and rescue services to ensure the right numbers of skilled, specialist staff are available for audit and inspection work. Staffordshire Fire & Rescue Service are already responding to this

and it will continue to be an investment priority that is supported by the Protection Uplift Grant funding supplied by the Home Office.

Work remains ongoing between the Service and Staffordshire Police to identify where the combined estate can be rationalised and used more effectively and efficiently to deliver future savings. This has already resulted in the Police and Fire Service sharing the Community Fire Stations at Tamworth Belgrave, Hanley, Chase Terrace, Penkridge and Kinver, Stone and Uttoxeter.

The Fire and Rescue National Framework sets out the requirement that each Fire and Rescue Authority must produce a Community Risk Management Plan (CRMP) demonstrating how prevention, protection, and response activities will best be used to mitigate the impact of risk on communities, through authorities and partners working either individually or collectively, in a cost-effective way.

The Community Risk Management Plan (CRMP) was published following a period of significant consultation with our residents, partner organisations, local business and the 9 billing authorities in Staffordshire and Stoke on Trent. The CRMP sets out the strategic priorities for the Service covering the period 2024 to 2028 and sits alongside the revised Staffordshire Commissioner's Fire and Rescue Plan.

Our People

At the end of the financial year, Staffordshire Fire employed 746 full time equivalent staff, consisting of 306 wholetime operational firefighters, 293 on-call firefighters, 147 support staff and secondments. The total of 746 includes 14 Senior Management staff including the Principal Management Team.

In addition to the above a number of shared service arrangements are in place with Staffordshire Police, this includes the following departments: Human Resources, Finance, Communications, Property, Commercial Services, Joint Emergency Transport Service (JETS) and also Occupational Health and Stores. All staff, with the exception of Stores, are employed by the Chief Constable with agreements in place to manage the contractual arrangements and cost recharges for each business area.

3. Our priorities

As required by the government's Fire and Rescue National Framework for England, every Fire and Rescue Service must produce a high-level Community Risk Management Plan (CRMP) which explains how they use their resources to respond to and reduce the risks they have identified in their local area.

We identify and assess all foreseeable fire and rescue-related risks across Staffordshire and use this information to plan how to control these risks, respond to emergencies and deliver our fire prevention and protection activities in the most efficient and effective way. This means we can make sure we have the right people and resources in the right places at the right time to protect our communities, our buildings, our people and the environment.

This CRMP sets out the priorities, which support our vision of making Staffordshire 'the safest place to be' and are driven by our assessment of the risks across the County. Ensuring that our communities are protected by a first-class Fire and Rescue Service is at the heart of everything that we do. We recognise that delivering these priorities will depend on collaboration, co-operation and effective communication.

The CRMP is a four-year plan that sets out the priorities and approach to ensure local communities are protected. It outlines the key challenges and risks facing the communities of Staffordshire and Stoke on Trent and outlines the strategies to address and reduce these risks over the coming years. It demonstrates how resources in prevention, protection, and emergency response will be utilised to target the most vulnerable and keep Staffordshire's communities safe.

The Staffordshire Commissioner's Office in publishing an updated Fire and Rescue Plan, has been actively involved in the development of the updated Community Risk Management Plan.

The plan is driven by the vision of "making Staffordshire the safest place to be" and is underpinned by the [Core Code of Ethics](#), which are the values applied to everything undertaken by the Service and expectations for all staff to uphold.

The Community Risk Management Plan is centred around three key priority areas:

Our People

What we aim to do – Develop a diverse, healthy and highly professional workforce and support them so that they are motivated and empowered to improve the way we deliver our services.

Our Communities

What we aim to do – Reduce the risks to our local communities from fire and other emergencies through a combination of our prevention, protection, and response activities, helping to make Staffordshire a safer place to live, work, and visit.

Our Environment

What we aim to do – Reduce our carbon footprint, therefore protecting our environment and contributing to building more resilient, healthy and sustainable local communities. We also aim to ensure that the built environment relating critical aspects of buildings across Staffordshire is as safe as possible for everyone and that our ways of working contribute to a cleaner, healthier and positive environment for our people and our communities.

4. Our Service Delivery

Available resources are placed so that the Service can respond to incidents as quickly and as safely as possible. As part of our planning process, all risks are monitored and reviewed within Staffordshire to ensure we remain flexible in our approach and are best placed to suggest improvements where they will benefit the safety of our firefighters and our communities.

This helps us to:

- Improve our knowledge of vulnerability and identify those most at risk
- Better understand the needs of our diverse communities
- Prepare for the challenges ahead

We continue to use and develop a range of data-driven tools, techniques and modelling programmes to help us monitor, assess and anticipate the impact of future changes in risk and levels of demand. These are key to supporting our risk planning processes. They involve the use of both social and demographic data, consideration of local strategic infrastructure plans, industrial strategies and, information and learning from previous emergency incidents.

In planning our response to risk, we work closely with partners including Staffordshire Police, West Midlands Ambulance Service and the Environment Agency. We contribute towards the risk assessment process in the Staffordshire Local Resilience Forum, which produces a Community Risk Register drawing upon local and regional risks set against a National Risk Framework. Through the Staffordshire Civil Contingencies Unit, we are part of the Staffordshire Resilience Forum and regularly take part in joint exercises and training, testing our Joint Emergency Service Interoperability Principles to ensure we are adequately prepared when crisis hits.

We work with other fire and rescue services and partner organisations to identify new and emerging risks, such as naturally occurring hazards (extreme weather), pandemic illnesses and malicious threats (including terrorism) and use this intelligence to prepare our firefighters for the types of emergencies they may face.

- In recent years, the number of waste fires and wildfires has increased with several large waste fires at illicit sites and fires involving fly-tipped materials. Extreme weather conditions have already seen hundreds of hours spent tackling wildfires in the Moorlands, which destroyed hundreds of acres of countryside and threatened homes. We have specially trained waste and wildfire tactical advisors.
- Climate change causing wide-scale flooding across Staffordshire and further afield. We have high-volume fire engines and enhanced logistical support vehicles that are able to support national incidents.

- As well as aiming to cause physical harm, terrorist attacks now seek to disrupt services by preventing access to buildings or damaging computer systems. We have measures in place involving physical and cyber security, but we must continue to be vigilant and develop our buildings, systems and staff knowledge to keep pace with the threat.

HMICFRS noted in its last inspection that the service is outstanding at responding to major and multi-agency incidents and works actively with partners to take pre-emptive action to prevent incidents from occurring.

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

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) carries out its own independent inspections of all 44 Fire and Rescue Services in England in addition to carrying out all national policing assessments. The inspection assesses how effectively and efficiently Fire and Rescue Services' prevents, protects the public against and responds to fires and other emergencies. They also assess how well the Service looks after its people.

In January 2023 HMICFRS started the third full programme of inspection of fire and rescue services (FRSs) in England. The Inspectorate use inspection findings, analysis and professional judgment to assess how effective and efficient FRSs are at fire safety, firefighting, and responding to road traffic collisions and other emergencies. HMICFRS also assess how well the Service looks after its people. Each of the areas are then graded, using a revised system, as; outstanding, good, adequate, requires improvement or inadequate.

The third inspection undertaken by HMICFRS of Staffordshire Fire and Rescue Service commenced in February 2024 and concluded in May 2024, with the full report published in September 2024.

The Staffordshire Commissioner noted that Staffordshire Fire & Rescue Service has made good progress in recent years which was recognised in the last inspection report by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). The improvement in many of the areas assessed being testament to the hard work and dedication of the service's staff, firefighters, leaders and Chief Fire Officer during the past three years.

The HMICFRS inspection assessed how well Staffordshire Fire and Rescue Service has performed in 11 areas. The following graded judgments were made:

Outstanding	Good	Adequate	Requires improvement	Inadequate
Responding to major incidents	Understanding fire and risk	Preventing fire and risk		
	Responding to fires and emergencies	Public safety through fire regulation		
	Best use of resources	Promoting fairness and diversity		
	Future affordability	Managing performance and developing leaders		
	Promoting values and culture			
	Right people, right skills			

HMICFRS noted 5 Areas for Improvement (AFIs) for the Service which have been uploaded onto the HMICFRS tracker and have been regularly reported through Governance arrangement to ensure progress has been made to resolve and implement each AFI.

In addition, HMICFRS also undertook a thematic inspection of the Service in Autumn of 2023 with a [terms of reference set following a Home Secretary's commission for a thematic inspection of the handling of misconduct in fire and rescue services](#). The inspection was undertaken across a number of FRS's and a generic report was published in 2024. A number of actions have been taken from this report and good progress is being made. [Staffordshire Fire and Rescue Service 2023–2025 - His Majesty's Inspectorate of Constabulary and Fire & Rescue Services](#)

6. Risks

The Staffordshire Commissioner and SFRS both have risks registers both at strategic and operational level. The risk register is reviewed and challenged by the Joint Audit and Risk Committee (JARC) on a regular basis. Both registers form a key part in the Internal Audit Programme delivered by our internal auditors, RSM and reported to JARC. The Service holds a regular review of all strategic risks and risk owners are invited to the meeting to explain the risk and its mitigation along with how it is being pro-actively managed by the Service.

7. Basis of preparation

The Statement of Accounts is published to present fairly the financial position and transactions of the Authority in a fair and transparent manner. Its format is prescribed by the Chartered Institute of Public Finance and Accountancy (CIPFA). A glossary to explain some of the technical terms is included at the back of this report.

These accounts are prepared on a going concern basis, assuming that the Staffordshire Commissioner Fire and Rescue Authority will continue in operation for the foreseeable future in accordance with the Accounts and Audit Regulations and the Code of Practice on Local Authority Accounting 2025/26.

The Commissioner is required by statute to make funding decisions on a different basis from the way in which it reports the Statement of Accounts. A number of adjustments are therefore made to the accounts that are used for budget setting and budget management to incorporate proper accounting adjustments in the area of pensions, employee benefits and depreciation.

The main statements consist of:

- **Statement of Responsibilities for the Statement of Accounts** which sets out the responsibilities of the Authority and the Treasurer for the accounts;
- **Annual Governance Statement** which assesses the adequacy of the Authority's governance arrangements and identifies where improvements can be made;
- **Statement of Accounting Policies** which sets out the basis for recognising, measuring and disclosing transactions in the accounts;
- **Comprehensive Income and Expenditure Statement** which summarises income and expenditure on the Authority's services during 2025/26; and presents all the recognised gains and losses of the Authority during 2025/26;
- **Movement in Reserves Statement** which reconciles the Income and Expenditure Account with General Fund Balances considering contributions to reserves committed for future expenditure;
- **Balance Sheet** which sets out the Authority's financial position as at 31 March 2026;
- **Cash Flow Statement** which summarises the inflows and outflows of cash in the year.

8. Financial performance

The Revenue Budget for 2025/26 was approved on 10 February 2025 by the Staffordshire Commissioner and was set at £52 million. Revenue expenditure consists of the day-to-day running costs, such as employee costs, pension costs, premises, transport, ICT, income and financing costs.

The 2025/26 outturn position is summarised below and the details of how this expenditure has been funded during the year and provides a comparison to budget:

Revenue Budget Outturn 2025/26	Original Budget £m	Outturn £m	Variance £m
Pay	35.22	35.65	(0.43)
Non Pay			
Premises Costs	4.68	4.51	0.17
Transport Costs	1.14	1.09	0.05
Supplies and Services	9.86	9.53	0.33
Community Fire Safety	0.32	0.25	0.07
Total Non Pay	16.00	15.38	0.62
Income, Grants and Interest Receivable	(5.13)	(5.88)	0.75
Capital Financing Costs	2.41	2.05	0.36
Unitary Charge Payments	4.22	4.22	0.00
Direct Financing Capital Expenditure	0.54	1.04	(0.50)
Use of Reserves	(1.27)	(0.67)	(0.60)
Total	51.99	51.79	0.20
Contribution to Reserves	0.00	0.20	(0.20)
Total (including Reserves)	51.99	51.99	0.00
Funded By:	£m		
Settlement Funding			
Local Business Rates (1%)	10.54		
Revenue Support Grant	7.62		
Total	18.16		
Council Tax	33.83		
Total	51.99		

The reported revenue spend as at 31 March 2026 was £52m against the budget of £52m and included an additional contribution to support the capital financing requirement for the Authority and to help maintain a stable position for Earmarked Reserves.

The year end position included a credit of £0.4m following the resolution of the airwave legal case against Motorola, in total £18.6m has been returned to Fire and Rescue Authorities. In addition the Authority received a one off receipt of £136k following the Truck Cartel Litigation and a refund of £36k in respect of the Services PFI estates.

Total pay spend for the year was £35.6m against a budget of £35.2m. Pay spend represents 68% of the total revenue budget and despite some small variances the outturn position finished within 1.2% of the approved budget. Other Employee costs included the Employer Liability savings resulting from the move to the Fire and Rescue Indemnity Company (FRIC) for the provision of employer liability insurance and no ill-health retirements payments have been recorded in year, a more favourable position to budget.

Total non-pay and income closed favourable to both budget and forecast. Interest receivable closed at £0.861m for the year (£0.253m better than budget), with additional interest arising from the higher cash balance due to the additional pension grant funding received (pension remedy). Consequently, the cash balance at the end of the year was £17.9m, £8.5m higher than the original budget. Interest receivable rates are forecast to reduce to 3% during 2026/27 and the Bank of England reduced the headline rate to 3.75% in

March 2026. Non-pay costs are also favourable which included a saving this year on some of its contracted services.

The additional direct revenue contribution to capital alongside the use of reserves to support the capital programme funding has again supported the reduction in the Capital Financing Requirement for the Authority reducing long term debt and improving the financial resilience for the future.

The statutory accounts are published within the framework issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), the International Financial Reporting Standards (IFRS) and the Government. The results of which are a deficit for the year of £0.850m (2024/25 was a deficit of £1.231m). However, this includes pensions and depreciation costs, which are not chargeable to tax payers (nationally and locally) and the final position for the financial year is set out in the following table:

Reserves	General Fund Actual £m	Earmarked Reserves £m
<u>General Reserves</u>		
General Reserves balance 1 April 2025	1.9	
Break Even for the Year	0.0	
General Reserves balance 31 March 2026	1.9	
<u>Other (useable) Reserves</u>		
Other Reserves balance 1 April 2025		6.8
Net movement for the year:		
Funding for Revenue purposes		(0.8)
Contribution to Reserves		1.5
Funding to support the Capital Programme		(1.0)
Other (useable) Reserves balance 31 March 2026		6.5

This means that the General Reserve brought forward from 2024/25 remains at £1.9 million at the end March 2026, this reserve is held to allow for any unexpected or emergency events that are assessed to be either medium or high risk. The reserve remains under 5% of the total Revenue budget and is considered to be a reasonable provision for any emergency events that may occur.

The Other (Useable) Reserve has reduced to £6.5 million and forms an integral and important part of the overall financial strategy and financial resilience for the Staffordshire Commissioner as incorporated within the approved Medium Term Financial Strategy (MTFS) and Reserves Strategy. Reserves are not held without good reason and are earmarked to support funding into the medium term and are key in reducing borrowing costs and maintaining liquidity. The Reserves Strategy is updated annually to ensure that all reserves are earmarked appropriately and are linked to risk held within the approved Risk register.

The Other (useable) Reserves balance is forecast to reduce to around £5.6 million by 2030/31 in line with the reserve's strategy and approved MTFS, thus demonstrating effective and efficient utilisation of reserve balances into the medium term. The balance on this reserve has reduced by £1.2m during the last three years.

Capital Investment

During 2025/26, £2.2m was invested in capital projects, summarised as follows:

Capital Expenditure Outturn 2025/26	Forecast £m	Actual Spend £m	Actual %
Land and Buildings	0.76	0.69	31%
Vehicles, Plant and Equipment	1.08	1.00	44%
Information Technology	0.59	0.56	25%
Total Capital Expenditure	2.43	2.25	100%

Funded by	£m
Contributions	0.37
Use of Reserves	0.24
Revenue Contribution to Capital	1.04
New Borrowing	0.60
Total Capital Funding	2.25

The capital programme closed the year at £2.2m, £0.2m below the forecast for the year.

The capital work included refurbishment work at JETS and Staffordshire Fire HQ, with £0.4m of spend incurred on operational equipment and around £0.6m on replacing some of the light fleet vehicles. In addition to this, £0.6m was spent on Information Technology. Spend in this area included MDT replacement software, new ICT desktop equipment and wireless access points.

Balance Sheet

The Balance sheet is a snapshot of the Authority's assets and liabilities, cash balances and reserves at the balance sheet date. A table summary is provided below.

	31st March 2025 £m	31st March 2026 £m
Long Term Assets (incl. Pension Asset)	139.5	146.0
Current Assets	27.1	25.0
Current Liabilities	(15.9)	(14.8)
Long Term Pension Liabilities	(342.6)	(333.6)
Other Long Term Liabilities	(66.9)	(62.8)
Net Liabilities	(258.8)	(240.2)
Usable Reserves	17.3	17.3
Unusable Reserves	(276.1)	(257.5)
Total Reserves	(258.8)	(240.2)

As at 31st March there are negative assets on the balance sheet. The sole reason for this is the unfunded Firefighters' Pension Schemes and the funded Local Government Pension Scheme (LGPS) pension scheme. Excluding these pension liabilities, the Group Balance sheet has net assets of £93m including usable reserves of £17.3m.

The pension liability has reduced by £9m in year following the actuarial reports received by the two actuaries for the Firefighters' Pension Schemes (Government Actuarial Department) and LGPS Pension Scheme (Hymans). This is reviewed in more detail within the pension section below.

Treasury Management

The Staffordshire Commissioner approves a Treasury Management and Investment Strategy before start of each financial year and receives regular updates on treasury performance during the year.

Cash Flow

	31st March 2025 £m	31st March 2026 £m
Cash and Cash Equivalents	17.4	15.4
Short Term Investments	2.5	2.5
Total	19.9	17.9

Overall, cash flow has remained in a healthy state during the year with £17.9m of cash held in cash and cash equivalents and investments as at 31 March 2026. The cash flow overall was better than budget in year primarily associated with some delays in capital spend and the receipt of pension remedy funding.

External Debt

Historically long-term borrowing has been utilised to finance part of the overall capital programme. As at 31 March 2026 the Authority had total external borrowing of £15.2m.

The total Capital Financing Requirement (CFR) is shown in note 37, this shows a total CFR requirement of £20.2m (Non PFI), a reduction in overall debt levels of £0.8m. This demonstrates the intelligent use of earmarked reserves supported by additional direct funding of capital from revenue during the year, and when also including the level of Minimum Revenue Provision (MRP) in year has reduced the indebtedness of the Authority despite a £2.2m capital spend in year.

The Capital Financing Requirement has reduced by more than £8m since March 2015, demonstrating the commitment of the Authority to reduce debt levels during the challenging financial environment experienced within the public sector during the last decade.

The PFI liability has also reduced by £2.9m in year and will continue to unwind during the concessionary period for both PFI projects (see Note 41 for further information).

Pensions

Accounting standards require the full cost of pension benefits as they are earned to be reported in the accounts. The impact of this requirement on the accounts is significant with the total balance sheet liability for pensions amounting to £333m. The amount included within the balance sheet reflects an estimate of the total pension liability and incorporates a number of assumptions that change over time. This liability does not affect the ability to continue as a going concern as it refers to future liabilities that will be met by future contributions. Excluding the pension liability, the balance sheet shows net assets of £93m. A detailed going concern assessment is produced each year and presented to JARC and Azets as part of the year end audit.

The Firefighters Pension Schemes are unfunded defined benefit schemes and any deficit on the scheme is met by Central Government through the Home Office and a top-up payment is received annually to cover any shortfall. Employer contributions into the Firefighters' Pension Scheme 2015 scheme are at a rate of 37.6% of pay for current operational staff are funded from the current revenue budget which includes council tax funding. The cost of pension payments to pensioners is largely met from the Home Office top-up grant and is therefore not funded by Council Tax. The assessed liability overall of Staffordshire in the Firefighters Pension Schemes as at 31 March 2026 was £331.1m (£339.4m 2024/25). The Government's Actuarial Department (GAD) provides the actuarial valuation and supporting information to the Authority.

Support staff working for the Authority are eligible to be members of the Local Government Pension Scheme (LGPS) administered by Staffordshire County Council and is a funded scheme: The current primary contribution rate for employers is 21.9% of pay plus the additional secondary contribution discussed below, and this is met from the current revenue budget which includes council tax funds. The assessed liability overall of Staffordshire in the LGPS as at 31 March 2026 was £2.3m (£3.2m 2024/25).

Following the three year “triennial” review of the Local Government Pension Scheme (LGPS), the actuary, Hymans Robertson, proposed that secondary contribution i.e. a further deficit repair payment was required for the three-year period to 2025/26 in addition to the primary employer contribution rate which increased from 16.7% to 21.9%. The Staffordshire Commissioner agreed to make an upfront payment of £0.556m as a lump sum and receive a favorable discount rate offered by the actuary for this payment in advance. This has resulted in an effective LGPS contribution rate for the three-year period of 26.5%.

The total pension liability has reduced by £9 million in year as incorporated into the Statement of Accounts for 2025/26 is primarily associated with the impact of fund valuation mainly through very marginal changes in financial assumptions used by the actuary within the valuation of the Firefighters Pension Schemes and LGPS.

The assumptions used by both actuaries have been reviewed and challenged by management and will be reviewed by the external auditor to ensure the assumptions used are consistent and robust. The assumptions used by both actuaries show a high level of consistency with no outlying factors that are considered to be outside of management expectations.

McCloud / Sargeant Judgment

Before 2015 (2014 for local government), public sector pension schemes provided benefits on a final salary basis. In 2015 (2014 respectively), the Government replaced the final salary schemes with new career average (CARE) schemes for future pensionable service. Existing members had to switch from the final salary schemes to the new CARE schemes unless they received ‘protections’, which were granted based on a member’s proximity to normal pension age.

In December 2018, the McCloud/Sargeant judgment found the protections introduced in 2015 to be discriminatory against younger members of the final salary schemes. In February 2021, following consultation on its proposal to address the age discrimination, the Government published its response and proposals that would remove this discrimination.

The Public Service Pensions and Judicial Offices Bill (PS&JO Bill) was passed in March 2022. This Bill consolidated the information which has been issued to date and formalised the ruling by the court (McCloud/Sargeant case), forming the proposal for how the government will remove the discrimination identified by the courts in way that the 2015 reforms were introduced for some members.

The pension remedy is now made up of two parts. The first part was completed last year with all active members now being members of Firefighters’ Pension Scheme 2015 from 1 April 2022, providing equal treatment for all active pension scheme members. The second part is to put right, ‘remedy,’ the discrimination that happened between 2015 and 2022.

The legislation to remedy this discrimination was enacted in October 2023 and Authorities were given 18 months to implement and remedy members who have suffered the impact of this unlawful discrimination.

As individual members’ circumstances will differ, the impact of implementing the remedy remains complicated. The deadline for the firefighters’ pension scheme manager to provide all eligible members and member representatives with information about the benefits available to them under the remedy and to enable them to make a choice of benefits with a Remedial Services Statement (RSS) was March 2025. This would have provided the member with an option to take benefits based upon the legacy pension scheme or the reformed pension scheme for the remedy period 1 April 2015 to 31 March 2022.

Unfortunately, there are a number of complexities with implementing the remedy, such as tax charges and allowances, some of which have still not yet been resolved and the Authority has not been able to remedy a number of members at this time or achieve the March 2025 deadline to provide RSS. The Authorities Pension administrator, West Yorkshire Pension Fund had provided a new date of June 2025 and a breach had been reported to the Pension regulator. Work is still being carried out in order to resolve these complexities. West Yorkshire Pension Fund have recently advised that they will be appointing additional staff on a temporary basis in order to complete the remedy work.

Special retained members (Matthews)

In November 2018 a ruling on the legal case involving part time judges (O'Brien v MoJ) has a direct impact on the equivalent firefighters (Matthews). Home Office Ministers agreed to extend the pension entitlement to eligible retained firefighters to cover service pre-July 2000. The Memorandum of Understanding signed in March 2022 sets out the intended scope and operation of the options exercise required to enact remedy in this case.

This options exercise has now commenced and will increase the pension entitlement for some current special retained members and also allow access to the scheme for additional historic retained firefighters. The Authority have now written to all affected members and this exercise has continued into 2025/26.

Firefighters' Pension Schemes

This Firefighters' Pension Scheme Actuarial Report has been prepared by the Government Actuary's Department ('GAD') at the request of Staffordshire Commissioner Fire and Rescue Authority. The report sets out the results of the pensions disclosures in accordance with the requirements of CIPFA's Code of Practice for accounting periods commencing on or after 1 April 2025 for the retirement benefit liabilities under the Firefighters' Pension Scheme 1992, the Firefighters' Injury Benefit Scheme, the New Firefighters' Pension Scheme 2006 and the Firefighters' Pension Scheme 2015 (collectively referred to as 'the scheme') for the period from 1 April 2025 to 31 March 2026.

The results have been calculated by carrying out a detailed valuation of the most recent data provided as at 31 March 2026. In particular the actuary has allowed for service accrued between 1 April 2020 and 31 March 2026 and known pension and salary increases that would have applied.

The valuation assumptions used by the actuary have been reviewed and are all in line with the expectations published by PwC with their published pension accounting trends report. This document sets out the market practice on pensions accounting assumptions at 31 March 2026 that PwC has observed, key market indicators and current pensions accounting developments.

LGPS

This LGPS Actuarial Report has been prepared by the Hymans Robertson LLP at the request of Staffordshire Commissioner Fire and Rescue Authority.

LGPS has more than 6.1 million members nationally and the Members of the Scheme who are employed by the Staffordshire Commissioner Fire and Rescue Authority are part of the Staffordshire Fund administered by Staffordshire County Council.

9. Outlook

The 2026/27 Revenue Budget and Medium Term Financial Strategy (MTFS) was approved on 9 February 2026 against a backdrop that included some significant uncertainties and new financial pressures.

Even when taking into account the £5 increase in council tax by the maximum amount permitted without a local referendum, a £2.1 million reduction in core funding by 2028/29 coupled with a material shortfall in funding to cover the increase in employers National Insurance Contributions means that Staffordshire, along with many other standalone Fire and Rescue services, have received a funding cut in cash terms.

There is also concern about the impact of future pay awards for both operational and support staff should nationally negotiated pay agreements continue to exceed our budget assumptions for 2026/27 and beyond.

The Local Government Finance Settlement (LGFS) for 2026/27 was received on 17 December 2025 and incorporated the three year settlement for the first time in a decade. The Fair Funding Review 2.0 refreshed the methodology for distributing a fixed pot of funding between local authorities covered by the local government finance settlement using a Relative Needs Formula (RNF). Whilst many RNFs have been fully reviewed the data underpinning the Fire and Rescue RNF has simply been updated to reflect up latest information.

The Fair Funding review also incorporates and determines changes in the distribution of local authorities' business rate revenue. Some of this revenue is redistributed via the 'tariff' and 'top-up' system and constitutes a 'reset' of the Business Rates Retention Scheme (BRRS).

Staffordshire Commissioner Fire and Rescue Authority has been adversely affected by the impact of the LGFS and will see a reduction of £2.1m in core funding by 2028/29. In order to mitigate this shortfall the Government has assumed that the Council Tax will be increased by the full amount for the next three year period.

The Council Tax referendum limits included within the LGF Settlement has been confirmed at £5 for Council Tax increases for the next three years. The Commissioner has considered; current and future funding requirements, together with the factors included within his Fire and Rescue Plan, the results of the survey with local residents, as well as actual and expected cost pressures, including the loss of funding, and expected efficiency savings available to the Service as part of its updated transformation programme.

The new Fair Funding settlement still comprises of three funding streams, the Revenue Support Grant (RSG), Business Rates top-up and the 1% share of local business rates but revised the allocation methodology.

In summary, when considering the settlement funding position, the proposed increase in Council Tax of £5 and the updated transformation plan from the Commissioner, a balance budget position is presented for the budget year 2026/27 and into the medium term, however this will require the support of the Authority's Reserves and a transformation savings programme of £2.1m by 2028/29, based upon the current council tax assumptions beyond 2026/27.

These Accounts were approved by the Staffordshire Commissioner following detailed review and recommendation by the Joint Audit and Risk Committee on the 30 September 2026.

Sarah Wilkes
Director of Finance / Section 151 Officer
Date:

Audit Certificate

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Statement of Responsibilities

The Staffordshire Commissioner's Responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For this authority, the responsibility of Chief Financial Officer is allocated to the Director of Finance;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- approve the Statement of Accounts.

I accept the above responsibilities and approve the 2025/26 Statement of Accounts for Staffordshire Commissioner Fire and Rescue Authority following a detailed review and recommendation made by the Joint Audit and Risk Committee on the 30 September 2026.

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Ben Adams
Staffordshire Commissioner

Date:

The Director of Finance's Responsibilities

The Director of Finance is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper accounting practices as set out in The Code.

The Director of Finance is required to present fairly the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2026.

In preparing this statement of accounts, the Director of Finance has:

- selected suitable accounting policies and then applied them consistently;
- made judgments and estimates that were reasonable and prudent;
- complied with the local authority Code of Practice.

The Director of Finance has also:

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

The Director of Finance Certificate

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Staffordshire Commissioner Fire and Rescue Authority as at 31 March 2026 and the income and expenditure for the year ending 31 March 2026.

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Sarah Wilkes CPFA
Director of Finance / S151 Officer

Date:

Statement of Main Accounting Policies

1. General Principles

The Statement of Accounts have been prepared in accordance with proper accounting principles contained within the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), and the International Financial Reporting Standards (IFRS).

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

2. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as property, plant and equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accrual basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

The Authority has a de-minimus of £10,000.

Measurement and Valuation

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

Plant, Property and Equipment is valued on the basis recommended by CIPFA and in accordance with the Statement of Asset Valuation Principles and Guidance Notes issued by The Royal Institution of Chartered Surveyors (RICS). The Authority revalues its entire land and building portfolio sufficiently regularly, as a minimum every five years.

Revaluation gains are taken to the Revaluation Reserve and revaluation losses are written off against any balance on the Revaluation Reserve for that asset or to the Comprehensive Income and Expenditure Statement if the balance on the revaluation reserve is less than the loss.

Operational properties are carried in the Balance Sheet at Depreciated Replacement Cost for specialised properties, where there is no evidence of market value, and Open Market Value for properties where there is evidence of market value.

Impairment

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance

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- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

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

Depreciation

Depreciation is provided for all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated using a straight-line method from the year following acquisition. Assets in the course of construction are not depreciated until used. The following useful lives apply:

- Buildings are depreciated in accordance with IAS 16 – Property, Plant and Equipment. According to the most recent valuation report, all buildings have an asset life of 60 years.
- Fire appliances have an asset life of between 10 and 15 years, other vehicles have an asset life of between 4 and 10 years depending on the vehicle function.
- Plant and equipment have an asset life between 5 and 20 years.
- IT equipment have an asset life between 3 and 5 years.

On an exceptional basis and where appropriate, a small number of assets have a useful expected life outside of the stated range of useful lives, based on specific characteristics of these assets.

Where a property, plant and equipment asset have major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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

Disposals

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

Where a component of an existing asset has to be de-recognised and the component amount is not known, then an estimate using a reasonable basis has been used. The component calculation is established using the replacement cost of the component, indexed back to the original component's inception and adjusted for any subsequent depreciation and impairment.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. Receipts credited to the Capital Receipt Reserve can only be used for new capital investment. Receipts are appropriated to the Reserve from the General Funds Balance in the Movement in Reserves Statement.

The written off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing.

3. Intangible Assets

The Authority defines intangible assets as identifiable non-monetary asset without physical substance; as per IAS 38. The intangible assets (e.g. computer software) are measured at cost less amortisation and impairment.

4. Revenue Provision for the Repayment of Debt

In accordance with the requirements of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008, amended in 2024 (and came into force on 1st April 2025); the Authority is required to calculate a 'prudent' level for the repayment of debt. This is achieved through an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance. This charge is calculated as follows:

- For capital expenditure incurred before 1st April 2008 or which in the future is supported capital expenditure, the Minimum Revenue Provision (MRP) policy is to set aside a provision equal to 4% of the previous year's Capital Financing Requirement.
- From 1st April 2008 for all unsupported borrowing, excluding finance leases, the MRP policy uses the Asset Life Method i.e. MRP will be an annual charge based on the estimated life of the assets. The provision is set aside in the year following the capital expenditure.
- MRP is also charged against Private Finance Initiatives. The capital element of repayments is being used as a proxy for the PFI MRP.

5. Leasing Charges

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

All other leases are classified as operating leases.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

6. Heritage Assets

The Authority holds several heritage assets. The assets are held in secure locations, either Fire Stations or the local City Museum.

The assets are appropriately and sensitively preserved and insured 20% above the valuation. The Authority does not seek to acquire assets of this nature, and has no intention of disposing of the assets currently held.

The assets have been valued by an independent specialist based on current open market sale value. Due to the value of the assets held they are not recognised in the balance sheet in accordance with the code.

7. Non-current assets held for sale

Non-current assets are reclassified as an Asset Held for Sale where it is probable that the carrying amount of the asset will be recovered through a sale transaction rather than through its continual use.

The asset is revalued and carried at the lower of this amount and fair value less costs to sell. Depreciation is not charged on Assets Held for Sale.

8. Inventories

Workshop, Fuel and Stores inventories are maintained, and where material, are shown in the Balance Sheet. The workshop inventory is valued at the lower of cost or net realisable value. The stores' inventory is valued at First In First Out (FIFO) and the fuel is valued at cost. Other immaterial inventories, e.g. stationery, are fully charged to the CIES in the year of purchase.

The Authority does not currently provide for obsolescence or loss in value since amounts written off remain fairly constant and therefore equate to an annual provision.

9. Debtors and Creditors

The Accounts have been prepared on an accruals basis and provision for sums due to or owed by the Authority is included in the accounts where the cash has not actually been received or paid during the year. Income has only been included in the accounts when it can be realised with reasonable certainty. Proper allowance is made for known losses or liabilities where these are material and can be reasonably estimated otherwise these are disclosed by way of note as contingent liabilities.

10. Pensions

The disclosure requirements are included in the main financial statements as notes to the accounts in accordance with CIPFA recommended practice and IAS 19 – Employee Benefits.

Types of pension schemes

The Authority participates in two different pension schemes, which meet the needs of employees.

a) Firefighters

This scheme is unfunded and the charge to the accounts represents the Authority's (as employer) contribution to the fund for the year.

b) Other Pensionable Employees

Other employees, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme. The pension costs that are charged to the Authority's accounts in respect of these employees are equal to the contributions paid to the funded pension scheme for these employees.

In accordance with IAS 19 the authority recognises the cost of retirement benefits within the Net Cost of Services, when they are earned, rather than when benefits are actually paid as pensions. However, the charge to be made to the Council Tax, via the precepts, is based on the amount payable in the year. The difference is reversed out in the General Fund.

11. Interest on Balances

During the year surplus money was invested and the interest earned credited to the Comprehensive Income and Expenditure Statement.

12. Government Grants and Contributions

Government grants and contributions are recognised in the CIES when conditions attached to the grant or contribution has been satisfied. Government Grants and contributions that have not been satisfied are carried in the Balance Sheet as creditors. Where capital grants are credited to the CIES they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant is yet to be used to finance capital it is held on the Capital Grant Unapplied reserve. When it has been used it is transferred to the Capital Adjustment Account.

13. Changes in Accounting Policies

The Authority has reviewed its accounting policies in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors which sets out the principles to be adopted and disclosures that are required within the Statement of Accounts. Any appropriate changes have been applied.

14. Financial Instruments

Financial Assets

Financial assets are classified into three types which are based on the intention of use when the asset was purchased:

- Amortised Cost – held to collect contractual cash flows of principle and interest on specific dates
- Fair Value through Other Comprehensive Income (FVOCI) – held to both collect contractual cash flows and sell the financial asset on specified dates
- Fair Value through Profit or Loss (FVP&L) – Achieve objectives by any other means than collecting contractual cash flows.

The Authority does not have any Fair Value through Other Comprehensive Income.

Financial assets are recognised in the Statement of Accounts when the authority becomes party to the financial instrument contract. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Loans and receivables are measured at amortised cost, with the exception of Money Market Fund investments which are measured at Fair Value through Profit and Loss.

Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. Any gains and losses arise on derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the authority becomes a party to the contractual provision of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Financial liabilities are derecognised when the liability has been discharged, that is the liability has been paid or otherwise discharged.

The Authority has liabilities in relation to loans from the Public Works Loan Board (PWLb), creditors for goods and services and two PFI contracts.

Interest Payable Is charged to the Financing and Investment Income and Expenditure section in the Comprehensive Income and Expenditure Statement in the year which it relates.

15. Collection Fund Adjustment Account

The council tax and the non-domestic rates income included in the CIES will show the accrued income for the year. The difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is held in the Collection Fund Adjustment Account and included as a reconciling item in the 'Adjustments between accounting basis and funding basis under regulations' reconciliation.

The Authority's Balance Sheet shows the proportion of surplus/deficit of the Billing Authorities Collection Fund in the Debtors/Creditors balance. The Authority also shows the attributable share of the impairment allowance for doubtful debts and a provision for non-domestic rates appeals.

16. Private Finance Initiative (PFI)

PFI transactions are treated in the Authority's accounts in accordance with latest recommended practice of Control of Assets (IFRIC12 – Service concession arrangements).

PFI contracts are agreements to receive services, where the responsibility for making available the fixed assets needed to provide the services passes to the PFI contractor. As the Authority is deemed to control the services that are provided under its PFI scheme and the ownership of the fixed assets will pass to the Authority at the end of the contract for no additional charge, the Authority carries the fixed assets used under the contract on the Balance Sheet.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Authority.

The amounts payable to the PFI operators each year (known as Unitary Charges) are analysed into five elements:

- Fair value of the services received during the year – debited to the relevant service in the CIES
- Finance costs – an interest charge of an agreed % on the outstanding Balance Sheet liability, debited to Interest Payable and Similar Charges in the CIES
- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to Interest Payable and Similar Charges in the CIES
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator
- Lifecycle replacement costs (regular planned refurbishments) – debited to the relevant service in the CIES

17. Employee Benefits – Accumulating Compensating Absences

A review of the cost of holiday entitlements (in the form of annual leave, lieu time and flexi-time) earned by employees but not taken before the year-end which employees can carry forward into the next year. If the value is of a significant amount an accrual is charged to the CIES.

18. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. Any investments that do not satisfy this principle are classed as short-term investments.

In the Statement of Cash Flows, 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.

19. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover unexpected events and contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When the expenditure to be financed from reserves is incurred, it is charged to the appropriate service line in the Comprehensive Income and Expenditure Statement (CIES) in that year, to score against the Surplus or Deficit on the Provision of Services in the CIES. The corresponding amount is then transferred from the reserve account back into the General Fund to ensure that there is no net charge on the council tax for the expenditure.

The Authority holds the following Usable Reserves:

- **General Reserve** – a risk assessment of the pressures likely to face the Authority is undertaken, and the current balance on this reserve represents those identified high and medium risks, in proportion to the probability of their occurrence.

- **Earmarked Reserves Revenue Grants** – the balance held represents grants received which have no outstanding conditions but have not been fully utilised in the year; the grant is fully recognised in the CIES.
- **Capital Grants Unapplied** – the balance held represents grants received and fully recognised in the CIES but have not been applied to an acquisition.
- **Civil Contingency Reserve** – this reserve is made up of budgeted contributions and unspent balances from previous years. It is held as a contingency to cover unexpected occurrences.
- **Other Reserve** – this reserve is made up of budgeted contributions and planned efficiency savings from previous years and it is utilised in line with the approved Reserve Strategy.

The Authority holds the following Unusable Reserves:

- **Collection Fund Adjustment Account** – the balance held represents the accrued council tax income presented in the CIES.
- **Capital Adjustment Account** – the balance held represents the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.
- **Pension Reserve** – absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.
- **Revaluation Reserve** – contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment, and Intangible Assets.

20. Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA subjective analysis and the monthly management accounts production.

21. Fees and Charges Income

The Authority recognises revenue from contracts with service recipients in accordance with the provision of International Financial Reporting Standard (IFRS) 15, Revenue from Contracts with Customers.

Revenue is recognised in the financial year that services are provided in accordance with the performance obligations of the contract.

22. Accounting Standards That Have Been Issued but Not Yet Adopted

The Authority has considered the impact of accounting changes that will be required by any new accounting standards that have been issued but not yet adopted by the Code for 2025/26. These changes relate to amendments for FRS 102 The Financial Reporting Standard, amendments to the classification and measurement of financial instruments, the annual improvements to IFRS accounting standards volume 11 and amendments to IFRS 9 and IFRS 7 for contracts referencing nature-dependent electricity.

These changes are not expected to have a material impact on the Authority's Accounts, but it will be dependent on arrangements in place at that time and further details of the potential impact will be disclosed when more information becomes available.

23. Events After the Reporting Period

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

Two types of events can be identified as:

- **Adjusting Events**
Those events that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- **Non-adjusting Events**
Those events that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but, where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and either their estimated financial effect or a statement that such an estimate cannot be made reliably.

24. Accrued Revenue Income and Expenditure

The revenue accounts are maintained on an accrual basis. Expenditure is charged to the revenue accounts in the period in which goods and services are received and fall due, similarly, income is credited in the period in which it falls due, regardless of the timing of cash payments or receipts. The exception to the accruals basis is where the amounts involved are not material.

Interest due to or from third parties in relation to loans and investments, is accrued in full at the year-end.

Provision is made for the impairment of debts in the General Fund.

Where Income and Expenditure have been recognised but cash has not been received or paid, a Debtor or Creditor for the relevant amount is recognised on the Balance Sheet. Where debts may not be settled and it is likely that collection of such debt is doubtful, the balance of the debt is written down and a charge is made to revenue for the income that may not be collectable.

25. Council Tax and Non-Domestic Rates

The collection of council tax and non-domestic rates is an agency arrangement for both the billing authorities, major preceptors and, in the case of non-domestic rates, central government. The Fire Authority is a preceptor along with the Policing and Crime Commissioner, while the nine local authorities in Staffordshire are the billing authorities.

The council tax and non-domestic rates income included in each body's Comprehensive Income and Expenditure Statement for the year is their proportion of accrued income for the year. There is a debtor / creditor position between the preceptor authorities, the billing authorities and central government which is recognised on the Balance Sheet.

The Authority only recognise its share of any outstanding council tax and non-domestic rates arrears, receipts in advance, receivables impairments allowance and an allowance for appeals made by non-domestic rates payers.

26. Prior Period Adjustments

Prior period adjustments may arise as a result of a change in accounting policy or to correct a material error.

Where a change in accounting policy is made, or the correction of a material error, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Changes in accounting estimates are accounted for prospectively.

Movement 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 'unusable reserves'.

The Statement shows how the movements in year of the authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Net Increase / (Decrease) line shows the statutory General Fund Balance movements in the year following those adjustments.

2025/26	General Fund (GF) Balance £'000	Earmarked GF Reserves £'000	TOTAL GENERAL FUND £'000	Capital Grants Unapplied £'000	TOTAL USABLE RESERVES £'000	TOTAL UNUSABLE RESERVES £'000	TOTAL AUTHORITY RESERVES £'000
Note							
Balance as at 31 March 2025	1,906	15,356	17,262	0	17,262	(276,088)	(258,826)
Movement in reserves during 2025/26							
Surplus or (deficit) on provision of services	(850)	0	(850)	0	(850)	0	(850)
Other Comprehensive Income & Expenditure			0		0	19,354	19,354
Total Comprehensive Income & Expenditure	(850)	0	(850)	0	(850)	19,354	18,504
Adjustments between accounting basis & funding basis under regulations	1 850	0	850	0	850	(850)	0
Net Increase before Transfers to Earmarked Reserves	0	0	0	0	0	18,504	18,504
Transfers (To) / From Earmarked Reserves	0	0	0	0	0	0	0
Increase in year	0	0	0	0	0	18,504	18,504
Balance as at 31 March 2026 c/f	1,906	15,356	17,262	0	17,262	(257,584)	(240,322)

2024/25	General Fund (GF) Balance £'000	Earmarked GF Reserves £'000	TOTAL GENERAL FUND £'000	Capital Grants Unapplied £'000	TOTAL USABLE RESERVES £'000	TOTAL UNUSABLE RESERVES £'000	TOTAL AUTHORITY RESERVES £'000
Balance as at 31 March 2024	1,906	15,642	17,548	1	17,549	(319,181)	(301,632)
Movement in reserves during 2024/25							
Surplus or (deficit) on provision of services	(1,231)	0	(1,231)	0	(1,231)	0	(1,231)
Other Comprehensive Income & Expenditure					0	44,037	44,037
Total Comprehensive Income & Expenditure	(1,231)	0	(1,231)	0	(1,231)	44,037	42,806
Adjustments between accounting basis & funding basis under regulations	1 944	0	944	0	944	(944)	0
Net Increase / (Decrease) before Transfers to Earmarked Reserves	(287)	0	(287)	0	(287)	43,093	42,806
Transfers (To) / From Earmarked Reserves	287	(286)	1	(1)	0	0	0
Increase / (Decrease) in year	(0)	(286)	(286)	(1)	(287)	43,093	42,806
Balance as at 31 March 2025 c/f	1,906	15,356	17,262	0	17,262	(276,088)	(258,826)

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing service in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation.

The Authority raises taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

2024/25			2025/26				
Gross Expenditure £,000	Gross Income £,000	Net Expenditure £,000		Gross Expenditure £,000	Gross Income £,000	Net Expenditure £,000	Note
53,309	(7,804)	45,506	Fire Fighting Services	55,562	(8,675)	46,887	
896	(904)	(7)	Civil Contingencies Unit	966	(949)	17	31
0	0	0	Non-distributed costs	0	0	0	
54,205	(8,707)	45,498	Net Cost of Services	56,528	(9,624)	46,904	
		129	Other Operating Expenditure			74	10
		18,825	Financing and Investment Income and Expenditure			20,208	11
		(63,221)	Taxation and Non-Specific Grant Income and Expenditure			(66,336)	12
		1,231	Deficit on Provision of Services			850	
		(3,222)	(Surplus) / Deficit on revaluation of property			(8,040)	13
		(40,815)	Remeasurements of the net defined benefit liability / (asset)			(11,314)	45
		(44,037)	Other Comprehensive Income and Expenditure			(19,354)	
		(42,806)	Total Comprehensive Income and Expenditure			(18,504)	

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 liabilities 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.

The second category of reserves is those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

2024/25		2025/26	
£,000		£,000	Note
139,284	Property, Plant & Equipment	145,767	13
270	Intangible Assets	261	15
139,554	Long Term Assets	146,028	
2,500	Short Term Investments	2,500	22
1,042	Inventories	983	19
5,802	Short Term Debtors	6,209	20
17,450	Cash & Cash Equivalents	15,382	21
700	Assets Held for Sale	0	16
27,494	Current Assets	25,074	
(74)	Short Term Borrowing	(74)	18
(15,000)	Short Term Creditors	(13,759)	23
(1,263)	Grants Receipts in Advance	(1,210)	23/34
(16,337)	Current Liabilities	(15,043)	
(16,150)	Long Term Borrowings	(15,150)	18
(50,830)	Other Long Term Liabilities	(47,668)	39
(342,557)	Pension liability	(333,563)	45
(409,537)	Long Term Liabilities	(396,381)	
(258,826)	NET LIABILITIES	(240,322)	
17,262	Usable Reserves	17,262	24
(276,088)	Unusable Reserves	(257,584)	25
(258,826)	TOTAL RESERVES	(240,322)	

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by the 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.

2024/25		2025/26	
£'000		£'000	Note
1,231	Net Deficit on the Provision of Services	850	
(11,887)	Adjustments net deficit on the provision of services for non-cash movements	(4,808)	28
0	Adjustments for items included in the net deficit on the provision of services that are investing or financing activities	0	29
(10,656)	Net Cash flows from operating activities	(3,958)	
454	Net cash flows from Investing Activities	2,251	26
3,265	Net cash flows from Financing Activities	3,955	27
(186)	LGPS Pension deficit contributions	(180)	25
(7,123)	Net (increase) or decrease in cash and cash equivalents	2,068	
10,327	Cash and Cash equivalents and bank overdraft at the beginning of the reporting period	17,450	21
17,450	Cash and Cash equivalents and bank overdraft at the end of the reporting period	15,382	21

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1. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

2025/26	General Fund (GF) Balance £'000	Earmarked Other GF Reserves £'000	CCU Reserves £'000	Capital Grants Unapplied £'000	TOTAL MOVEMENT IN UNUSABLE RESERVES £'000
<u>Adjustments primarily involving the Capital Adjustment Account:</u>					
Reversal of items debited or credited to the Comprehensive Income & Expenditure Statement (CIES):					
Charges for depreciation and revaluation of non-current assets	(4,262)				4,262
Revaluation losses on Property Plant and Equipment	14				(14)
Amortisation of intangible assets	(148)				148
Capital grants & contributions applied	290				(290)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(74)				74
Insertion of items not debited or credited to the CIES:					
Statutory provision for the financing of capital investment	4,309				(4,309)
Direct Revenue Financing of Capital	1,308				(1,308)
<u>Adjustments primarily involving the Capital Grants Unapplied Account:</u>					
Capital grants and contributions unapplied credited to the CIES	0				0
Application of grants to capital financing transferred to the Capital Adjustment Account	0				0
<u>Adjustments primarily involving the Pension Reserve:</u>					
Reversal of items relating to retirement benefits debited or credited to the CIES	(20,713)				20,713
Government firefighter grant	10,125				(10,125)
Employer's pensions contributions and direct payments to pensioners payable in the year	8,448				(8,448)
<u>Adjustments primarily involving the Collection Fund Adjustment Account:</u>					
Amounts by which council tax income and non-domestic rates credited to the CIES is different from council tax income and non-domestic rates calculated for the year in accordance with statutory requirements	(147)				147
TOTAL ADJUSTMENTS	(850)	0	0	0	850

2024/25	General Fund (GF) Balance £'000	Earmarked Other GF Reserves £'000	CCU Reserves £'000	Capital Grants Unapplied £'000	TOTAL MOVEMENT IN UNUSABLE RESERVES £'000
<u>Adjustments primarily involving the Capital Adjustment Account:</u>					
Reversal of items debited or credited to the Comprehensive Income & Expenditure Statement (CIES):					
Charges for depreciation and impairment of non-current assets	(3,933)				3,933
Revaluation losses on Property Plant and Equipment	16				(16)
Amortisation of intangible assets	(124)				124
Capital grants & contributions applied	200				(200)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(129)				129
Insertion of items not debited or credited to the CIES:					
Statutory provision for the financing of capital investment	4,107				(4,107)
Direct Revenue Financing of Capital	2,754				(2,754)
<u>Adjustments primarily involving the Capital Grants Unapplied Account:</u>					
Capital grants and contributions unapplied credited to the CIES	0				0
Application of grants to capital financing transferred to the Capital Adjustment Account	0				0
<u>Adjustments primarily involving the Pension Reserve:</u>					
Reversal of items relating to retirement benefits debited or credited to the CIES	(20,665)				20,665
Government firefighter grant	8,391				(8,391)
Employer's pensions contributions and direct payments to pensioners payable in the year	8,876				(8,876)
<u>Adjustments primarily involving the Collection Fund Adjustment Account:</u>					
Amounts by which council tax income and non-domestic rates credited to the CIES is different from council tax income and non-domestic rates calculated for the year in accordance with statutory requirements	(437)				437
TOTAL ADJUSTMENTS	(944)	0	0	0	944

2. EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by the Authority in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Authority's services. The income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2025/26	As reported to Management £,000	Adjustment to arrive at the net amount chargeable to the General Fund £,000	Chargeable to the General Fund £,000	Adjustments between funding and Accounting Basis £,000	Net Expenditure in the Comprehensive Income and Expenditure Statement £,000
Fire Fighting Services	51,996	3,033	55,029	(8,142)	46,887
Civil Contingencies Unit	0	17	17	0	17
Net Cost of Services	51,996	3,050	55,046	(8,142)	46,904
Other Income and Expenditure	(51,996)	(3,050)	(55,046)	8,992	(46,054)
(Surplus) / Deficit on Provision of Services	0	0	0	850	850
Opening General Fund Balance			(17,262)		
Less/Plus (Deficit) on General Fund in Year			0		
Closing General Fund Balance 31 March			(17,262)		

2024/25	As reported to Management £,000	Adjustment to arrive at the net amount chargeable to the General Fund £,000	Chargeable to the General Fund £,000	Adjustments between funding and Accounting Basis £,000	Net Expenditure in the Comprehensive Income and Expenditure Statement £,000
Fire Fighting Services	50,065	4,382	54,447	(8,941)	45,506
Civil Contingencies Unit	0	(7)	(7)	0	(7)
Net Cost of Services	50,065	4,375	54,440	(8,941)	45,499
Other Income and Expenditure	(50,065)	(4,088)	(54,153)	9,885	(44,268)
(Surplus) / Deficit on Provision of Services	0	287	287	944	1,231
Opening General Fund Balance			(17,549)		
Less/Plus (Deficit) on General Fund in Year			287		
Closing General Fund Balance 31 March			(17,262)		

3. NOTES TO EXPENDITURE AND FUNDING ANALYSIS

2025/26	CCU £,000	Income classification in management accounts £,000	Other accruals and adjustment £,000	Adjustment to arrive at the net amount chargeable to the General Fund £,000	Adjustments for Capital Purposes £,000	Net change for the Pension Adjustment £,000	Other Differences £,000	Adjustments between funding and Accounting Basis £,000
Fire Fighting Services		3,033		3,033	(1,221)	(6,631)	(290)	(8,142)
Civil Contingencies Unit	17			17	0	0	0	0
Net Cost of Services	17	3,033	0	3,050	(1,221)	(6,631)	(290)	(8,142)
Other Income and Expenditure		(3,050)		(3,050)	0	8,771	221	8,992
(Surplus) / Deficit on Provision of Services	17	(17)	0	0	(1,221)	2,140	(69)	850

2024/25	CCU £,000	Income classification in management accounts £,000	Other accruals and adjustment £,000	Adjustment to arrive at the net amount chargeable to the General Fund £,000	Adjustments for Capital Purposes £,000	Net change for the Pension Adjustment £,000	Other Differences £,000	Adjustments between funding and Accounting Basis £,000
Fire Fighting Services		4,382		4,382	(2,818)	(5,922)	(201)	(8,941)
Civil Contingencies Unit	(7)			(7)	0	0	0	0
Net Cost of Services	(7)	4,382	0	4,375	(2,818)	(5,922)	(201)	(8,941)
Other Income and Expenditure		(4,088)		(4,088)	0	9,320	565	9,885
(Surplus) / Deficit on Provision of Services	(7)	294	0	287	(2,818)	3,398	364	944

Adjustments to arrive at the net amount chargeable to the General Fund

Staffordshire Fire and Rescue Service administer the Staffordshire Civil Contingencies Unit (CCU), which is funded by contributions from all Staffordshire partners. The CCU financial position is not reported to the Authority with the Staffordshire Fire Management Accounts but is reported separately to the CCU Strategic Partners Board.

The MRP and PFI unitary charge within year is estimated to produce the management accounts. The true cost is included at the year end resulting in a small adjustment.

Adjustment for capital purposes

This adjustment includes depreciation and impairment, disposal of assets and the statutory charges for capital financing (i.e. Minimum Revenue Provision).

Net Change for the Pension Adjustment

This adjustment is the net change for the removal of pension contributions made by the Authority and the replacement with the Current Service Costs as calculated by the actuarial report to comply with IAS19 Employee Benefits.

Other Differences

This adjustment represents the difference between what is chargeable under statutory regulations for Council Tax and Non-domestic Rates and the income recognised under Generally Accepted Accounting Practices. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the collection fund.

4. EXPENDITURE AND INCOME BY NATURE

2024/25	2025/26
£000	£000
Expenditure	
25,192 Pay Costs	26,454
20,666 Pension Cost (IAS 19 amended)	21,414
1,420 Other Employee Costs	1,472
4,744 Premises Costs	4,576
1,177 Transport Costs	1,171
6,165 Supplies & Services	6,564
2,963 Other Support Costs	3,348
1,383 Unitary Charge net of grant	1,248
4,171 Capital Charges	4,470
734 Interest Payable	698
Income	
(6,880) Income General	(7,193)
(103) Grants Released	0
(1,127) Interest Receivable	(862)
(8,391) Fire Fighter Top Up Grant	(10,125)
(50,883) Government Grants and Precepts	(52,384)
1,231 Deficit on Provision of Services	850

The above figures are in the format as presented in the monthly Management Accounts but reflect the statutory accounting adjustment.

5. PRIOR PERIOD RESTATEMENT

There are no prior period restatements needed.

6. MOVEMENT IN EARMARKED RESERVES

This note sets out the amounts set aside from the General Fund to provide financing for future expenditure plans.

	Balance as at 1 April 2024 £'000	Transfers from £'000	Transfers to £'000	Balance as at 31 March 2025 £'000	Transfers from £'000	Transfers to £'000	Balance as at 31 March 2026 £'000
Earmarked reserves - grants	1,662	(943)	316	1,035	(1,632)	1,446	849
Earmarked reserves - PFI grant	6,330	(6,578)	7,044	6,796	(6,659)	7,044	7,181
CCU Reserve	594	0	158	752	0	86	838
Other Reserves	7,056	(1,224)	941	6,773	(3,004)	2,719	6,488
	15,642	(8,745)	8,459	15,356	(11,295)	11,295	15,356

7. AUTHORISATION OF ACCOUNTS FOR ISSUE

The responsible financial officer is required to confirm that they are satisfied that the statement of accounts presents a true and fair view of the financial position of the authority at the end of the relevant financial year and the authority's income and expenditure for that financial year, prior to the commencement of the period for the exercise of public rights (which includes the first 10 working days in July) and to approve and publish them by 31 January 2027.

In line with the statutory requirements the unaudited financial statement was certified by Sarah Wilkes, Director of Finance (Staffordshire Commissioner's Office) / Section 151 Officer by 30 June 2026 and made available for public inspection from 1 July 2026.

The approval of the audited financial statements will be presented to the Joint Audit and Risk Committee on 30 September 2026.

8. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

Government funding –

There is a high degree of uncertainty about future levels of funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be significantly impaired as a result of a need to close facilities and reduce levels of service provision.

Property Value –

In order to satisfy The Code of Practice, which explicitly states that revaluations must be 'sufficiently regular to ensure that the carrying amount is not materially different from the current value at the end of the reporting period', all land and buildings have undergone a desk top valuation assessment on 31 March 2026 and during the last 3 years a rolling programme of on-site visits have been performed. All the stations are classed as a specialised building using the Depreciated Replacement Cost (DRC) method with the exception of the Stafford Fire Station Annex building which has been separated from the Stafford Fire Station site asset and revalued at fair value.

The Trentham Lakes Workshop is also classed as a specialised building as it is a purpose-built structure to accommodate the larger appliances and the Aerial Ladder Platforms including large bays, floor channels for the larger vehicles and specialist lifting gear integral to the building for the removal of the appliance equipment and strip downs. In view of this Trentham Lakes Workshop is valued under the DRC method.

PFI scheme –

The authority is deemed to control the services provided under the outsourced agreements to rebuilt and maintain 21 fire stations under the PFI1 and PFI2 schemes across Stoke-on-Trent and Staffordshire. The authority is also deemed to control the residual value of assets used in these arrangements at the end of the agreements. The accounting policies for PFI schemes have been applied to these arrangements and the assets are recognised as Property, Plant and Equipment on the authority's balance sheet.

9. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

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

The items in the Authority's Balance Sheet at 31 March 2026 for which there is a risk of a material adjustment in the following financial year are:

Pension Liability

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 returns on pension fund assets. The Government Actuary's Department (GAD) and Hymans Robertson provide the Authority with expert advice about the assumptions to be applied (Note 45).

The effect of the net pensions' liability of changes in individual assumptions can be measured. For instance, all other factors remaining equal, a 0.5% decrease in the discount rate assumption on the Fire fighters Pension would result in an increase in the pension liability of £21m, similarly a 0.1% decrease would impact the LGPS by £0.62m (see note 45).

Property, Plant & Equipment

The Authority's assets are depreciated over the useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.

If the useful life of assets is reduced, depreciation would increase and the carrying amount of the assets would fall. It is estimated that based on the current carrying value of depreciating assets of £134m at 31 March 2026 the annual depreciation charge for property plant and equipment assets would increase by c£0.5m for every year that the useful life had been reduced.

A valuation is a professional opinion on the property value formulated on the basis of the assumptions adopted by the valuer at a given time. Therefore, there is a degree of uncertainty as a given valuation reflects the market realities as well as the features of the property itself. A 1% change in the valuation of land and buildings will result in an increase or decrease of £1.3m.

However, the assets are revalued annually and the assets lives are kept under regular review.

Fair Value Measurement

When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or the Discounted Cash Flow model).

The authority used the Discounted Cash Flow Model to measure the fair value of the PFI Liabilities using observable data (i.e. PWLB borrowing rates). For the financial assets the fair value is determined by calculating the Net Present Value of future cash flows, which provides an estimate of the value of payment in the future in today's terms. The discount rate used in the calculation is equal to the current rate in relation to the same instrument from a comparable lender.

10. OTHER OPERATING EXPENDITURE

The loss on disposal of £74,000 includes the disposal of property components and vehicles.

2024/25		2025/26
£,000		£,000
129	Loss/ (surplus) on disposal of fixed assets	74
129		74

11. FINANCING AND INVESTING INCOME AND EXPENDITURE

2024/25		2025/26
£,000		£,000
729	Interest payable on debt	694
6	Interest payable on finance leases	4
2,317	Interest payable on PFI1 Unitary payments	2,204
(1,388)	Grant for interest on PFI1 payments	(1,321)
1,820	Interest payable on PFI2 Unitary payments	1,783
(1,242)	Grant for interest on PFI2 payments	(1,190)
17,710	Net interest on the net defined benefit liability	18,896
(1,127)	Investment Interest Income	(862)
18,825		20,208

12. TAXATION AND NON-SPECIFIC GRANT INCOME

2024/25		2025/26
£,000		£,000
(1,255)	Recognised revenue grants and contributions	(534)
(31,765)	Council Tax	(34,033)
(10,428)	Non-domestic rates redistribution	(10,547)
(7,490)	Revenue Support Grant	(7,622)
(3,933)	Transitional funding	(3,571)
55	Non-domestic rates adjustment	352
(14)	FF McCloud funding grant	(256)
(8,391)	FF Pension grant	(10,125)
(63,221)		(66,336)

13. PROPERTY, PLANT AND EQUIPMENT

Movements in 2025/26

	Land & Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Total Property, Plant and Equipment	PFI assets included in PP&E
	£000	£000	£000	£000	£000
Value at 1 April 2025	127,680	29,656	656	157,991	84,470
- Additions	131	741	1,240	2,112	
- Donated Assets				0	
- Disposals	(122)	(1,687)		(1,809)	
- Revaluations	5,652			5,652	1,559
- Impairment				0	
- Reclassification	700			700	
- Transfers	506	358	(864)	0	
Gross Book Value at 31 March 2026	134,547	29,068	1,032	164,646	86,029
Depreciation:					
- Cumulative net to 31 March 2025	0	(18,707)	0	(18,707)	
- Disposals		1,687		1,687	
- On revaluations	2,403			2,403	1,609
- For the Year	(2,403)	(1,859)		(4,262)	(1,609)
Depreciation at 31 March 2026	0	(18,879)	0	(18,879)	0
Net Book Value at 31 March 2026	134,547	10,189	1,032	145,767	86,029

Movements in 2024/25

	Land & Buildings	Vehicles, Plant, Furniture & Equipment	Assets Under Construction	Total Property, Plant and Equipment	PFI assets included in PP&E
	£000	£000	£000	£000	£000
Value at 1 April 2024	126,963	27,468	1,359	155,790	83,725
- Additions	612	2,677	607	3,896	
- Donated Assets				0	
- Disposals	(111)	(1,714)		(1,825)	
- Revaluations	916			916	745
- Impairment				0	
- Reclassification	(700)		(85)	(785)	
- Transfers		1,225	(1,225)	0	
Gross Book Value at 31 March 2025	127,680	29,656	656	157,991	84,470
Depreciation:					
- Cumulative net to 31 March 2024	0	(18,583)	0	(18,583)	0
- Disposals		1,487		1,487	
- On revaluations	2,323			2,323	1,565
- For the Year	(2,323)	(1,611)		(3,934)	(1,565)
Depreciation at 31 March 2025	0	(18,707)	0	(18,707)	0
Net Book Value at 31 March 2025	127,680	10,949	656	139,284	84,470

Depreciation

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

- Buildings – 60 years
- Components of buildings – 10-25 years
- Appliances and appliance equipment – 10-15 years
- Vehicles – 4-10 years
- Furniture, plant and equipment – 5-20 years
- IT equipment – 3-5 years

On an exceptional basis and where appropriate, a small number of assets have a useful expected life outside of the stated range of useful lives, based on specific characteristics of these assets.

Capital Commitments

At 31 March 2026 there is contractually committed capital expenditure of £1.46m; orders have been raised for heavy and light fleet vehicles (£0.99m), building works (£0.03m), several IT projects (£0.22m) and operational equipment (£0.22m) all to be realised in 2026/27.

Revaluations

In 2025/26 the Authority engaged Cameron Butler BLE (Hons) MRICS, of FHP Property Consultants to value the entire land and buildings portfolio to ensure all assets held on the Balance Sheet comply with as per IAS16 by being revalued sufficiently regularly. The full portfolio was revalued based on a desk-top exercise, including seven on-site inspections and two full valuations, resulting in an upward revaluation of £8.1 million.

The valuations have all been carried out in accordance with the Royal Institute of Chartered Surveyors' current Appraisal and Valuation Standards manual. The sources and assumptions made when producing the valuations are set out in the valuation certificates and reports.

14. DETAILS OF ASSETS OWNED BY THE FIRE AUTHORITY

During the year, in line with the Vehicle Replacement Program, twenty vehicles were disposed of and twenty-one new vehicles purchased.

31-Mar-25		31-Mar-26
1	Fire Headquarters	1
33	Fire Stations	33
1	Workshops	1
183	Vehicles	184

15. INTANGIBLE ASSETS

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include both purchased licences and general software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority.

The useful lives assigned to the software are:

2024/25 £,000		2025/26 £,000
59	3 years	55
185	5 years	206
25	upto 10 years	0
270		261

The carrying amount of intangible assets is amortised on a straight-line basis. The movements during the year are as follows:

2024/25 £,000		2025/26 £,000
949	Gross Book Value at 1 April	532
59	- Additions	139
(560)	- Disposals	0
85	- Reclassification	0
(645)	Cumulative amortisation to 31 March	(263)
507	- Amortisation on disposals	0
(124)	- Amortisation for the year	(148)
270	Net Book Value at 31 March	261

16. ASSETS HELD FOR SALE

The Authority does not hold any asset which satisfies the criteria for Assets Held for Sale. As of 31 March 2025 the Authority held an asset to the value of £700,000 which was expected to be sold by the year end 31 March 2026. This is no longer the decision, and the asset has been transferred back to non-current assets.

17. HERITAGE ASSETS

The Authority currently owns four heritage vehicles and a collection of memorabilia which is held around the County. The Authority also displays one heritage vehicle at Newcastle Fire Station which is owned by the Newcastle Brampton Museum;

- Leyland Ajax pump escape 1939, one of the last open topped Leyland machines to leave the production line

- Merryweather horse drawn steam pump fire engine c1894, currently being displayed at The Potteries Museum and Art Gallery, Stoke-on-Trent
- Coventry Climax with Godiva Pump 1939 which has been gifted to the Authority and restored using donations and fundraising from the local community
- Thornycroft 1954 Fire Appliance displayed at Uttoxeter Fire Station gifted by Windrush Farm, Gloucestershire

The first two assets have been independently valued by an external specialist, John Holland FRICS FAAV of Thimbleby & Shorland Ltd, Reading. The value of the vehicles has been determined as £15,000 and £30,000 respectively. The values were based on current open market sale value as at 31 March 2012. Both the Coventry Climax and the Thornycroft have not been professionally valued but similar vehicles cost in the region of £5,000.

The Authority does not seek to acquire assets of this nature, and has no intention of disposing of the assets currently held. Due to the value of the heritage assets held they have not been recognised in the Balance Sheet in accordance with the Code.

18. FINANCIAL INSTRUMENTS

Categories of financial instruments

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments:

Financial Assets

	Non-Current				Current				Total	
	Investments		Debtors		Investments		Debtors		Total	
	31-Mar-25 £,000	31-Mar-26 £,000	31-Mar-25 £,000	31-Mar-26 £,000	31-Mar-25 £,000	31-Mar-26 £,000	31-Mar-25 £,000	31-Mar-26 £,000	31-Mar-25 £,000	31-Mar-26 £,000
Amortised costs:										
Cash held					400	107			400	107
Fixed Term Deposits					3,400	2,500			3,400	2,500
Debtors							765	813	765	813
Fair Value through profit and loss:										
Money Market Funds					16,150	15,275			16,150	15,275
Total Financial Assets	0	0	0	0	19,950	17,882	765	813	20,715	18,695

Financial Liabilities

	Non-Current				Current				Total	
	Borrowings		Creditors		Borrowings		Creditors		Total	
	31-Mar-25 £,000	31-Mar-26 £,000	31-Mar-25 £,000	31-Mar-26 £,000	31-Mar-25 £,000	31-Mar-26 £,000	31-Mar-25 £,000	31-Mar-26 £,000	31-Mar-25 £,000	31-Mar-26 £,000
Amortised costs:										
Market loans - LOBO	1,000	0							1,000	0
PWLB loans	15,150	15,150			0	0			15,150	15,150
PWLB loans - interest					73	74			73	74
Creditors							3,871	4,821	3,871	4,821
PF11	27,761	25,849			1,786	1,912			29,547	27,761
PF12	23,024	21,819			1,125	1,204			24,149	23,023
Finance Lease	46	0			44	46			90	46
Total Financial Liabilities	66,981	62,818	0	0	3,028	3,236	3,871	4,821	73,880	70,875

There are no assets or liabilities classified as Fair Value through Other Comprehensive Income and Expenditure.

Fair Values of Assets and Liabilities

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost; Money Market Funds investments are carried at FVTPL. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments.

Fair value is defined as the amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing

and willing to buy/sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price.

For financial assets the fair value is determined by calculating the Net Present Value of future cashflows, which provides an estimate of the value of payments in the future in today's terms. The discount rate used in the calculation is equal to the current rate in relation to the same instrument from a comparable lender. The Authority's investments are all at fixed rates and have therefore been calculated using the comparable fixed deposit rates as at 31 March 2026.

The fair value of the PWLB (Public Works Loan Board) has been calculated using a discounted cash flow analysis using other market data (level 2) namely swap rates, credit spreads and option prices.

The fair value of the PFI Liabilities has been calculated using a discounted cash flow analysis and are calculated using PWLB borrowing rates. The fair value is higher than the carrying amount because the interest rate payable is higher than the rates available for similar loans at the balance sheet date. This does not affect future payments made under the PFI scheme.

The authority used valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy, as follows:

- **Level 1** – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date
- **Level 2** – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- **Level 3** – unobservable inputs for the asset or liability

The valuation hierarchy of financial instruments that were carried at fair value for 2025/26:

31-Mar-26	Carrying Amount £,000	Fair Value			Total £,000
		Level 1 £,000	Level 2 £,000	Level 3 £,000	
Financial Assets:					
Cash held	107		107		107
Fixed Term Deposits	2,500		2,500		2,500
Money Market Funds	15,275	15,275			15,275
Debtors	813		813		813
Total Financial Assets	18,695	15,275	3,420	0	18,695
Financial Liabilities:					
Market loans - LOBO	0		0		0
PWLB loans	15,150		12,293		12,293
PWLB loans - interest	74		74		74
Creditors	4,821		4,821		4,821
PF11	27,761		38,229		38,229
PF12	23,023		35,849		35,849
Finance Lease	46		48		48
Total Financial Liabilities	70,875	0	91,314	0	91,314

The valuation hierarchy of financial instruments that were carried at fair value for 2024/25:

31-Mar-25	Carrying Amount £,000	Fair Value			Total £,000
		Level 1 £,000	Level 2 £,000	Level 3 £,000	
Financial Assets:					
Cash held	400		400		400
Fixed Term Deposits	3,400		3,400		3,400
Money Market Funds	16,150	16,150			16,150
Debtors	765		765		765
Total Financial Assets	20,715	16,150	4,565	0	20,715
Financial Liabilities:					
Market loans - LOBO	1,000		702		702
PWLB loans	15,150		12,665		12,665
PWLB loans - interest	73		73		73
Creditors	3,871		3,871		3,871
PFI1	29,547		41,159		41,159
PFI2	24,149		37,681		37,681
Finance Lease	90		96		96
Total Financial Liabilities	73,880	0	96,247	0	96,247

Nature and extent of risks arising from financial instruments

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

- **Credit risk** – the possibility that other parties might fail to pay amounts due to the authority.
- **Liquidity risk** – the possibility that the authority might not have the funds available to meet its commitments to make payments
- **Market risk** – the possibility that financial loss might arise for the authority as a result of changes in such measures as interest rates

The risks in relation to the Fire Authority are detailed below:

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the authority's customers.

The authority does not generally allow credit for customers such that all £813,000 of debtors fall within the 30-day credit period.

Liquidity risk

The Authority has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. As the authority has ready access to borrowings, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The Authority has the following debt liabilities on its balance sheet.

	31-Mar-25 £'000	31-Mar-26 £'000
Source of Loan		
Market Loans - LOBO	1,000	0
PWLB Maturity Loans	15,150	15,150
	16,150	15,150
Analysis of Maturity		
Less than one year	0	250
Between one year and two years	250	400
Between two years and five years	400	0
More than five years	15,500	14,500
	16,150	15,150

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

Market risk

The authority is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. However, all its long-term borrowing is on fixed rate contracts.

During 2025/26, if interest rates had been 1% higher with all other variables held constant, the impact on the CIES would be an increase in interest of c.£227,000.

19. INVENTORIES

The Authority holds three areas of inventories; the main stores at headquarters, transport and engineering stores held at the Trentham workshop and fuel stock which is held at various locations across the service.

The inventories included in the balance sheet for 2025/26 is £983,000 (£1,042,000 in 2024/25) being HQ stores £775,000, Transport £55,000 and fuel £153,000 (respectively for 2024/25 £881,000, £74,000 and £87,000).

20. AMOUNTS OWED TO THE AUTHORITY BY DEBTORS

31-Mar-25 £,000		31-Mar-26 £,000
1,460	General Debtors	1,413
1,019	Payments in Advance	1,183
868	Accrued Income	369
1,186	FF Government Top-up Grant	1,904
1,269	Council Tax Billing Authority	1,340
5,802		6,209

The general debtors' figure is net of the impairment of doubtful debts of £197 (£1,416 in 2024/25) is negligible. This provision ensures that sufficient resources are available should unpaid debtor accounts be deemed unrecoverable. The adequacy of this provision is reviewed annually. The general debtors figure also includes VAT at £591,000 and the Cycle Scheme at £11,000.

The Fire Fighter Government Top-up Grant of 2025/26 has a balance due from Home Office of £1,904,000 which will be settled in the grant provision of 2026/27.

In addition, the Authority also accounts for a proportionate share of the risks that the council tax and non-domestic rates collected by the billing authorities have incurred, which also includes a provision for doubtful debts and an appeal provision.

The Debtors can be further analysed as follows:

31-Mar-25		31-Mar-26
£,000		£,000
1,875	Central government bodies	2,495
2,000	Other local authorities	2,148
1,927	Other entities and individuals	1,566
5,802		6,209

21. CASH AND CASH EQUIVALENTS

31-Mar-25		31-Mar-26
£,000		£,000
0	Cash Account	0
400	Bank Account	107
17,050	Temporary Investments	15,275
17,450		15,382

The cash in hand represents a canteen float of a negligible amount £100.

The cash book balance of £107,000 (£400,000 in 2024/25) takes account of cheques yet to be presented to the Authority's bank for payment on 31 March 2026 and is held in Current Assets.

The Authority holds total temporary investments of £17,775,000 at the 31 March 2026. However, this includes investments of £2,500,000 that do not satisfy the definition of cash and cash equivalents due to a combination of the maturity period and the early withdrawal penalty. This has been presented in Note 22 within Short Term Investments.

22. SHORT TERM INVESTMENTS

The short term investment of £2,500,000 are held with a Money Market Funds, in line with the Annual Investment Strategy.

31-Mar-25		31-Mar-26
£,000		£,000
2,500	Temporary Investments	2,500
2,500		2,500

23. AMOUNTS OWED BY THE AUTHORITY TO CREDITORS

31-Mar-25		31-Mar-26
£,000		£,000
2,882	General Creditors	3,686
1,726	Accruals and deferred income	1,961
1,210	Council Tax Billing Authority	1,428
1,263	Receipts in advance	1,210
2,911	PFI liability	3,116
6,226	FF Government Top-up Grant	3,522
44	Finance Lease liability	46
16,262		14,969

The general creditors figure includes the supplier creditor accounts at £718,000 (£307,000 2024/25), Payroll HMRC at £825,000 (£737,000 2024/25). Of the £718,000 creditors, £308,000 is due to the Staffordshire Police for the rechargeable costs of joint services and £95,000 is due to Other Local Authorities therefore an amount of £315,000 is due to general suppliers.

Receipts in Advance includes a government transformation grant received in 2015/16 for £5,138,000. During the year £53,000 has been utilised with the balance committed in future periods; the grant remaining is £1,210,000. Due to the grant conditions it is held as a liability and not a reserve.

The Authority also accounts for a proportionate share of the rewards that the council tax and non-domestic rates collected by the billing authorities have incurred.

The creditors can be further analysed as follows:

31-Mar-25		31-Mar-26
£,000		£,000
2,000	Central government bodies	2,035
6,226	FF Government Top-up Grant	3,522
1,356	Other local authorities	1,832
6,680	Other entities and individuals	7,580
16,262		14,969

24. USABLE RESERVES

Movements in the Authority's usable reserves are detailed in the Movement in Reserve Statement.

31-Mar-25		31-Mar-26
£,000		£,000
1,906	General Fund (1)	1,906
0	Capital grants unapplied	0
1,035	Earmarked reserves - grants	849
6,796	Earmarked reserves - PFI grant	7,181
752	CCU Reserve	839
6,773	Other Reserves (2)	6,487
15,356	Earmarked Reserves	15,356
17,262	Total Usable Reserves	17,262

- (1) General Reserves - held to protect against any spate or emergency conditions which may arise. The level held is based on a risk assessment.
- (2) Other Reserves – held to fund transformation initiatives, invest to save and is utilised against non-recurring revenue spend. It is generated from budgeted contributions and planned efficiency savings from previous years.
- (3) The Authority has an approved reserve strategy that is updated annually.

25. UNUSABLE RESERVES

31-Mar-25		31-Mar-26
£,000		£,000
49,269	Revaluation Reserve	56,313
17,322	Capital Adjustment Account	19,755
(342,737)	Pensions Reserve	(333,563)
58	Collection Fund Adjustment Account	(89)
(276,088)		(257,584)

Revaluation Reserve

The Revaluation Reserve contains revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated in the balance on the Capital Adjustment Account.

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

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The balance on the Revaluation Reserve is accounted for on an individual asset basis.

2024/25		2025/26	
£,000		£,000	£,000
46,980	Balance as at 1 April		49,269
3,222	Upward revaluation of assets		
0	Downward revaluation of assets and impairment losses not charged to the surplus/deficit on the Provision of Services	8,040	
	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services		8,040
(867)	Different between fair value depreciation and historical cost depreciation	(928)	
(66)	Accumulated gains on assets sold or scrapped	(68)	
(933)	Amount written off to the Capital Adjustment Account		(996)
49,269	Balance as at 31 March		56,313

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The account is debited with the costs of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement.

The account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

As the Authority did not inherit debt from the County Council the depreciation charged to the Income and Expenditure Account is greater than the revenue provision for repayment of debt.

2024/25		2025/26	
£,000		£,000	£,000
13,498	Balance as at 1 April		17,322
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
(3,934)	Charges for depreciation and impairments of non-current assets	(4,261)	
16	Revaluation losses on Property, Plant and Equipment	14	
(124)	Amortisation of intangible assets	(148)	
(128)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(74)	
(4,170)		(4,469)	(4,469)
934	Adjusting amounts written out of the Revaluation Reserve		996
10,262	Net written out amount of the cost of non-current assets consumed in the year		13,849
	<u>Capital financing applied in the year:</u>		
0	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	289	
2,954	Direct revenue contributions	1,308	
2,714	Lease payments	2,955	
1,392	Statutory provision for the financing of capital investment charged against the General Fund	1,354	5,906
17,322	Balance at 31 March		19,755

Pension Reserves

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to the pension fund or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them.

The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

31-Mar-25		31-Mar-26	
£,000		£,000	
(380,154)	Balance brought forward	(342,737)	
40,815	Remeasurement of the net defined benefit liability	11,314	
(20,665)	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the Provision of services in the CIES	(20,713)	
17,267	Employer's pensions contributions and direct payments to pensioners payable in the year	18,573	
0	LGPS deficit contribution prepayment	0	
(342,737)	Total Pension Reserve	(333,563)	

The option to prepay the LGPS deficit contribution of £556,000 for 2023/24, 2024/25 and 2025/26 was exercised. The prepayment is used to offset the pension liabilities held on the balance sheet.

Collection Fund Adjustment Account

The Collection Fund Adjustment Account (CFAA) manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income & Expenditure Statement as it falls due from the council tax payers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

The following table presents the movements in the CFAA:

31-Mar-25		31-Mar-26
£,000		£,000
495	Balance as at 1 April	58
(382)	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	205
(55)	Amount by which non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	(352)
58		(89)

26. CASH FLOW STATEMENT – INVESTING ACTIVITIES

The cash flows for investing activities include the following items:

2024/25		2025/26
£,000		£,000
3,954	Purchase of property, plant and equipment and intangible assets	2,251
0	Purchase of short-term and long-term investments	0
0	Proceeds of short-term and long-term investments	0
0	Proceeds from the sale of property, plant and equipment and intangible assets	0
(3,500)	Proceeds from short-term and long-term investments	0
454	Cash outflows from Investing Activities	2,251

27. CASH FLOW STATEMENT – FINANCING ACTIVITIES

The cash flows for financing activities include the following items:

2024/25		2025/26
£,000		£,000
42	Cash Payments for the reduction of the outstanding liabilities relating to finance leases	44
2,673	Cash Payments for the reduction of the outstanding liabilities relating to PFI contracts	2,911
550	Repayment of short and long-term borrowing	1,000
3,265	Cash outflows from Financing Activities	3,955

28. CASH FLOW STATEMENT – ADJUSTMENTS FOR NON-CASH MOVEMENTS

2024/25 £,000		2025/26 £,000
(4,042)	PPE movements (depreciation, impairment, amortisation)	(4,396)
(4,054)	Movement in current assets (debtors, creditors, stock)	1,850
(3,400)	Movement in Pension Liability	(2,140)
(391)	Carrying amount of Non current assets sold	(122)
0	Other non-cash movements	0
(11,887)	Other Non-cash movements	(4,808)

29. CASH FLOW STATEMENT – ADJUSTMENTS FOR ITEMS INCLUDED IN THE NET DEFICIT THAT ARE INVESTING OR FINANCING ACTIVITIES

2024/25 £,000		2025/26 £,000
0	Capital grants credited to Surplus or Deficit on provision of services	0
0	Proceeds from the sale of property, plant and equipment and intangible assets	0
0	Adjust for items included in the net deficit on the provision of services that are investing or financing activities	0

30. CASH FLOW STATEMENT – OPERATING ACTIVITIES INCLUDE THE FOLLOWING ITEMS

2024/25 £,000		2025/26 £,000
(1,127)	Interest Received	(861)
729	Interest Paid	694

31. AGENCY INCOME AND EXPENDITURE

The Authority acts as an agent for other Fire Authorities under Sections 13 and 16 of the Fire Services Act 1947. Where assistance provided is greater than that received charges are made. The expenditure from West Midlands FRA during 2025/26 is £184,000 (£154,000 2024/25). There have been no over-border services to Derbyshire FRA during 2025/26.

Staffordshire Fire and Rescue Service administer the Staffordshire Civil Contingencies Unit (CCU) on behalf of the local authorities within the county.

The CCU funds are included in the Authority's Comprehensive Income and Expenditure Statement and the Balance Sheet. The expenditure for 2025/26 amounted to £966,000 (£896,000 in 2024/25) and income totalled £949,000 (£904,000 in 2024/25) leaving a net surplus position of £17,000 (£7,000 net surplus position in 2024/25).

The accumulated reserves balance at 31 March 2026 is £838,000 (£752,000 in 2024/25) which is held in the Authority's short-term investments.

32. MEMBERS ALLOWANCES

From 1 August 2018 the governance arrangements transferred to The Office of Police and Crime Commissioner (OPCC) therefore there is no allowances paid.

33. OFFICERS' REMUNERATION

The following table sets out the remuneration for Senior Officers whose salary is less than £150,000 but equal to or more than £50,000 per year:

For the Year of 2025/26	Salary (Including fees & allowances)	Benefits in Kind (e.g. Car Allowance)	Total Remuneration excluding pension contributions	Pensions Contributions	Total Remuneration including pension contributions	Note
	£	£	£	£	£	
Deputy Chief Fire Officer	142,055	0	142,055	53,413	195,468	
Assistant Chief Fire Officer	127,211	0	127,211	47,831	175,042	
Director of Finance, Assets & Resources	107,944	1,575	109,519	23,640	133,159	1
Total Senior Officers between £50,000 and £150,000	377,210	1,575	378,785	124,884	503,669	

Note 1:
The Director of Finance, Assets & Resources retired on 31.03.26.

For the Year of 2024/25	Salary (Including fees & allowances)	Benefits in Kind (e.g. Car Allowance)	Total Remuneration excluding pension contributions	Pensions Contributions	Total Remuneration including pension contributions	Note
	£	£	£	£	£	
Deputy Chief Fire Officer	128,496	0	128,496	48,314	176,810	
Assistant Chief Fire Officer	120,497	0	120,497	45,307	165,804	
Director of Finance, Assets & Resources	103,548	1,045	104,593	22,677	127,270	
Total Senior Officers between £50,000 and £150,000	352,541	1,045	353,586	116,298	469,884	

The following table sets out the remuneration for Senior Officers whose salary is more than £150,000:

For the Year of 2025/26	Salary (Including fees & allowances)	Benefits in Kind (e.g. Car Allowance)	Total Remuneration excluding pension contributions	Pensions Contributions	Total Remuneration including pension contributions	Note
	£	£	£	£	£	
Chief Fire Officer	169,353	0	169,353	63,677	233,030	

For the Year of 2024/25	Salary (Including fees & allowances)	Benefits in Kind (e.g. Car Allowance)	Total Remuneration excluding pension contributions	Pensions Contributions	Total Remuneration including pension contributions	Note
	£	£	£	£	£	
Chief Fire Officer	160,619	0	160,619	60,393	221,012	

The numbers of employees whose remuneration, excluding employer's pension contribution, was £50,000 or more in bands of £5,000, were as follows. These include both Senior Officers and Other Officers.

Remuneration Band	2024/25	2025/26
	No of Employees	No of Employees
£50,000 - £54,999	42	39
£55,000 - £59,999	22	19
£60,000 - £64,999	26	18
£65,000 - £69,999	9	25
£70,000 - £74,999	5	9
£75,000 - £79,999	1	5
£80,000 - £84,999	1	2
£85,000 - £89,999	4	2
£90,000 - £94,999	1	2
£95,000 - £99,999	-	1
£100,000 - £104,999	1	-
£105,000 - £109,999	-	1
£110,000 - £114,999	-	-
£115,000 - £119,999	-	-
£120,000 - £124,999	1	-
£125,000 - £129,999	1	1
£130,000 - £134,999	-	-
£135,000 - £139,999	-	-
£140,000 - £144,999	-	1
£145,000 - £149,999	-	-
£150,000 - £154,999	-	-
£155,000 - £159,999	-	-
£160,000 - £164,999	1	-
£165,000 - £169,999	-	1
	115	126

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25 £	2025/26 £
£0 - £20,000	-	-	1	-	1	-	10,694	-
£20,001 - £40,000	-	-	1	-	1	-	20,526	-
£40,001 - £60,000	-	-	1	-	1	-	45,771	-
£60,001 - £80,000	-	-	-	-	-	-	-	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-
£200,001 - £250,000	-	-	-	-	-	-	-	-
Total	0	0	3	0	3	0	76,991	-

34. EXTERNAL AUDIT COSTS

The Authority has paid the following amounts for external audit services during the year.

The Public Sector Audit Appointments (PSAA) awarded a contract of audit for the Authority to begin with effect from 2018/19. The proposed scale fee for 2025/26 is £105,209 (published scale fee for 2024/25 £102,343, since publication total fee variations of £11,478).

2024/25 £,000	2025/26 £,000
102 Fees payable to Azets for external audit services carried out by the appointed auditor	105
0 - in respect of other services for the 2024/25 audit	11
43 - in respect of other services for the 2023/24 audit	0
0 - in respect of other services pre-2023/24	14
145 Total Audit Fees	130

35. GRANT INCOME

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

2024/25		2025/26
£,000		£,000
<u>Credited to Net Costs of Service:</u>		
109	HO - Fire Link	0
1,243	HO - Pension contribution grant	1,161
0	MHCLG - NIC contribution grant	306
2,426	DLUHC - PFI1	2,494
1,988	DLUHC - PFI2	2,039
5,766		6,000
<u>Credited to Financial and Investment income:</u>		
1,388	DLUHC - PFI1	1,321
1,242	DLUHC - PFI2	1,190
2,630		2,511
<u>Credited to Taxation and Non-specific Grant Income & Expenditure:</u>		
30	HO - Enhanced Logistic Support Project	30
42	HO - New Dimensions	41
19	HO - New Risks	19
190	HO - Local resilience	265
3	Flood Recovery	0
8	MHCLG - Transparency Code set up	0
13	Redmond Review	26
101	HO - protection uplift and building risk	101
87	HO - FF pension remedy admin	0
54	HO - transformation	45
520	HO - Airwave	0
1,067	Revenue grants	527
188	MHCLG - Capital fire	7
188	Capital grants	7
3,585	Business Rates Relief	3,371
200	Staffordshire Business Rates Pool	200
67	Special Services Grant	0
81	Local Council Tax Support	0
3,933	Transitional Funding	3,571
7,490	Revenue Support Grant	7,622
8,391	Fire Fighter Pension Top Up Grant	10,125
21,069		21,852

The Authority holds a Business Transformation Grant that have conditions attached and these are held as a liability in Grants Receipts in Advance, the income will be recognised in the year it is utilised.

2024/25		2025/26
£,000		£,000
1,506	Balance at 1 April	1,263
(55)	Released in year - Transformation Fund (revenue)	(46)
(188)	Released in year - Transformation Fund (capital)	(7)
1,263	Total held in Receipts in Advance	1,210

36. RELATED PARTY TRANSACTIONS

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 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 effective control over the general operations of the Authority. It is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants, and prescribes the terms of many of the transactions that the Authority has with other parties.

Staffordshire Commissioner's Office

The Staffordshire Commissioner and Senior Officers of the Authority have direct control over its financial and operating policies and are required to disclose details of any transactions that the Authority has with any individuals with whom they may have a close relationship or any company in which they may have an interest. Members and Senior Officers are aware of the requirement of this disclosure and have declared that they have not been involved in any such related party transactions.

Outsourcing of administration services

The Authority contracts with Staffordshire County Council for the provision of various administrative support including treasury management, VAT advice, archiving and property services. In 2025/26 the amount paid is £32,000 (£42,000 in 2024/25).

The Authority contracts with Stoke on Trent City Council for the provision of payroll services of £22,700 (£20,700 in 2024/25). In addition, the fire-fighter pension administration is provided by West Yorkshire Pension Fund at a cost of £52,400 (£46,000 in 2024/25).

A recharge from the OPCC for the governance arrangements of £247,000 (£237,000 in 2024/25). A recharge of £2,923,000 for the back-office service which includes Finance, HR, Property Services, Procurement, the Communications/Media Team and JETS (2024/25 £2,556,000).

Joint Emergency Transport Service

The Joint Emergency Transport Service (JETS) delivers all aspects of fleet services for Fire and Police vehicles in Staffordshire. JETS established in April 2016 is located at the Staffordshire Fire Workshop at Trentham Lakes. Some overhead costs are shared at an agreed split Police/Fire. Other costs are direct to each Service. All the stock is held separately with identifiable stock control. The cost to Staffordshire Fire for the transport service in 2025/26 was £1,897,000 (2024/25 £1,900,000).

37. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below (including value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirements (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed.

The CFR is analysed as follows:

2024/25				2025/26		
Non PFI £,000	PFI & Lease £,000	TOTAL £,000		Non PFI £,000	PFI & Lease £,000	TOTAL £,000
21,375	55,627	77,002	Opening Capital Financing Requirement	20,983	52,912	73,895
			<i>Capital investment</i>			
59	59	59	Intangible Assets	138		138
3,895	3,895	3,895	Property, Plant & Equipment	2,113		2,113
			<i>Sources of finance</i>			
	0	0	Capital receipts	(48)		(48)
(200)	(200)	(200)	Government grants and other contributions	(290)		(290)
(2,754)	(2,754)	(2,754)	Direct Revenue Financing	(1,308)		(1,308)
(1,392)	(2,715)	(4,107)	Revenue Provision	(1,354)	(2,955)	(4,309)
20,983	52,912	73,895	Closing Capital Financing Requirement	20,234	49,957	70,191
			<i>Explanation of movements in the year</i>			
1,000		1,000	Increase in underlying need to borrow (supported by Government financial assistance)	605		605
(1,392)	(2,715)	(4,107)	Decrease in underlying need to borrow (unsupported by Government financial assistance)	(1,354)	(2,955)	(4,309)
	0	0	Assets acquired under finance lease			0
(392)	(2,715)	(3,107)	(Decrease) in Capital Financing Requirement	(749)	(2,955)	(3,704)

38. MINIMUM REVENUE PROVISION

There is a statutory requirement for the Authority to set aside sums from its General Fund Account in the form of a minimum revenue provision. The sum is based on a combination of either 4% of the Authority's capital financing requirement at the end of the previous financial year and a proportion of an assets value based on asset life. MRP is also charged against Private Finance Initiatives. The capital element of repayments is being used as a proxy for the PFI MRP.

The charges for this are reflected in the table below:

2024/25 £,000	2025/26 £,000
(1,392) Other Services	(1,354)
(42) Finance Lease	(44)
(1,668) PFI1	(1,786)
(1,005) PFI2	(1,125)
(4,107) Total MRP	(4,309)

39. OTHER LONG TERM LIABILITIES

The Other Long Term Liabilities include finance leases and the PFI Liability as disclosed in notes 40 and 41. The following schedule analyses the liability:

2024/25				2025/26		
Total Liability £,000	Payable less than 1 year £,000	Payable more than 1 year £,000		Total Liability £,000	Payable less than 1 year £,000	Payable more than 1 year £,000
90	44	46	Finance Lease	46	46	0
29,546	1,786	27,760	PFI 1 Liability	27,760	1,912	25,848
24,149	1,125	23,024	PFI 2 Liability	23,024	1,204	21,820
53,785	2,955	50,830		50,830	3,162	47,668

The liabilities payable less than one year are included in the Short Term Creditors.

40. LEASES

Finance Leases

The assets acquired under finance lease are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

2024/25 £,000		2025/26 £,000
154	Opening Net Value at 1 April	115
0	Additions	0
0	Revaluations	0
(39)	Depreciation	(39)
0	Disposals	0
115	Value at 31 March	76

The Authority is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Authority and finance costs that will be payable by the Authority in future years while liability remains outstanding.

During 2017/18 the Service expanded the Fire Behaviour Training site by developing a Training Villa which was operational from June 2017 and officially opened by The Earl of Wessex KG GCVO 8th September 2017. The Villa was acquired under a 10-year finance lease.

The minimum lease payments will be payable over the following periods:

	Minimum Lease Payments		Finance Lease Liabilities	
	31-Mar-25 £,000	31-Mar-26 £,000	31-Mar-25 £,000	31-Mar-26 £,000
Obligations payable not later than one year	48	48	44	46
Obligations payable later than one year and not later than five years	48	0	46	0
	96	48	90	46

The rentals payable under these arrangements in 2025/26 were £48,000 charged to the Comprehensive Income and Expenditure Statement as £4,000 interest payable and £44,000 relating to the write-down of obligations to the lessor charged to the General Fund. A weighted average incremental borrowing rate of 4.3% has been applied to lease liabilities as 1 April 2026.

Operating Lease

The Authority currently has no operational vehicles or equipment financed under the terms of operating leases.

41. PRIVATE FINANCE INITIATIVES (PFI)

The PFI transactions are treated in the Authority's accounts in accordance with the latest recommended practice with the adaptation of IFRIC12 (Service Concession Arrangements).

The assets used to provide services at the fire stations are recognised on the Authority's Balance Sheet.

The Authority makes an agreed payment annually which is increased each year by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year but which is otherwise fixed.

Although the payments made to the contractor are described as unitary payment, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. .

PFI 1 scheme

The contract to build ten new community fire stations in Staffordshire as part of the first PFI project was officially signed on 15 October 2009 by representatives of the Authority and the consortium delivering the project, Fire Support. The project benefited from £50 million of PFI credits from The Ministry of Housing, Communities and Local Government (MHCLG).

The project has seen seven fire stations rebuilt as well as the construction of an additional three new stations. All ten stations are operational; five being built in 2010/11 and the remaining built in 2011/12. A weighted average incremental borrowing rate of 5.8% has been applied to lease liabilities as 1 April 2026.

Payments remaining to be made under the PFI contract are as follows:

Future Unitary Payments	Payment for Services	Reimbursement of capital expenditure	Interest	Total Unitary Charge
	£'000	£'000	£'000	£'000
within 1 year	2,618	1,912	1,985	6,515
2-5 years	11,684	8,570	6,527	26,781
6-10 years	15,782	15,288	4,163	35,233
11-15 years	5,231	1,990	80	7,301
	35,315	27,760	12,755	75,830

The liability outstanding to pay the contractor's liability for capital expenditure incurred is £27,760,000 over the next 11 years, as stated in the above table.

	2024/25	2025/26
	£'000	£'000
Balance outstanding at start of year	31,214	29,546
Payments during the year	1,668	1,786
Capital expenditure incurred in the year	-	-
Balance outstanding at year-end	29,546	27,760

The Net Book Value of assets held under the PFI1 scheme as at 31 March 2026 was £45,768,000.

PFI 2 scheme

The contract to build eleven new community fire stations in Staffordshire as part of the second PFI project was officially signed on 10 July 2013 by representatives of the Authority and the consortium delivering the project, Blue³. The project benefited from £45 million of PFI credits from The Ministry of Housing, Communities and Local Government (MHCLG).

The project has seen ten fire stations rebuilt as well as the construction of a new station as a replacement of a current station on a different site. All stations were operational by the end of 2015/16. A weighted average incremental borrowing rate of 6.1% has been applied to lease liabilities as 1 April 2026.

Payments remaining to be made under the PFI contract are as follows:

Future Unitary Payments	Payment for Services £'000	Reimbursement of capital expenditure £'000	Interest £'000	Total Unitary Charge £'000
within 1 year	2,206	1,204	1,436	4,846
2-5 years	10,565	4,335	5,052	19,952
6-10 years	14,793	6,858	4,655	26,306
11-15 years	15,333	10,627	2,036	27,996
	42,897	23,024	13,179	79,100

The liability outstanding to pay the contractor's liability for capital expenditure incurred is £23,024,000 over the next 15 years, as stated in the above table.

	2024/25 £'000	2025/26 £'000
Balance outstanding at start of year	25,154	24,149
Payments during the year	1,005	1,125
Capital expenditure incurred in the year	-	-
Balance outstanding at year-end	24,149	23,024

The Net Book Value of assets held under the PFI2 scheme as at 31 March 2026 was £40,261,000.

42. CONTINGENT LIABILITIES

Special retained members (Matthews)

In November 2018 a ruling on the legal case involving part time judges (O'Brien v MoJ) has a direct impact on the equivalent firefighters (Matthews). Home Office Ministers agreed to extend the pension entitlement to eligible retained firefighters to cover service pre-July 2000. The Memorandum of Understanding signed in March 2022 sets out the intended scope and operation of the options exercise required to enact remedy in this case.

This options exercise has now commenced and will increase the pension entitlement for some current special retained members and also allow access to the scheme for additional historic retained firefighters.

Although the options exercise is underway, there is significant data uncertainty in the calculation of this liability, and significant assumptions have had to be made. Ultimately, until all members have made a decision on their specific option that uncertainty will not disappear. The option exercise was originally extended by 12 months to 31 March 2026, and over the last year this has been extended further to 31 March 2027.

The Authority received a payment as part of the annual pension top-up payment as this pension liability will be fully funded by Government. The grant held on 31 March 2026 is £2.3m.

43. TERMINATION BENEFITS

In 2025/26 the Authority incurred no termination payments.

44. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period.

45. PENSION SCHEMES

INCOME AND EXPENDITURE COSTS

Uniformed Fire-fighters

This is an unfunded scheme which means that there are no investment assets to match with the liability. Cash has to be generated to meet actual pension payments as they fall due. The fire-fighters pension scheme is a defined benefit scheme. Any annual surplus or deficit on the scheme is paid to or met by the Home Office.

Other Pensionable Employees

In 2025/26 the Authority paid an employer's contribution of £1,209,000 into the Staffordshire County Pension Fund. The fund gives members defined benefits related to pay and service. The contribution rate is determined by the fund's actuary based on the triennial actuarial valuation.

The costs of providing pensions are charged to the service revenue accounts as they are earned over the service lives of scheme members. Any variations from regular costs are spread over the remaining working life of current members using the percentage of salary method.

The triennial valuation of the Staffordshire Local Government Pension Scheme was undertaken in 2022 by the actuary Hymans Robertson LLP, to establish the contribution rates applicable for the period 1 April 2023 to 31 March 2026. For the Staffordshire Commissioner Fire and Rescue Authority the results of the modelling exercise resulted in a proposal to keep employer contribution rates payable into the scheme unchanged, however this would require a deficit repayment to cover the three year period. The Authority made a payment in advance of £556,000 to cover the triennial period, receiving a favourable discount rate for paying the deficit upfront rather than on an annual basis.

The Fire Authority participates in six schemes; the Fire Fighter Pension Schemes are administered by the West Yorkshire Pension Fund and the Local Government Pension Scheme is administered by Staffordshire County Council.

a) Five fire-fighters' schemes are:

- i. Pension Scheme 1992 (FF'92)
- ii. Pension Scheme 2006 (FF'06) which includes whole time and retained staff as members
- iii. Compensation Scheme 2006 (FF'CS) with non-contributory provisions covering death and injury on duty
- iv. Pension Scheme 2015
- v. Pension Modified Scheme (included in the FF'06 figures for this disclosure)

b) A Local Government Pension Scheme (LGPS) for other employees

The cost of the retirement benefits in the Cost of Services represents the cost of benefits earned during the year and past service costs, which represent the estimated liability of discretionary benefits awarded by the employer. The charge to the Council Tax is based upon employers' contribution paid in the year to the Pension Fund, so the real cost of retirement benefits is reversed out of the Comprehensive Income and Expenditure Statement after Net Operating Expenditure. The following transactions were made in the income and expenditure account during the year.

2025/26	LGPS	FF 1992 Pension Scheme	FF 2006 Pension Scheme	FF 2015 Pension Scheme	Compensation Scheme	Total Scheme
	£'000	£'000	£'000	£'000	£'000	£'000
Comprehensive Income and Expenditure Statement						
Net Cost of Services:						
- Current service costs	717			1,030	70	1,817
- Past Service Costs						0
- curtailments						0
Financing and Investment Income and Expenditure:						
- net interest on the net defined benefit liability	166	15,980	1,390	800	560	18,896
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	883	15,980	1,390	1,830	630	20,713
Remeasurement of the net defined benefit liability comprising:						
- Return on plan assets, excluding amounts included in net interest on the net defined benefit liability	65					65
- changes in demographic assumptions	596	0	0	0	0	596
- changes in financial assumptions	869	6,880	820	1,600	180	10,349
- experience gains and losses	(1,106)	16,230	(1,050)	(14,760)	990	304
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	424	23,110	(230)	(13,160)	1,170	11,314
- Employers contributions	(1,389)			(5,966)		(7,355)
- Retirement benefits paid to Pensioners					(1,019)	(1,019)
- Unfunded benefits	(74)					(74)
Actual amount charged against the General fund Balance for pensions in the year	(1,463)	0	0	(5,966)	(1,019)	(8,448)

2024/25	LGPS	FF 1992 Pension Scheme	FF 2006 Pension Scheme	FF 2015 Pension Scheme	Compensation Scheme	Total Scheme
	£'000	£'000	£'000	£'000	£'000	£'000
Comprehensive Income and Expenditure Statement						
Net Cost of Services:						
- Current service costs	924			1,950	80	2,954
- Past Service Costs						0
- curtailments						0
Financing and Investment Income and Expenditure:						
- net interest on the net defined benefit liability	161	14,630	1,320	1,060	540	17,711
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	1,085	14,630	1,320	3,010	620	20,665
Remeasurement of the net defined benefit liability comprising:						
- Return on plan assets, excluding amounts included in net interest on the net defined benefit liability	(1,517)					(1,517)
- changes in demographic assumptions	76	500	100	220	(20)	876
- changes in financial assumptions	1,163	25,290	3,660	7,180	800	38,093
- experience gains and losses	443	110	400	2,130	280	3,363
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	165	25,900	4,160	9,530	1,060	40,815
- Employers contributions	(1,296)			(6,441)		(7,737)
- Retirement benefits paid to Pensioners					(1,066)	(1,066)
- Unfunded benefits	(73)					(73)
Actual amount charged against the General fund Balance for pensions in the year	(1,369)	0	0	(6,441)	(1,066)	(8,876)

The cumulative actuarial gain recognised in the Comprehensive Income and Expenditure Statement to the 31 March 2026 is £11.3m (2024/25 actuarial gain £40.8m). The re-measurement includes a significant change in the financial assumptions, particularly the discount rate, shown on the following page.

McCloud Judgement – Pension Age Discrimination Case:

The McCloud remedy window ran from 1 April 2015 to 31 March 2022. Eligible members will be able to elect which scheme they wish to receive benefits from for this period. Due to the differing benefits structures, we expect the majority of eligible fire members to elect to take legacy scheme (1992 Scheme or 2006 Scheme) benefits for the remedy period.

An allowance for McCloud remedy was first included in the 2018/19 disclosures as a past service cost for four years remedy service from 2015-2019. This past service cost was attributed proportionally to the 1992 and 2006 schemes. For subsequent years to 2021/22 an allowance was made in the 2015 service costs for the annual accrual of additional remedy service.

When the remedy window has closed, all McCloud related liabilities for eligible members for the period 2019 to 2022 were moved to the associated legacy schemes. This meant all McCloud liabilities for that period were held within the legacy scheme which we expected benefits to be paid from. In the 2022/23 disclosures, this led to a past service cost in the 1992 Scheme and the 2006 Scheme and a past service gain in the 2015 Scheme.

We have now received updated membership data as at 31 March 2024, which reflects McCloud rollback from the 2015 to the legacy schemes for some eligible members. At the time of the data collection, the extent to which individual authorities had rolled-back their data varied significantly. For rolled-back members, all McCloud eligible liabilities for the period 2015 to 2022 will now be recorded in the appropriate legacy schemes. For other McCloud eligible members, who were not yet rolled back, approximate adjustments have been made to allocate additional McCloud eligible liabilities to the appropriate legacy scheme (from the 2015 Scheme).

This refined approach is expected to be broadly neutral, relative to last year's approach, when considered at the combined all-schemes disclosure level. However, the additional data is expected to produce a more accurate allocation of liabilities between the individual schemes' disclosures. The impact of this refinement will be shown as experience items in the individual scheme disclosures.

THE AUTHORITY'S ASSETS AND LIABILITIES

The underlying assets and liabilities of the Authority are as follows:

2025/26	LGPS £'000	FF'92 £'000	FF'06 £'000	FF'15 £'000	FF'CS £'000	TOTAL £'000
Scheme liabilities	64,225	268,507	25,999	27,913	8,761	395,405
Unfunded liabilities	1,062	0	0	0	0	1,062
Total Liabilities	65,287	268,507	25,999	27,913	8,761	396,467
Estimated assets	62,934	0	0	0	0	62,934
Net (Assets) / Liabilities	2,353	268,507	25,999	27,913	8,761	333,533

2024/25	LGPS £'000	FF'92 £'000	FF'06 £'000	FF'15 £'000	FF'CS £'000	TOTAL £'000
Scheme liabilities	58,609	289,687	24,819	14,523	10,321	397,959
Unfunded liabilities	1,068	0	0	0	0	1,068
Total Liabilities	59,677	289,687	24,819	14,523	10,321	399,027
Estimated assets	56,500	0	0	0	0	56,500
Net (Assets) / Liabilities	3,177	289,687	24,819	14,523	10,321	342,527

The liability shows the underlying commitments the Authority has to pay as retirement benefits.

The total liability of £333m reduces the Authority's net worth significantly as shown in the Balance Sheet and results in overall negative balance of £240m at 31 March 2026. The Government top up grant required to balance to the Pension Fund Account of £10.1m has not been included in the net liabilities above or in the Balance Sheet.

However, a statutory arrangement for funding the deficit means the financial position of the Authority remains healthy. The LGPS deficit will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme's actuary.

BASIS FOR ESTIMATING ASSETS

The LGPS Scheme's liabilities have been valued by Hymans Robertson, an independent and professionally qualified firm of actuaries. The Unfunded Scheme's liabilities have been re-valued using the Projected Unit Method by the Government's Actuary Department.

An estimate of the pensions that will be payable in future years is dependent on assumptions about mortality rates, salary levels and other financial assumptions, see below:

2025/26	LGPS	FF'92	FF'06	FF'15	FF'CS
Mortality:					
Longevity at 65 for current pensioners:					
- Men	21.4	21.3	21.3	21.3	21.3
- Woman	24.7	21.3	21.3	21.3	21.3
Longevity at 65 for future pensioners:					
- Men	22.4	22.8	22.8	22.8	22.8
- Woman	26.0	22.8	22.8	22.8	22.8
Financial assumptions:					
Price Increases (CPI)	3.00%	2.95%	2.95%	2.95%	2.95%
Salary Increases	3.50%	3.70%	3.70%	3.70%	3.70%
Pension Increases	3.00%	2.95%	2.95%	2.95%	2.95%
Discount Rate	6.20%	6.10%	6.10%	6.10%	6.10%

2024/25	LGPS	FF'92	FF'06	FF'15	FF'CS
Mortality:					
Longevity at 65 for current pensioners:					
- Men	20.5	21.3	21.3	21.3	21.3
- Woman	23.8	21.3	21.3	21.3	21.3
Longevity at 65 for future pensioners:					
- Men	21.6	22.7	22.7	22.7	22.7
- Woman	25.5	22.7	22.7	22.7	22.7
Financial assumptions:					
Price Increases (CPI)	2.75%	2.70%	2.70%	2.70%	2.70%
Salary Increases	3.25%	3.45%	3.45%	3.45%	3.45%
Pension Increases	2.75%	2.70%	2.70%	2.70%	2.70%
Discount Rate	5.80%	5.65%	5.65%	5.65%	5.65%

For the LGPS an allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

Scheme Profile and funding liability split:

LGPS:	Active members	Deferred members	Pensioner members
Number	150	235	210
Total Salaries in membership data (pa) (£m)	4.531	0.639	1.563
Average Age	54	51	68

The membership data summarised in the table above is as at the most recent funding valuation date of 31st March 2025.

Salaries are actual, not full-time equivalent. Deferred pensioners include undecided leavers and frozen refunds. Pensioners include dependants.

Fire Fighter Pension:	Active members	Deferred members	Pensioner members
Number	623	818	846
Total Salaries in membership data (pa) (£m)	15.7		
Total deferred pension (pa) (£m)		1.05	
Total pension (pa) (£m)			14.97

The principal membership data used for the statement is dated 31 March 2024

LGPS:	Active members	Deferred members	Pensioner members	
Liability split (£000)	10,511	7,240	21,993	39,744
Liability split (%)	26.4%	18.2%	55.3%	100%

Sensitivity analysis:

The estimation of the defined benefit liability is sensitive to the actuarial assumptions set out in the table previously shown. The sensitivity analyses have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes whilst all the other assumptions remain constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change from those used in previous period.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 March 2026	FF'92		FF'06		FF'15		Compensation Scheme		TOTAL	
	Approx. % increase to Employer Liability %	Approx. monetary amount £m	Approx. % increase to Employer Liability %	Approx. monetary amount £m	Approx. % increase to Employer Liability %	Approx. monetary amount £m	Approx. % increase to Employer Liability %	Approx. monetary amount £m	Approx. % increase to Employer Liability %	Approx. monetary amount £m
0.5% decrease in Real Discount Rate	5.5%	15.0	8.5%	2.0	10.5%	3.0	5.0%	-	6.0%	21.0
Life expectancy, pensioners assumed to be one year younger	3.0%	7.0	2.0%	1.0	2.0%	-	3.5%	-	2.5%	9.0
0.5% increase in the Salary Increase Rate	0.5%	1.0	2.0%	1.0	4.0%	1.0	0.0%	-	0.5%	2.0
0.5% increase in the Pension Increase Rate	6.0%	16.0	7.5%	2.0	8.0%	2.0	5.0%	-	6.0%	20.0
Change in assumptions at 31 March 2026	LGPS									
	Approx. % increase to Employer Liability %	Approx. monetary amount £m								
0.1% decrease in Real Discount Rate	2.0%	0.62								
Life expectancy, pensioners assumed to be one year younger	4.0%	1.63								
0.1% increase in the Salary Increase Rate	0.0%	0.02								
0.1% increase in the Pension Increase Rate	1.0%	0.60								

LOCAL GOVERNMENT PENSION SCHEME

The present value of the Scheme Liabilities can be analysed as follows:

Year Ended:	31-Mar-25	31-Mar-26
	£'000	£'000
Opening Defined Benefit Obligation	59,274	59,677
Current Service Cost	924	717
Interest Cost	2,855	3,433
Contributions by scheme participants	324	361
Remeasurement gains and losses	(1,682)	3,104
Estimated Unfunded Benefits Paid	(73)	(74)
Estimated Benefits Paid	(1,945)	(1,931)
Closing Defined Benefits Obligation	59,677	65,287
Opening Fair Value of Employer Assets	55,838	56,500
Interest income on plan assets	2,694	3,267
Contributions by scheme participants	324	361
Contributions by the employer	1,106	1,209
Contributions in respect of Unfunded Benefits	73	74
Remeasurement gains and losses	(1,517)	3,528
Unfunded Benefits Paid	(73)	(74)
Benefits Paid	(1,945)	(1,931)
Closing Fair Value of Employer Assets	56,500	62,934
	(3,177)	(2,353)

The closing defined benefit obligations of £65.3m include unfunded obligations of £1.06m.

The movement in the net pension's deficit for the LGPS for the year can be analysed as follows:

	2024/25	2025/26
	£'000	£'000
Net (deficit) at the beginning of year	(3,436)	(3,177)
<i>Movement in the year:</i>		
Current service cost	(924)	(717)
Contributions by the employer	1,106	1,209
Net return on assets (after Interest on pension liabilities)	(161)	(166)
Past Service Costs	0	0
Impact of settlements and curtailments	0	0
Unfunded Benefits	73	74
Actuarial gains/(loss)	165	424
Net (deficit) at the end of year	(3,177)	(2,353)
<u>The actuarial gain/loss can be analysed as follows:</u>		
- Return on plan assets, excluding amounts included in net interest on the net defined benefit liability	(1,517)	1,466
- changes in demographic assumptions	76	596
- changes in financial assumptions	1,163	(532)
- other experience	443	(1,106)
Actuarial gain/(loss)	165	424

Further information can be found in the Staffordshire County Council Superannuation Fund Annual Report, which is available upon request from the County's Finance Directorate, Eastgate Street, Stafford.

Asset Ceiling Adjustment

Following the LGPS pensions valuation by the Authority's actuary, Hymans Robertson, the Authority determined that its fair value of its LGPS pension scheme assets outweighed the present value of the plan obligations as at 31 March 2026, resulting in a pension plan net asset. IAS19 Employee Benefits requires that, where a pension plan asset exists, it is measured at the lower of:

- The surplus in the defined benefit plan
- The asset ceiling

The asset ceiling is the present value of any economic benefit available to the Authority in the form of refunds or reduced future employer contributions. The Actuary's calculation of the asset ceiling has followed the interpretation of IFRIC 14.

The results as follows:

	31-Mar-25	31-Mar-26
	£'000	£'000
Assets	56,500	62,934
Obligations	(36,793)	(39,744)
Net Asset	19,707	23,190
Asset Ceiling	(21,816)	(24,481)
Present Value of Funded Obligations	(2,109)	(1,291)
Present Value of Unfunded Obligations	(1,068)	(1,062)
Net Liability	(3,177)	(2,353)

Fair value of employers' assets:

Asset Category	Period Ended 31 March 2025				Period Ended 31 March 2026			
	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	1,260.7	-	1,260.7	2%	-	-	-	0%
Manufacturing	513.3	-	513.3	1%	-	-	-	0%
Energy and Utilities	-	-	-	0%	-	-	-	0%
Financial Institutions	1,635.4	-	1,635.4	3%	-	-	-	0%
Health and Care	957.2	-	957.2	2%	-	-	-	0%
Information Technology	1,213.3	-	1,213.3	2%	-	-	-	0%
Other	-	-	-	0%	-	-	-	0%
Debt Securities:								
Corporate bonds (investment grade)	4,147.4	-	4,147.4	7%	2,567.7	-	2,567.7	4%
Corporate bonds (non-investment grade)	-	-	-	0%	-	-	-	0%
UK government	-	-	-	0%	-	-	-	0%
Other	-	-	-	0%	-	-	-	0%
Private Equity:								
All	-	2,744.7	2,744.7	5%	-	3,549.3	3,549.3	6%
Real Estate:								
UK Property	-	4,481.8	4,481.8	8%	-	5,596.1	5,596.1	9%
Overseas Property	-	-	-	0%	-	-	-	0%
Investment funds and Unit Trusts:								
Equities	26,173.7	-	26,173.7	46%	33,949.4	-	33,949.4	54%
Bonds	4,334.4	-	4,334.4	8%	5,701.8	-	5,701.8	9%
Hedge Funds	-	-	-	0%	-	-	-	0%
Commodities	-	-	-	0%	-	-	-	0%
Infrastructure	-	3,159.0	3,159.0	6%	-	4,215.0	4,215.0	7%
Other	2,744.9	2,351.2	5,096.1	9%	3,362.3	2,805.1	6,167.4	10%
Derivatives:								
Inflation	-	-	-	0%	-	-	-	0%
Interest Rate	-	-	-	0%	-	-	-	0%
Foreign Exchange	-	-	-	0%	-	-	-	0%
Other	-	-	-	0%	-	-	-	0%
Cash and Cash Equivalents:								
All	783.0	-	783.0	1%	1,187.3	-	1,187.3	2%
Total	43,763.3	12,736.7	56,500.0	100%	46,768.5	16,165.5	62,934.0	100%

FIREFIGHTER PENSION SCHEMES

The movement in the net pension's deficit for the Unfunded Firefighters' Schemes for the year can be analysed as follows:

2025/26	FF'92 £'000	FF'06 £'000	FF'15 £'000	FF'CS £'000	TOTAL £'000
Net deficit - start of year	(289,687)	(24,819)	(14,523)	(10,321)	(339,350)
<i>Movement in the year:</i>					0
Current service cost	0	0	(1,030)	(70)	(1,100)
Contributions by scheme participants	0	0	(2,290)	0	(2,290)
Past service cost	0		0	0	0
Pension transfers-in	0		(90)	0	(90)
Pension/benefits paid	14,050	440	3,980	1,020	19,490
Interest on pension liabilities	(15,980)	(1,390)	(800)	(560)	(18,730)
Actuarial gains/(loss)	23,110	(230)	(13,160)	1,170	10,890
Net deficit - end of year	(268,507)	(25,999)	(27,913)	(8,761)	(331,180)
<u>The actuarial gain/loss can be analysed as follows:</u>					
changes in demographic assumptions	0	0	0	0	0
changes in financial assumptions	6,880	820	1,600	180	9,480
experience gains and losses	16,230	(1,050)	(14,760)	990	1,410
Actuarial gain/(loss)	23,110	(230)	(13,160)	1,170	10,890

2024/25	FF'92 £'000	FF'06 £'000	FF'15 £'000	FF'CS £'000	TOTAL £'000
Net deficit - start of year	(314,777)	(28,019)	(21,693)	(11,831)	(376,320)
<i>Movement in the year:</i>					0
Current service cost			(1,950)	(80)	(2,030)
Contributions by scheme participants			(2,180)		(2,180)
Past service cost					0
Pension transfers-in			(70)		(70)
Pension/benefits paid	13,820	360	2,900	1,070	18,150
Interest on pension liabilities	(14,630)	(1,320)	(1,060)	(540)	(17,550)
Actuarial gains/(loss)	25,900	4,160	9,530	1,060	40,650
Net deficit - end of year	(289,687)	(24,819)	(14,523)	(10,321)	(339,350)
<u>The actuarial gain/loss can be analysed as follows:</u>					
changes in demographic assumptions	500	100	220	(20)	800
changes in financial assumptions	25,290	3,660	7,180	800	36,930
experience gains and losses	110	400	2,130	280	2,920
Actuarial gain/(loss)	25,900	4,160	9,530	1,060	40,650

Firefighters' Pension Fund Account

2024/25		2025/26	
£'000		£'000	£'000
	Contributions receivable		
	From employer		
(6,325)	- normal	(6,627)	
(69)	- Ill health	(54)	
(6,394)			(6,681)
(2,237)	From members		(3,070)
	Transfers in		
(69)	- individual transfers in from other schemes	(89)	
(69)			(89)
	Benefits payable		
14,987	- pensions	16,371	
2,086	- commutations and lump sum retirement benefits	3,594	
0	- other benefits payable	0	
17,073			19,965
	Payments to and on account of leavers		
0	- individual transfers out to other schemes	0	
0			0
8,373	Net amount payable for the year before top-up grant receivable to sponsoring department		10,125
(8,373)	Top-up grant payable by the Government		(10,125)
0	Fund Account Balance		0

2024/25		2025/26	2025/26
£'000		£'000	£'000
	Net Current Assets and Liabilities		
(7,205)	Top-up grant received	(7,360)	
0	Top up grant received - for Matthews Case	(862)	(8,222)
8,373	Pension - costs for the year	9,263	
18	Matthews Case - costs for year	862	10,125
(1,186)	Amount owing (to) General Fund		(1,903)
0			0

Statement of Accounting Policies for Firefighters' Pension Fund

1. The fund accounts have been prepared on an accruals basis.
2. An exception to the accruals basis is the transfer values which are on a cash basis. Note: transfer payments between English fire authorities were repealed by Regulation 36 of 1810/2006. Therefore, transfer payments which arise will relate to Firefighters transferring to/from Welsh and Scottish authorities or transferring out of the Firefighters Pension Scheme entirely.
3. The fund has been valued by the Government Actuary's Department using the Projected Unit Credit method. The actuarial assumptions are shown in Note 45 to the Core Financial Statements.
4. The pension fund accounts do not take account of the obligation to pay pensions and benefits which fall due after the end of the financial year.

Notes to the Pension Fund Account

1. Legal Status of the Pension Fund

The Pension Fund was established under the Firefighters Pension Fund Regulations 2006 (SI1810/2006) and from 1st July 2018 the Firefighters Pension Fund has been administered by the West Yorkshire Pension Fund, previously administered by Staffordshire County Council.

2. Management of the Fund

During the year the pension fund is managed by the Director of Finance (Staffordshire Commissioner's Office) / Section 151 Officer.

3. Pension Benefits Payable from the Fund

The pension benefits payable from the fund include:

- Fire Fighters 1992 Scheme
- Fire Fighters 2006 Scheme
- Fire Fighters 2015 Scheme
- Fire Fighters Modified Scheme

The injury benefits are payable from the main authority accounts rather than the pension fund.

4. Unfunded Scheme

The Firefighters' pension scheme is an unfunded scheme, consequently:

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

5. Statutory Restrictions

The pension fund is statutorily prevented from including interest on cashflows and administration expenses in the pension fund and that these expenses are borne by the fire authority main accounts.

6. Pension Fund Scheme Contribution Levels

Employees and employers contribution levels are set nationally by the Home Office and subject to triennial revaluation by the Government Actuary's Department.

7. Government 'Top-Up' Grant

The pension fund account receives contributions from the Authority, as the employer, and from scheme members, with any deficit being funded by a 'top-up' grant from Government or by paying over the surplus to the Government sponsoring department. The Government grant balances the fund to nil.

The net assets statement shows £10.1m grant to be paid to the Authority as this is the deficit balance on the fund for 2025/26 costs.

8. IFRS

As a result of the introduction of The IFRS Code there are no material changes to the pension statements arising from the transition.

Glossary

Accrual

A sum included in the final accounts to cover income or expenditure attributable to an accounting period for goods or work done, but for which payment has not been received/made by the end of an accounting period.

Actuarial Strain

This is a charge paid, or due to be paid to the pension fund for paying pensions early.

Capital Charge

A charge to service expenditure accounts to reflect the cost of fixed assets used in the provision of services.

Capital Expenditure

Expenditure on the acquisition of significant fixed assets that will be of use or benefit to the authority in providing its services beyond the year of account.

Capital Adjustment Account

Provides a balancing mechanism between the different rates at which assets are depreciated under accounting rules and are financed through the capital controls system.

Capital Receipts

Proceeds from the sale of an asset e.g. Land and Buildings which may be used to finance new capital expenditure or to repay outstanding loan debt as laid down within regulations set by Central Government.

CIPFA

The Chartered Institute of Public Finance and Accountancy. This is the professional organisation for accountants working in the public service.

Contingent Liabilities

A potential liability at the balance sheet date when the accounts are submitted for approval the outcome of which is uncertain. If material the liability will be disclosed as a note to the accounts.

Deferred Charges

An item in a balance sheet where there is no tangible asset. It also represents outstanding borrowing in respect of a capital asset which has been disposed of but where the proceeds have been insufficient to clear the outstanding debt.

Deferred Liabilities

Liabilities which by arrangement are payable beyond the next year at some point in the future or paid off by an annual sum over a period of time.

Financial Regulations

A written code of procedures we have approved, aimed at providing a framework for sound financial management.

IAS

International Accounting Standards

IFRIC

International Financial Reporting Interpretations Committee

IFRS

International Financial Reporting Standards

Impairment

Where an asset's value has been reduced for reasons other than normal wear and tear. The asset's value in the accounts has to be reduced to reflect this impairment.

Leasing

A method of financing capital expenditure where a rental charge is paid for a specified period of time. There are two main types of leasing arrangements:

- a) Finances leases which transfer the risks and rewards of ownership of a fixed asset to the lessee and such assets are included within the fixed assets in the balance sheet.
- b) Operating leases where the ownership of the asset remains with the leasing company and the annual rental is charged direct to the income and expenditure account

Lender Option Borrower Option (LOBO)

A longer term loan which, at set points during its term, gives the lender the option to change the interest rate and the borrower the option to continue or end the agreement.

Minimum Revenue Provision – Prudent Level

The minimum amount which must be charged to the revenue account each year to set aside for provision for credit liabilities, previously 4% of the capital financing requirement.

Non-Current Assets

Assets that give us value for more than one year.

Public Works Loan Board (PWLb)

A government agency which provides longer term loans to local authorities, at interest rates below market rate. It also acts as a lender of last resort (at a higher rate of interest).

‘Prudent’ Level

In this instance the term relates to amount charged to the Income and Expenditure Account for the provision for the repayment of debt. This is a more cautious approach thus linking borrowing to asset lives rather than just the standard 4% charge in previous years regardless of asset life.

Revaluation Reserve

Records unrealised revaluation gains arising (since 1 April 2007) from holding fixed assets.

Revenue Contribution to Capital Outlay / Direct Revenue Financing (RCCO) / (DRF)

A contribution to the financing of capital expenditure by a charge to the income and expenditure account, i.e. as a source of capital expenditure funding also can be used to avoid borrowing.

Virement

The transfer of resources between budget heads.

Work in Progress

The cost of work done on an uncompleted project at a specified date that has not been recharged to the appropriate account at that date.

Annual Governance Statement

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- B** Ensuring openness and comprehensive stakeholder engagement
- C** Defining outcomes in terms of sustainable economic, social and environmental benefits
- D** Determining the interventions necessary to optimise the achievement of the intended outcomes
- E** Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F** Managing risks and performance through robust internal control and strong public financial management
- G** Implementing good practices in transparency, reporting and audit to deliver effective accountability

4. Overall Level of Assurance

5. Glossary

1. Introduction



Ben Adams

Staffordshire Commissioner: Police, Fire & Rescue, Crime.

As the Police, Fire and Rescue and Crime Commissioner for Staffordshire I have the duty to ensure that we have robust Corporate Governance arrangements in place. To comply with this duty my office is delegated the responsibility for the preparation and delivery of two Corporate Governance Frameworks, one relating to Staffordshire Police and the other relating to Staffordshire Fire and Rescue. This Annual Governance Statement (AGS) provides the public of Staffordshire and Stoke-on-Trent an overview of how I have ensured compliance with the published Corporate Governance Frameworks for the year ending 31 March 2026.

My office, Staffordshire Police and Staffordshire Fire and Rescue Service all have a strong commitment in obtaining the best possible value for money and with the recent financial crisis, I realise it is immensely important for Staffordshire and Stoke-on-Trent residents to see we are doing this. I am assured that the services and functions within them have completed financial challenge sessions and that we have procurement processes in place to support our commitment.

As Commissioner it is my responsibility for delivering the strategic vision and holding the Chief Fire Officer to account in delivering that vision. It is important that I have oversight and apply scrutiny and in turn the Police, Fire and Crime Panel scrutinises publicly my decisions – an important check and balance in the system.

In order to support effective decision making and to drive continuous improvement across Staffordshire Police and Staffordshire Fire and Rescue Service, as Commissioner a number of boards have been established. These boards provide the required support and ensure that proper guidance, support and advice from the right people is available when important decisions need to be made.

Public Performance meetings are also held during the year which provides important scrutiny of the performance of the Fire and Rescue Service and its most senior officers'. These meetings can be attended by members of the public in person and are also made available to listen to via a podcast.

As required within his statute, the strategic vision, priorities and objectives are published within the Fire and Rescue Plan which sets out the basis on which the Service is held to account.

In December 2024 my updated Police and Crime Plan and Fire and Rescue Plan covering the period 2024-2028 were published and are accessible via this link:

[Fire-and-Rescue-Plan_AW4.pdf](#)

2. Scope of Responsibility

The Staffordshire Commissioner is responsible for ensuring that business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

The Staffordshire Commissioner has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which the functions of the Authority are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging these overall responsibilities, the Staffordshire Commissioner is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Authority has approved and adopted the Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE framework “Delivering Good Governance in Local Government”. Copies of the Code can be obtained from the Monitoring Officer and Chief Executive for the Staffordshire Commissioner’s Office.

This statement explains how the Staffordshire Commissioner Fire and Rescue Authority has complied with The Code and meets the requirements of Regulation 6(1)(a) of the Accounts and Audit (England) Regulations 2015 that requires the Staffordshire Commissioner to conduct a review at least once a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published statement of accounts. Regulation 6(1)(b) requires that the statement is an Annual Governance Statement.

3. Implementation

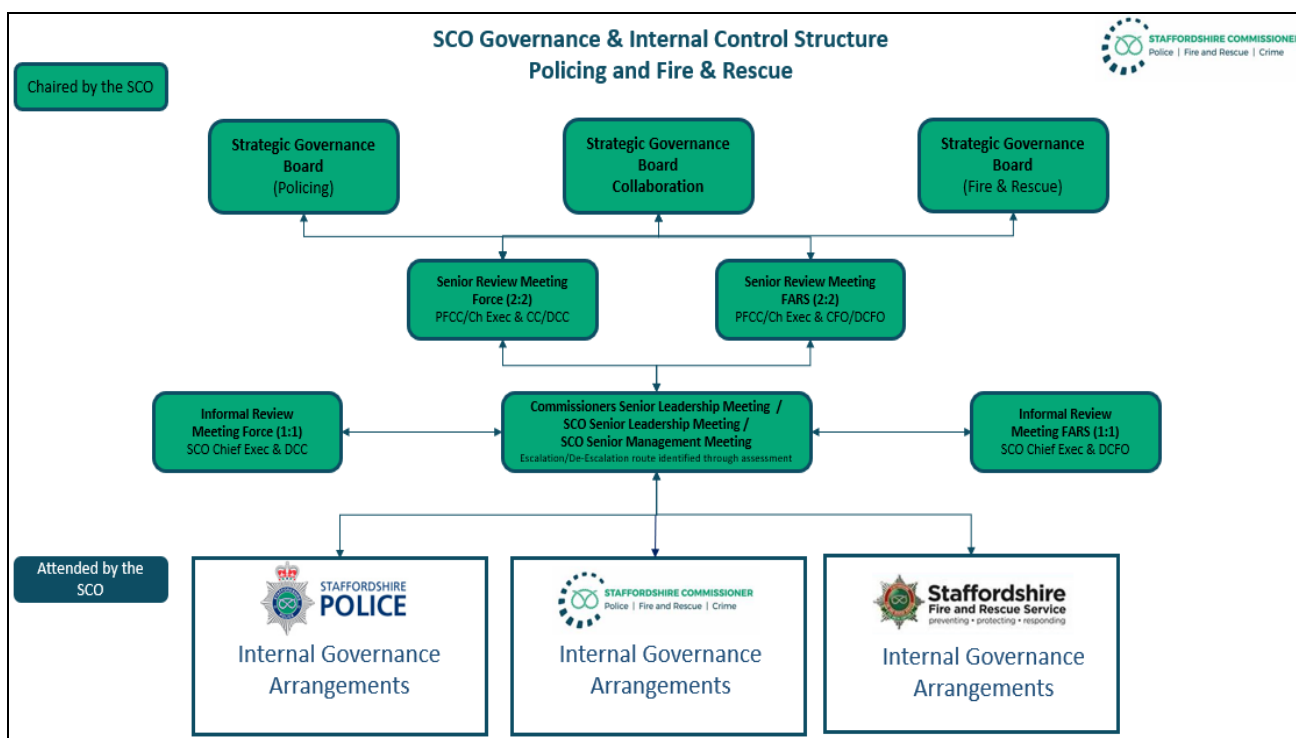
The Governance Framework comprises of the systems and processes, culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the potential risks to the achievement of the Authority’s policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Corporate Governance Framework has been in place at Staffordshire Commissioner Fire and Rescue Authority for the year ended 31 March 2026 and up to the date of approval of the 2025/26 Statement of Accounts.

A new Corporate Governance Framework was introduced on 1 August 2018 following the change in governance arrangements. The key elements of the Governance Framework in place during 2025/26 are as follows:



Framework

The framework for Governance of the Fire and Rescue Authority is embodied in various statutes, standing orders, financial regulations and scheme of delegation. These are regularly reviewed and induction and training is provided where appropriate. Terms of Reference are in place for Authority meetings which are reviewed annually by the Strategic Governance Board. There are a range of policies including anti-fraud and corruption, anti-money laundering and a confidential reporting code (whistle-blowing) which are all reviewed and updated as appropriate. A robust process for risk management and business continuity is in place across the Service with strategic risks that are linked into corporate objectives. These processes are regularly tested and reviewed.

The Statement of Assurance for 2024/25 has also been published, a document that supports and sets out the financial, governance and response arrangements that the Staffordshire Commissioner Fire and Rescue Authority had in place for the period 1 April 2024 to 31 March 2025. It was written in accordance with the guidance published by the Ministry of Housing, Communities and Local Government on Statements of Assurance for Fire and Rescue Authorities in England.

The Staffordshire Commissioner has well established methods of communication in place with various stakeholders ensuring that key messages are received by both staff and the communities that we serve. Contained within the Governance Frameworks is the Code of Corporate Governance which sets out 7 principles of good governance which are taken from the international framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014), with the aim of encouraging better service delivery, improved accountability ensuring that organisations achieve their intended outcomes whilst operating in the public interest at all times.

The 7 principles are as follows:

- A** Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B** Ensuring openness and comprehensive stakeholder engagement
- C** Defining outcomes in terms of sustainable economic, social and environmental benefits

-
- D** Determining the interventions necessary to optimise the achievement of the intended outcomes
 - E** Developing the entity's capacity, including the capability of its leadership and the individuals within it
 - F** Managing risks and performance through robust internal control and strong public financial management
 - G** Implementing good practices in transparency, reporting and audit to deliver effective accountability.

This AGS will address each one of the seven principles, demonstrating areas of consistent compliance and additional work undertaken in the last year by Staffordshire Fire and Rescue Service.

A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

The Staffordshire Commissioner Fire and Rescue Authority is compliant with the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.

The Staffordshire Commissioner Fire and Rescue Authority employs a S151 Officer who is also the Director of Finance for the Fire and Rescue Service.

In accordance with CIPFA guidance, the Chief Financial Officer (CFO) is:-

- a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest;
- is actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority's financial strategy;
- leading on the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

The finance function for the Authority is provided through a shared service arrangement with Staffordshire Police and includes both the Deputy Chief Finance Officer and Deputy S151 Officer and also a dedicated Head of Finance. These two posts are both undertaken by highly competent and professionally qualified individuals who have worked for the Authority for a number of years.

The SCO Chief Executive is the designated Monitoring Officer as well as the 'Head of Paid Service' for the purposes of the Local Government and Housing Act 1989, as amended by the Police Reform and Social Responsibility Act 2011. The 'Head of Paid Service' aspect of the Chief Executive means taking responsibility for the coordination and discharge of the Staffordshire Commissioner's functions and managing the SCO and the staff within it. This also includes the role of Monitoring Officer for the Staffordshire Commissioner Fire and Rescue Authority.

The Fire Service locally and nationally through the National Fire Chiefs' Council has adopted the Core Code of Ethics which consists of five ethical principles. The code, which is closely aligned to the Service's original Cultural Framework and its values, reflects best practice principles and has been designed to underpin the commitment to serving the communities of Staffordshire and Stoke on Trent. The five ethical principles are as follows:

- **Putting our communities first** – the Service put the interest of the public, the community and service users first.
- **Integrity** – the Service act with integrity including being open, honest and consistent in everything we do.

- **Dignity and respect** - making decisions objectively based on evidence, without discrimination or bias.
- **Leadership** – for all staff to be positive role models, always demonstrating flexibility and resilient leadership. We are all accountable for everything we do and challenge all behaviour that falls short of the highest standards.
- **Equality, diversity and inclusion (EDI)** – to continually recognise and promote the value of EDI both within the FRSs and the wider communities in which we serve. We stand against all forms of discrimination, create equal opportunities, promote equality, foster good relations and celebrate difference.

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) carries out its own independent inspections of all 44 Fire and Rescue Services in England in addition to carrying out all national policing assessments. The inspection assesses how effectively and efficiently Fire and Rescue Services' prevents, protects the public against and responds to fires and other emergencies. They also assess how well the Service looks after its people.

In January 2023 HMICFRS started the third full programme of inspection of fire and rescue services (FRSs) in England. The Inspectorate use inspection findings, analysis and professional judgment to assess how effective and efficient FRSs are at fire safety, firefighting, and responding to road traffic collisions and other emergencies. HMICFRS also assess how well the Service looks after its people. Each of the areas are then graded, using a revised system, as; outstanding, good, adequate, requires improvement or inadequate

The third inspection undertaken by HMICFRS of Staffordshire Fire and Rescue Service commenced in February 2024 and concluded in May 2024, with the full report published in September 2024. HMICFRS will be commencing their fourth inspection of Staffordshire Fire and Rescue in June 2026.

The Staffordshire Commissioner noted that Staffordshire Fire & Rescue Service has made good progress in recent years which was recognised in the most recent inspection report by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). The improvement in many of the areas assessed being testament to the hard work and dedication of the service's staff, firefighters, leaders and Chief Fire Officer during the past three years.

The HMICFRS inspection assessed how well Staffordshire Fire and Rescue Service has performed in 11 areas. The following graded judgments were made:

Outstanding	Good	Adequate	Requires improvement	Inadequate
Responding to major incidents	Understanding fire and risk	Preventing fire and risk		
	Responding to fires and emergencies	Public safety through fire regulation		
	Best use of resources	Promoting fairness and diversity		
	Future affordability	Managing performance and developing leaders		
	Promoting values and culture			
	Right people, right skills			

The principle findings from the Inspectorate were as follows:

- The service is outstanding at responding to major and multi-agency incidents, and works actively with partners to take pre-emptive action to prevent incidents from occurring.
- The service's falls response and home from hospital teams, run in collaboration with Staffordshire and Stoke-on-Trent Integrated Care Board, supports vulnerable members of the community and reduces unnecessary use of health services.
- The service has improved its culture at all levels of the organisation, and we found that staff were comfortable challenging and reporting unacceptable behaviour.
- The restructured prevention and protection departments now target people and premises most at risk of fire and other emergencies, though it is too early to know if these changes will provide a consistently good service.
- A shared equality, diversity and inclusion service with Staffordshire Police will provide more capacity for this work, but there is more to be done to make sure staff understand the benefits of it.

HMICFRS noted five Areas for Improvement (AFIs) for the Service which have been uploaded onto the HMICFRS tracker which will be regularly reported through Governance arrangement to ensure progress is being made to resolve and implement each AFI.

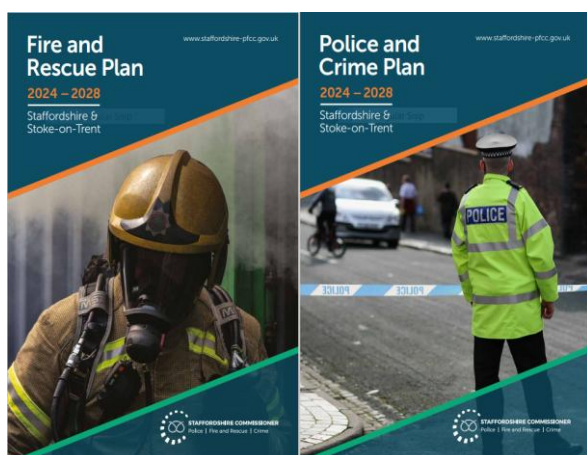
In addition, HMICFRS also undertook a thematic inspection of the Service in Autumn of 2023 with a terms of reference set following a Home Secretary's commission for a thematic inspection of the handling of misconduct in fire and rescue services. The inspection was undertaken across a number of FRS's and a generic report was published in 2024. A number of actions have been taken from this report and good progress is being made.

A recent audit undertaken by the Authorities Internal Auditors, RSM, has concluded that "the service has made good progress in addressing the AFIs reviewed, with actions completed and supported by appropriate evidence through established governance arrangements. Clear action tracking was in place, progress was regularly reported to the relevant boards, and formal sign-off was obtained from the Service Delivery Board. This included the introduction of strengthened quality assurance processes, assurance dashboards, mandated training requirements and increased awareness of equality, diversity and inclusion".

B

Ensuring openness and comprehensive stakeholder engagement

As the elected representative of the public the Staffordshire Commissioner has made a commitment for Policing and Crime and Fire and Rescue clear in the election manifesto and embedded this with development and publication of an updated Police and Crime Plan 2024-28. In addition, the Staffordshire Commissioner through responsibility for the governance of Staffordshire Fire and Rescue Service has updated and published the Fire and Rescue Plan covering the period 2024-28. This is aligned to new Community Risk Management Plan published by the Service in December 2024.



The SCFRA and FARS is committed to ensuring openness, transparency and accountability and can be demonstrated by: -

- The FARS have signed up to a published Core Code of Ethics which is underpinned by the Nolan Principles of public life;
- The Community Risk Management Plan (FARS) and other published documents, including the Annual Report, the Budget Report, the Annual Statement of Accounts;
- Information provided through the FARS website, social media and other routes that provide local people with relevant information on performance and outcomes and the Staffordshire Commissioner's intentions;
- Appropriate use of the press and media by FARS;
- The live webcasts of the Public Performance Meetings and the Police, Fire and Crime Panel Meetings;
- Decision forms relating to significant public interest, made available online for public scrutiny;
- Information available on the FARS website as part of the Publication Scheme
- Publication of information on remuneration and expenses;
- The establishment of a number of forums independent of the Staffordshire Commissioner, comprised of members of the public, in particular the Joint Audit and Risk Committee (JARC). The panel scrutinise a number of areas within the SCO, the Force and FARS;
- JARC hold quarterly public meetings, meeting papers and minutes are published on the SCO website;

The commitment to stakeholder involvement is demonstrated by: -

- Consultation and engagement activity through FARS. This includes a number of Open Day events held locally at Community Fire Stations within the Service Delivery Groups; events that have attracted thousands of visitors from our local communities;
- Reports to the Police, Fire and Crime Panel and attendance at other democratically led forums;
- The establishment of a number of forums independent of FARS including JARC.
- Working closely with a wide range of partners; local authorities, Criminal Justice agencies, NHS bodies, private and voluntary sector organisations etc.;
- Utilising a number of channels of communications for the public and other stakeholders. FARS engages with various groups, organisations and people throughout the year, organises community lunch engagement events updating them on the work of the Service, hearing their questions and views and providing answers that meet their needs.

C

Defining outcomes in terms of sustainable economic, social and environmental benefits

The strategic priorities are set out in the SCFRA Fire and Rescue Plan 2024-28 and within the Service's Community Risk Management Plan 2025-2028. These documents underpin the overarching ambitions for delivering positive and sustainable economic, social and environmental outcomes for Staffordshire and Stoke-on-Trent. The Staffordshire Commissioner has an established office that works beyond governance and scrutiny to ensure that there is a longer term strategic direction around all aspects of policing, fire and community safety and that when put into practical terms enables or influences delivery against the priorities.

Each of the priorities are reflected within the Staffordshire Commissioner's performance arrangements which inform how effectively the outcomes are being delivered. The Staffordshire Commissioner can then hold to account Chief Officers' for that performance. There are three levels of accountability which each include multiple functions for obtaining information on desired outcomes that are linked to the priorities, these being:

Public Accountability

Ensures that the Staffordshire Commissioner demonstrates the primary role of holding the Chief Officers' to account and ensuring value for money whilst meeting the priorities and needs of the people of Staffordshire and Stoke-on-Trent. Examples of this function would be the regular Public Performance Meetings, JARC Meetings and Thematic Reviews, SNP Meetings and Scrutiny Reports and the performance information available on the Staffordshire Commissioner's and FARS websites.

SCO Level Accountability

Examination of key activity at a strategic level allowing the Staffordshire Commissioner to take a detailed, searching approach with consideration of all relevant issues. Examples of this function would be the, various joint management meetings and boards, and Staffordshire Commissioner and Chief Officer's informal and formal review meetings.

Operational Level Accountability

Generates a detailed understanding of operational areas where there are matters of concern affecting the effective and efficient operation FARS or partner agencies. Examples of this function would be operational working groups, JARC dip sampling and multi-agency workgroups.

All parties are committed to continuous improvement in managing performance as demonstrated by the commitment to have agreed Performance & Accountability Framework's in place.

FARS and the Staffordshire Commissioner are committed to improving outcomes for the people of Staffordshire and Stoke-on-Trent through partnership working with other agencies who are responsible for economic, social and environmental benefits. To ensure this happens the Staffordshire Commissioner has strategic overview and regular operational updates on the delivery plans owned by each team within the SCO.

Through the Local Business Case for Joint Governance of the Police Service and Fire and Rescue Service in Staffordshire and Stoke-on-Trent in the last year, the latest collaboration went live on 1 April 2025 at Uttoxeter Fire Station. The aim being to achieve economy, efficiency and effectiveness in both services for the people of Staffordshire and Stoke-on-Trent. This has helped to make sure that more of the money available can be spent by both services on the frontline keeping people and communities safer.

The Staffordshire Commissioner's commitment to protecting frontline resources requires that budgets are managed effectively and are sustainable in the medium to long term. Financial reports including the Medium Term Financial Strategies are presented to both JARC and the Police, Fire and Crime Panel in addition to the Strategic Governance Board. These link to the delivery of the Fire and Rescue Plan: and the Community Risk Management Plan 2025 - 2028 for which progress is also reported to the panel.

The formal decision making process for expenditure and changes to programmes, policies and procedures requires that an Equality Impact Assessment is completed as part of the process. This assesses the impact of any changes that may affect staff, stakeholders and the public.

D **Determining the interventions necessary to optimise the achievement of the intended outcomes**

Community Risk Management Plan 2025-2028

As required by the government's Fire and Rescue National Framework for England, every fire and rescue service must produce a high-level Integrated Risk Management Plan (IRMP) which explains how they use their resources to respond to and reduce the risks they have identified in their local area.

The Chief Fire Officer published the updated Community Risk management Plan in December 2024 covering the period up to 2028 and is aligned to the timeframe for the Staffordshire Commissioner's updated Fire and Rescue Plan.

The Community Risk Management Plan (CRMP) is our four-year plan that sets out the priorities and approach to ensure local communities are protected. It outlines the key challenges and risks facing the communities of Staffordshire and Stoke on Trent and outlines the strategies to address and reduce these risks over the coming years. It demonstrates how resources in prevention, protection, and emergency response will be utilised to target the most vulnerable and keep Staffordshire's communities safe.

The Staffordshire Commissioner's Office in publishing an updated Fire and Rescue Plan and has been actively involved in the development of the updated Corporate Safety Plan document.

The plan is driven by the vision of "making Staffordshire the safest place to be" and is underpinned by the [Core Code of Ethics](#), which are the values applied to everything undertaken by the Service and expectations for all staff to uphold.

The Community Risk Management Plan is centred around three key priority areas:

Our People:

What we aim to do – Develop a diverse, healthy and highly professional workforce and support them so that they are motivated and empowered to improve the way we deliver our services.

Our Communities:

What we aim to do – Reduce the risks to our local communities from fire and other emergencies through a combination of our prevention, protection, and response activities, helping to make Staffordshire a safer place to live, work, and visit.

Our Environment:

What we aim to do – Reduce our carbon footprint, therefore protecting our environment and contributing to building more resilient, healthy and sustainable local communities. And, we aim to ensure that the built environment across Staffordshire is as safe as possible for everyone and that our ways of working contribute to a cleaner, healthier and positive environment for our people and our communities.

Monitoring Arrangements

There are formal arrangements in place to monitor against outcomes associated with decision making, performance and financial management across the SCO Police and Fire and Rescue Services. Monitoring methods and frequencies are contained within the relevant Performance Management Frameworks and meetings are held separately for each service to enable detailed scrutiny and challenge where exceptions occur. Where the response to agreed actions does not deliver expected outcomes, escalation to the Strategic Governance Board allows for robust challenge and necessary interventions by the Staffordshire Commissioner.

Collaboration

A Strategic Governance Board for Collaboration oversee progress in developing collaborative arrangements and shared facilities between the two services to maximise efficiency and effectiveness.

Shared sites are currently in place at Hanley, Tamworth Belgrave, Chase Terrace, Penkridge, Kinver, Stone and Uttoxeter operating as shared sites. Sharing of sites has already delivered significant recurring revenue savings for both Police and Fire as well as capital receipts generated through the disposal of older Police buildings.

Community use also remains an important part of the offer at a number of Fire Stations where community groups meet and receive fire safety advice. This is in addition to support for the NHS where stations have been utilised to support vaccination programmes.

The Service has also continued to build on existing collaboration and partnerships which includes the Fire and Health Partnership activities where we work with the Integrate Care Board (ICB) and Midland Partnership Foundation Trust (MPFT) in providing a Falls Response Service and in December 2023 a new Home from Hospital (HfH) service was launched. These two initiatives are providing improved outcomes to some of the most vulnerable people within our communities. The Falls Response and HfH are both excellent examples of how the Service can add real value and support the communities we serve, but in different ways helping the local health economy to manage the increasing demands being placed upon the NHS.

E Developing the entity's capacity, including the capability of its leadership and the individuals within it

Officers within the FARS have access to continuous professional development through the support mechanisms that are available at a national level (NFCC). In addition, regular seminars are available that provide for more specific development needs. All staff have access to learning and development opportunities supported by line management and team meetings.

The Service has proudly continued to fully support the launch of the national Core Code of Ethics, which has been formally adopted across the Fire and Rescue sector and Staffordshire Fire and Rescue. The code, which is closely aligned to the existing Cultural Framework and its values, reflects best practice principles and has been designed to underpin the way the Service serves our communities and carries out its role and supports all parties to work together.

Anecdotal evidence has shown that where a service has an established ethical framework, and where these are well embedded, the culture has improved compared with those services that do not have such a framework.

The Code of Ethics is easy to understand and is broken down into five ethical principles.

The five Fire and Rescue Service ethical principles:

Putting our communities first – we put the interest of the public, the community and service users first.

Integrity – we act with integrity including being open, honest and consistent in everything we do.

Dignity and respect - making decisions objectively based on evidence, without discrimination or bias.

Leadership – we are all positive role models, always demonstrating flexibility and resilient leadership. We are all accountable for everything we do and challenge all behaviour that falls short of the highest standards.

Equality, diversity and inclusion (EDI) – We continually recognise and promote the value of EDI both within the FRSS and the wider communities in which we serve. We stand against all forms of discrimination, create equal opportunities, promote equality, foster good relations and celebrate difference.



Inappropriate behaviors have no place with the Service and a confidential reporting line “Say-So” has been introduced and provides a trusted and impartial facility where any member of staff can report workplace concerns and call-out inappropriate behaviours.

F

Managing risks and performance through robust internal control and strong public financial management

A well-established and robust performance management system is in place internally throughout the Fire and Rescue Service with regular performance monitoring being carried out by Principal Management and reported through to the Service Delivery Board and Strategic Governance Board.

The Chief Fire Officer holds the Senior Team to account on a monthly basis where performance monitoring is presented, review and scrutinised to ensure that directionally the Service is moving the right way, achieving targets and delivering the objects set out within the Community Risk Management Plan.

A detailed Finance Report is published internally on a monthly basis and incorporates all of the key information expected as part of a professional, commercially focused, set of Management Accounts; including revenue and capital spend and a cash flow management with performance comparison to budget. The Finance Report closely monitors the performance of the Authority and achievement of actual savings realised against targets. This report continues to be developed to ensure that it contains clear, relevant and timely information at all times.

The review of the effectiveness of internal control is informed by the work of the Principal Officers who have responsibility for the development and maintenance of the internal control environment, as well as the Monitoring Officer, Internal Audit and Managers who have day to day responsibility for ensuring the Governance Framework is functioning properly. Additional comments are made by external audit, internal audit and the Joint Audit and Risk Committee and other review agencies and of course HMICFRS.

The Service Delivery Board, the Service Management Board, and the Staffordshire Commissioner's Office have maintained their governance by setting the budget for 2025/26 and approving the Medium Term Financial Strategy which is supported by the Capital, Reserve and Treasury Management Strategies. During the financial year they have received, reviewed and scrutinised reports. Performance delivery and budget management have been kept under regular review and where appropriate remedial action and resource reallocation has been instigated.

Detailed financial reports are presented to, and scrutinised by the Strategic Governance Board on a quarterly basis. The reports include full details of performance against budget for the key reporting areas namely; revenue, capital, cash and delivery of efficiencies and savings.

Under the governance arrangements the Audit Committee arrangements are undertaken by the Joint Audit and Risk Committee (JARC), which also receives bi-monthly finance and audit reports from both internal and external audit. The Committee includes a number of qualified accountants who are able to provide detailed scrutiny to the monthly Finance Report, Internal and External Audit Reports and also the Annual Statement of Accounts.

There is a robust process in place within the Service in order to ensure that strategic risks are reviewed on a quarterly basis ensuring that the level of risk exposure is monitored regularly against a rapidly changing environment. It includes those risks that could have significant impact on the Services' ability to deliver services and objectives.

A Strategic Risk Report is presented to the Service Delivery Board to review and approve the current Strategic Risk Register, to provide organisational assurance that the Service's current risk exposure is being managed and suitable controls and mitigations are in place. This report is also considered by the Staffordshire Commissioner at the Strategic Governance Board as part of the robust governance process.

The strategic risks and associated action plans identified within the Strategic Risk Register are reviewed as part of this process taking into consideration changes to the operating environment, political and funding constraints and local and national intelligence. The Service is a Category 1 responder as designated by the Civil Contingencies Act 2004 and has a statutory duty to support a multi-agency response to any 'malicious risks' within Staffordshire. The Strategic Risk Report provides assurance that risks are considered that are not only faced internally but those that could have an impact on the ability to provide a multi-agency response and duties under both the Civil Contingency Act 2004 and the Fire and Rescue Services Act 2004.

As part of its corporate planning the Authority sets out the key performance indicators both quantitative and qualitative that measure the delivery of its strategic objectives. Achievements against these key performance indicators are reported regularly to the Service Delivery Board.

G

Implementing good practices in transparency, reporting and audit to deliver effective accountability.

RSM Risk Assurance Services LLP were appointed to undertake the internal audit work for the year 2025/26 with RSM undertaking the internal audit work and delivery of the Internal Audit Plan for the Staffordshire Commissioner's Office, Staffordshire Police and Staffordshire Fire and Rescue Service.

This importantly has provided the opportunity to undertake combined audits across both Police and Fire ensuring a more efficient and effective internal audit strategy can be developed and delivered.

Throughout the year internal audit has carried out a range of planned reviews of systems and internal controls across the Service. Five audit reviews were undertaken during the year, this included; Key Financial Controls, Payroll, Insurance, Rope Rescue and a review of the HMICFRS Action Plan. The HMICFRS Action Plan review was an advisory audit.

The annual opinion for Staffordshire Fire & Rescue Service provided by RSM has been discussed with the Director of Finance to explain the rationale and context behind the annual opinion that has been provided.

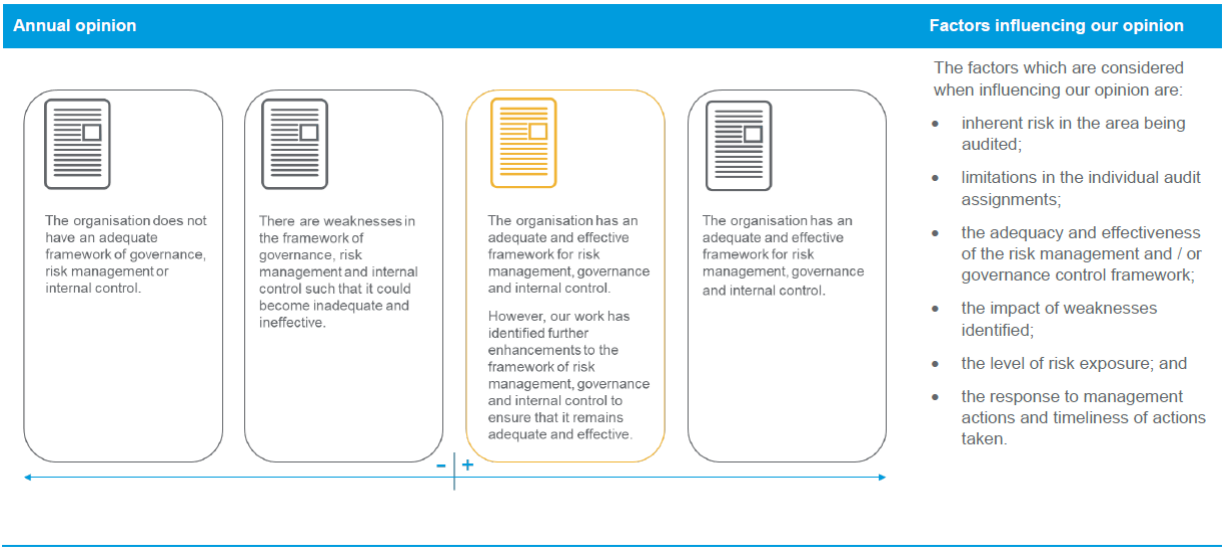
It is important that internal audit resource continues to be effectively directed to those areas of the business where management have identified risks, are aware of weaknesses, or where new system are being implemented. Consequently, management actions and themes have been agreed for the organisation to implement and embed across the control frameworks.

The UK PSIAS requires that the Head of Internal Audit must deliver an annual internal audit opinion on the overall internal control environment of the Authority. The methodology for formulating this opinion is set out within the Internal Audit Strategy and Plan each year.

RSM has stated that Staffordshire Commissioner Fire and Rescue Authority has an **adequate and effective framework for risk management, governance and internal control in place**. However, the work undertaken by RSM has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

To ensure that RSM remains compliant with the PSIAS framework a dedicated internal Quality Assurance Team who undertake a programme of reviews is in place to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs for the audit teams.

For the 12 months ended 31 March 2026, the Head of Internal Audit opinion for Staffordshire Commissioner Fire and Rescue Authority is as follows:



External Audit discharges a statutory function because of the special accountabilities attached to public money and how public business is conducted. External Audit are appointed independently from the Authority and the scope of the auditor’s work is to not only give opinion of the financial statements but to also include governance arrangements that secure the economic, efficient and effective use of resources. This is reported separately by the external auditor as the value for money arrangements being achieved by the organisation.

The appointed external auditor for 2025/26 is Azets (replaced Grant Thornton for 2023/24 audit) and this will be the third audit conducted following the procurement exercise undertaken by PSAA. The external auditor provides regular reports at the Joint Audit and Risk Committee (JARC) formal meetings. The JARC members due to their independence have the opportunity to consider the audit findings, to challenge and ask for further clarification where necessary and also to make recommendations on their findings.

The audited Statement of Accounts for 2024/25 was signed off and published on 5 December 2025. This positive step ensures that the Authority is not tied up in any public sector audit backlog issues which affects many bodies. Local bodies need to have accurate and independently audited accounts, delivered on time, to help effectively plan, make informed decisions and manage services. Local residents, councillors, central government and other accounts users need timely audited accounts to understand what money the local body has received and how it has used its resources so they can hold it to account. This is key to transparent, trusted and accountable local democracy. This Authority will continue to strive to meet these high standards of corporate governance, and has established in a very favourable position to do so.

4. Significant Governance Issues

The Strategic Governance Board monitors the progress on the governance issues contained within the Annual Governance Statement.

On the basis of the review of the sources of assurance set out in this statement, we are satisfied that SFRS has in place governance arrangements and a good system of internal control, both of which are fit for purpose and operating effectively. As part of this review, we have not identified any gaps in assurance over key risks or significant governance issues.

Both governance and internal control arrangements are kept under review to ensure that they continue to operate effectively, meet changing legislative needs, and reflect best practice and our vision of making our communities safer.

We propose over the coming year to take steps to further enhance our governance arrangements as summarised below. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and we will monitor their implementation and operation as part of our next annual review.

-
- To consider the impact of the government's white paper for Fire and Rescue and the associated implications for Governance of the FRS. Emerging Local Government Re-organisation presents a future risk with potential implications for governance structures, accountability arrangements and partnership working. The announcement of the abolishment of the Office of Police, Fire and Crime Commissioner (OPFCC) will hugely change the governance arrangements for FRS. Whilst this does not directly affect the 2025/26, it will require proactive oversight and clear transition planning to manage governance complexity and maintain effective controls as reforms progress.
 - To consider the HMICFRS responses and views on the five "Areas for Improvement" (AFI's) identified in the 2024 inspection, in addition to the outcomes of the imminent inspection which will commence in June 2026.
 - To fully review and implement actions following the Rope Rescue Internal Audit.
 - Continue to work closely with West Yorkshire Pension Fund with regards to implementing the Remedies for the Firefighter Pension Scheme. The Pension Board will continue to monitor progress.

5. Overall levels of Assurance

The details given within this statement represents a clear approach to ensuring that appropriate and proper governance arrangements are in place for Staffordshire Commissioner Fire and Rescue Authority.

Glossary

AGS	Annual Governance Statement
CFO	Chief Fire Officer of Staffordshire Fire and Rescue
ETAP*	Ethics Transparency & audit Panel
FARS	Staffordshire Fire & Rescue Service
HMICFRS	Her Majesty's Inspectorate of constabularies and Fire and Rescue Services
NFCC	National Fire Chiefs Council
PFCP	Police, Fire and Crime Panel
PSIAS	Public Sector Internal Audit Standards
PSAA	Public Sector Audit Appointments Limited
SC	Staffordshire Commissioner
SLA	Service Level Agreement
SCO	Staffordshire Commissioners Office

- These functions are made up of members of the public

.....
Ben Adams
Staffordshire Commissioner
Date

.....
Glynn Luznyj
Chief Fire Officer
Date:

.....
Sarah Wilkes
Director of Finance / Section 151 Officer
Date: