



# Northamptonshire Commissioner Fire and Rescue Authority

Single Entity

Draft Statement of Accounts for the year 2024/25

Date Published: 27<sup>th</sup> June 2025

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# NARRATIVE REPORT

## FOREWORD BY CHIEF FINANCE OFFICER

These accounts are produced annually to give local taxpayers, employees and other interested parties clear information about the Authority's financial performance.

They are prepared on a going concern basis, assuming that the Northamptonshire Commissioner Fire and Rescue Authority (NCFRA) will continue in operation for the foreseeable future. They have been prepared in accordance with the Accounts and Audit Regulations 2015, the CIPFA Code of Practice on Local Authority Accounting and the Service Reporting Code of Practice 2024/25.

The information provided also allows for an assessment of the Commissioner's performance in terms of stewardship and the management of the resources entrusted to them. The accounts are, therefore, necessarily detailed and technical, and explanatory notes are included.

The purpose of this narrative report is to offer a guide on the most important matters reported in the accounts as well as providing information about the strategic direction of the Authority. It provides an explanation of the financial position and assists in the interpretation of the financial statements. It contains information about the activities of the NCFRA and the main influences on the financial statements to provide a link between the Fire activities; Police, Fire and Crime Plan; future challenges and how these impact on its financial resources.

It includes information on the budget preparation process, final accounts, performance information, medium term financial plans and other contextual information such as workforce numbers and strategic risks.

## NORTHAMPTONSHIRE

The county of Northamptonshire covers an area of 913 square miles and has an estimated population of over 790,000 people. It is the southern-most county in the East Midlands region and its most populated towns are Northampton, Kettering, Corby and Wellingborough. There has been a notable increase in population in recent years with some major new housing development projects and more to come.

Prior to 2021/22, the county was serviced by seven borough/district councils. On 1 April 2021, these were consolidated into two unitary authorities (North and West Northamptonshire) through the reorganisation of local government in Northamptonshire as directed by Central Government. Fire and Rescue Services provided by Northamptonshire Commissioner Fire and Rescue Authority (NCFRA) continue to service the whole of Northamptonshire.



## SAFE AND SOUND

### The Public Safety Plan for Northamptonshire 2025-2030

Safe and Sound is the Commissioner's public safety plan, which sets out the strategic direction for police and fire services in Northamptonshire for the next five years. The plan has one goal – to make Northamptonshire safe and sound.

The Plan is framed around three missions that span the Commissioner's responsibilities across policing, fire and rescue, community safety and criminal justice. It is a strategy and reporting framework that will help us work in partnership to best serve victims and communities across Northamptonshire. The three missions are:

#### Visible and accessible community services

- Rebuilding public trust and confidence
- Increasing accessibility
- Bringing police and fire staff out into the community
- Putting prevention first

#### Professionalism and standards

- Setting the tone from the top
- Making sure the workforce understands and reflects the community they serve
- Putting values at the heart of everything we do
- Providing a high-quality service and support

#### Strong partnerships

- Tackle problems with a multi-agency approach
- Reduce reoffending
- Invest in partnerships to reduce harm
- Work collaboratively to support vulnerable people

The plan is based on a "big conversation" – focus groups and surveys that took place in communities across Northamptonshire to understand what people want and expect from their emergency services. This told us that people just want to feel safe where they live, work and visit.

The Big Conversation report and full Public Safety Plan can be found on the OPFCC website:

[www.northantspfcc.org.uk](http://www.northantspfcc.org.uk)

## COMMUNITY RISK MANAGEMENT PLAN

The Police, Fire and Crime Commissioner (PFCC) is the Fire Authority for Northamptonshire and is required through the Fire and Rescue National Framework for England to produce a Community Risk Management Plan (CRMP) to identify risks within the county and outline its plan for mitigating these risks and keeping residents safe. The CRMP has been refreshed and underwent full public consultation in May 2025.

The strategy takes a detailed look at what risks are currently present and may emerge between 2025 and 2030.

Based on the evidence that is available, the Service has put forward proposals within the CRMP that outlines how it will align its resources with the risks that have been identified.

Fires now make up only a third of the 999 calls that go to our Control Room. This means the role of a firefighter is becoming more diverse – varying from rescuing casualties in road traffic collisions to disposing hazardous materials safely.

The CRMP outlines the key strategic priorities for the Service over the next five years, and details how prevention, protection and response will be at the core of everything we do.

It also shows how the Service intends to meet emerging climate emergencies such as the increase of localised flooding and wildfires.

The five strategic priorities that the Service has proposed for the next five years are:

- Help people to stay safe from fire and other emergencies
- Improve fire safety in buildings that people live and work in
- Respond immediately and effectively to emergency incidents
- Continue to develop and support our workforce
- Manage and invest in our Service to be agile and fit for the future

The CRMP is designed to work in synergy with the Commissioner's Police, Fire and Crime Plan.

## STATUTORY FRAMEWORK

The Police and Crime Act 2017 enabled Police and Crime Commissioners to have a say in the oversight of fire and rescue services within their area, subject to the approval of a business case by the Home Secretary. The aim of this legislation was to “enable fire and rescue services to work more closely together and develop the role of elected and accountable Police and Crime Commissioners.”

On 1<sup>st</sup> January 2019, the Police and Crime Commissioner for Northamptonshire (PCC) became the Police, Fire and Crime Commissioner for Northamptonshire (PFCC). Northamptonshire was the only county Fire and Rescue Service to transfer Governance arrangements in this way until 1<sup>st</sup> April 2023.

Whilst the governance of Northamptonshire Commissioner Fire and Rescue Authority is undertaken by the PFCC and their statutory officers, it is a separate corporation sole. Therefore, separate budgets are allocated, separate precepts are set and the funding and accounts for NCFRA are produced separately to the PFCC accounts for policing.

The Policing and Crime Act 2017 stipulates that a Fire and Rescue Plan must be prepared and published by a relevant Fire and Rescue Authority in accordance with the Fire and Rescue National Framework and that it should set out the Authority’s priorities and objectives, for the period covered by the document, in connection with the discharge of the Authority’s functions.

## GROUP BOUNDARY

The Police, Fire and Crime Commissioner for Northamptonshire (Fire and Rescue Authority) Order 2018 utilised existing legislation (specifically section 4A of the Fire and Rescue Services Act 2004) to create a new corporation sole NCFRA, a role which is held by the Police, Fire and Commissioner, but acting as NCFRA. This legislation outlines the key responsibilities for oversight and ensuring good governance within the NCFRA.

This reflects that the government provides funding to NCFRA and is ultimately responsible for the NCFRA. As such, the NCFRA Accounts are included within the

Whole of Government Accounts, which is the consolidation of over 9,000 public sector bodies, including central and local government and public corporations such as the Bank of England, to provide the most complete and accurate picture of the UK's public finances.

Whilst there is some commonality within the Office of the Police, Fire and Crime Commissioner for Northamptonshire (OPFCC), Chief Constable and NCFRA, they are three separate corporations sole, with Fire and Police created under separate legislation and with the responsibility to set up and maintain separate “Funds” for each organisation; with separate legal responsibilities and no ability to vire funds between them. As set out by CIPFA, there is not a requirement for the NCFRA accounts to be included within the OPFCC group accounts.

The business case for the governance transfer included maintaining separate management arrangements and operational functions for each service but working towards sharing of some support services and buildings where it makes sense to provide better value for money for the public of Northamptonshire. This direction of travel towards shared support teams continues. The accounts of Fire and Policing are operated separately in line with the legislation.

In line with the Home Office Financial Management Code of Practice, a collaboration agreement is in place between the three separate organisations of: NCFRA, the Northamptonshire Chief Constable and the Northamptonshire Police, Fire and Crime Commissioner which sets out the arrangements for working together where it would be advantageous to the parties to do so, mirroring such collaboration arrangements that Northamptonshire Police have with other police forces.

The arrangements outlined in the legislation result in the PFCC having some influence over some policing relationships with NCFRA, and therefore there is a requirement to disclose the nature of the transactions between OPFCC and the NCFRA and this is provided within the related parties note within the statement of accounts. Most of this note relates to governance services provided by the Office of the PFCC to Fire, and charges for services and shared staff providing services to Fire and Policing.

## OUR PEOPLE

At 31<sup>st</sup> March 2025 the NCFRA budgeted establishment was 503 and comprised as follows:

Category of employee	As at 31/3/24	As at 31/3/25
Wholetime Firefighters	254	255
Retained Firefighters	180	180
Control Room	18	18
Support Services	53	50
<b>Total</b>	<b>505</b>	<b>503</b>

### Gender Pay Gap

It is statutory for organisations with 250 or more employees to report annually on their gender pay gap. The latest report shows that 19.03% of the workforce is female, compared to 16.33% the previous year.

The report also shows the difference in the average pay between all men and women in a workforce. Our mean average gender pay gap is 4.37% which lower than the national fire service average of 13.75% and an improvement on the previous year.

NCFRA supports the fair treatment and reward of all staff, irrespective of gender. Our pay approach is based on the principles of consistency, fairness and transparency.

### Appointments

The following senior officers were in role during 2024/25:

#### Chief Fire Officer

Simon Tuhill was Interim Chief Fire Officer from 18th July 2023 to 15<sup>th</sup> May 2024. Nikki Watson commenced as Chief Fire Officer on a permanent basis from 16<sup>th</sup> May 2024 and Simon Tuhill reverted to his substantive role as Deputy Chief Fire Officer.

#### Chief Finance and s151 Officer for the PFCC and NCFRA

Vaughan Ashcroft had been in post on an interim basis from 22<sup>nd</sup> December 2023; he was then permanently appointed into the role on 28<sup>th</sup> October 2024.

#### Monitoring Officer for the PFCC and NCFRA

Jonny Bugg undertook the role throughout the year.

## OPERATIONAL PERFORMANCE

The Police Fire and Crime Commissioner produces an Annual Report for consideration by the Police, Fire and Crime Panel at their meeting each Summer. This report, when published sets out the final performance for the year and sets out delivery against priorities and a full copy will be available on the Police, Fire and Crime Panel website.

Accountability for Fire and Rescue performance and service delivery is undertaken through the Accountability Board following scrutiny by operational leaders at the Fire SLT meeting. Members of the Board

include the Commissioner (the Chair), the Chief Fire Officer and both the PFCC and statutory and non-statutory Chief Officers from the OPFCC and Fire. There is a formal agenda driven by key priorities and risk areas.

NCFRA have continued to prioritise prevention and protection activities and increasing the number of Home Safety Visits. Further investment in staff to perform these visits has been allocated to continue into 2025/26.

Key Performance Indicators (Draft) are as follows:

The outcome measures we will prioritise:		2021/22	2022/23	2023/24	2024/25	3 year Assessment
KPI1	Number of deliberate primary fires per 10,000 population	2.80	3.15	3.00	2.93	Reducing
KPI2	Number of deliberate secondary fires per 10,000 population	6.30	7.90	6.11	5.70	Reducing
KPI3	Number of primary fires per 100,000 population	118.08	119.65	114.41	115.35	Reducing
KPI4	Total number of fatalities due to primary fires per 100,000 population	0.66	0.13	0.38	1.01	Increasing
KPI5	Total number of non-fatal casualties in fires (excluding precautionary checks and first aid) per 100,000 population	3.17	3.43	3.18	3.79	Increasing
KPI6	Number of accidental dwelling fires per 10,000 dwellings	13.95	10.69	9.36	10.01	Reducing
KPI7	The number of deaths arising from accidental fires in dwellings per 100,000 population	0.00	0.13	0.38	0.63	Increasing
KPI8	The number of injuries (excluding precautionary checks), arising from accidental fires in dwellings per 100,000 population.	1.72	1.91	1.53	1.89	Stable
KPI9	Number of fires in non-domestic premises per 1,000 non-domestic premises	6.05	5.49	6.93	6.90	Increasing
KPI10a	Killed or Serious Injury (KSI) Road Traffic Accidents attended by NFRS	233	261	213	266	Increasing
KPI10b	People killed in road traffic accidents (STATS 19 fatal data)	39	42	34	35*	Reducing

*Data subject to revision at any time*

*\* Data to Dec24 as latest available*

PTO



The Input measures we will track and understand:		2021/22	2022/23	2023/24	2024/25	3 year Assessment
KPI11	Standards of Operational Response – Average (mean) Full Response Time (attended incidents)	00:10:27	00:10:30	00:10:23	<b>00:10:26</b>	Stable
KPI12	Standards of Operational Response – Average (mean) Call to Mobilise Time	00:01:45	00:01:45	00:01:51	<b>00:01:48</b>	Stable
KPI13	Average Appliance Availability (including flexi) ( <i>Minimum expected of 14</i> )	18.9	18.4	18.5	<b>18.2</b>	Reducing
KPI14	Home Fire Safety Visits and refits completed.	4,259	5,675	5,659	<b>5,478</b>	Reducing
KPI15	% of Home Fire Safety Visits completed in target groups	77.4%	71.8%	78.9%	<b>74.4%</b>	Reducing
KPI16	Total number of Protective Full Risk Inspections (FI) and Re-Inspections (RI) completed.	1,221	1,228	1,158	<b>1,397</b>	Increasing
KPI17	Full Fire Safety Audits (RBIP) ( <i>Not all required to be repeated annually</i> )	591	860	653	<b>406</b>	Reducing

*Data subject to revision at any time*

## HMICFRS

The third full inspection of the service was carried out by His Majesty's Inspection of Constabulary and Fire and Rescue Services (HMICFRS) between March and April 2024. The inspectors said that there was "there are some good foundations in place and sound financial planning" – and that it is important that the Service now moves ahead with those plans.

The Inspectors found that the Service is good at protecting people through fire regulations, using the full range of enforcement powers and working with businesses to protect the public.

The Service was praised for the way it responds to major and multi-agency incidents and works with partners. The Inspectors singled out the work of the Joint Operations Team, a collaboration between Fire and Police to ensure both services can operate effectively together to keep the public safe.

Financial planning and business efficiency were also very highly rated, with the Inspectors highlighting the professional way goods and services are procured as an area of best practice for other Services to follow.

However the Inspectors said that there is more work needed to ensure firefighters and staff across the Service do more to prevent fires and other risks. They also said that improvements are still needed in the area of people and culture, making sure that leaders

and staff do all they can to promote the right values, and to improve diversity.

## RISK MANAGEMENT

The manner in which NCFRA manages its response to various risks is part of a continuum of risk management that takes into account the National Security Strategy, the National Risk Register and the NCFRA risk registers. Risks are regularly considered at the Joint Independent Audit Committee (JIAC) and the last update in the 2024/25 financial year was considered in March 2025.

Managing risk and business continuity arrangements are a key aspect of NCFRA's governance arrangements. As a Category 1 responder under the Civil Contingencies Act 2004, the Authority is required to have in place business continuity arrangements to ensure that continuity of service can be provided for foreseeable events that may impact upon the delivery of services.

The most significant risks to NCFRA have related to the operational risks required following the HMICFRS inspection and ensuring sufficient level of reserves and funding levels over the medium term.



## FINANCIAL PERFORMANCE

As at year-end, NCFRA overspent the budget by £366k on the budget of £32.6m after agreed transfers to/from reserves:

Budget Heading	Variance £m
Firefighters - Wholetime	0.627
Firefighters - Retained	0.681
Control Room	(0.217)
Community Prevention	(0.017)
Community Protection	(0.002)
Strategic Leadership Team	(0.340)
Other Staff & Non-Pay	(0.219)
Capital & Contingency	(0.147)
<b>Over/(Under)spend</b>	<b>0.366</b>

In 2024/25, the revenue cost of running NCFRA was £33.5m. This included £20.5m on firefighters and £1.4m on Prevention and Protections activities.

Firefighter numbers were maintained at a higher level than originally budgeted to ensure sufficient resources were in place over peak times when flooding and fires have become more common. This, along with sector-wide pay awards caused the overspend. However, the level of business rates income increased on original projections and has allowed for reserves to be maintained.

### Borrowing

Only internal borrowing took place in 2024/25. NCFRA undertook borrowing of 40 years in 2020/21 with PWLB and there is a balance of £2.98m remaining as at 31<sup>st</sup> March 2025. NCFRA does not hold any short term loans.

## Capital

NCFRA have a significant capital programme following many years of under-investment prior to the governance transfer. The programme is continually reviewed to ensure that it is affordable. In 2024/25, capital expenditure totalled £2.43m and included upgrades to welfare facilities, IT systems and equipment replacement.

Scheme	Expenditure £m
Expenditure:	
Transport	0.405
Estates	1.253
ICT	0.391
Operational Equipment	0.383
<b>TOTAL Capital Expenditure</b>	<b>2.433</b>
Funded by:	
Capital Receipts	(1.152)
Capital Grants	(0.019)
Internal Borrowing	(1.261)
<b>TOTAL Capital Funding</b>	<b>(2.433)</b>

### Fixed Assets

NCFRA owns 23 properties across Northamptonshire, and utilises one site on a leasehold basis.

### Reserves

As at 31<sup>st</sup> March 2025, NCFRA held £7.214m in usable reserves as follows:

Reserve	31 March 2025 £000
General Fund	2.000
Earmarked Revenue Reserves	2,375
Capital Grants and Reserves	2.839
<b>Balance as at Year End</b>	<b>7.214</b>

The Reserves Strategy is reviewed each year and is available on the NCFRA website.

### Events after the Balance Sheet Date

There were no events highlighted after the Balance Sheet date.

## STRATEGY AND RESOURCES

### Stability

Whilst NCFRA was established in 2019 without any reserves being transferred, the Authority put in place priorities to build a stable financial platform and a three year financial stability plan. This plan was taken forward to ensure an appropriate level of reserves were established; with a financial base that was understood and supported by internal controls.

Whilst the financial stability plan was achieved, the cost of living remains a challenge and the revenue budget is feeling the pressure of increased pay, fuel and utility costs. Therefore, efficiencies are still required, and a plan is in place to ensure a balanced budget can be achieved each year. The impact of these on the MTFP will continue to be kept under review and measures put in place to address them.

A capital programme is in place which enables investment in key operational requirements including investment in new fire tenders, replacement of essential operational equipment and delivery of the joint estates strategy with Police. The Service is continuing to work with Police to integrate essential support services and arrangements where appropriate, building capacity and resilience and releasing efficiencies over the medium term.

Further funding was obtained for NCFRA following the governance transfer, and efforts will continue to ensure all opportunities are taken to identify and realise savings and efficiencies.

### 2025/26 Budget

NCFRA has adopted a prudent approach to budgeting that is both affordable and sustainable over the medium term.

The PFCC has set a balanced budget for Fire for 2025/26. The budget was approved by the PFCC in January 2025 and the proposed precept considered at the Police, Fire and Crime Panel in February 2025. Fire Authorities were given the ability to raise precept by up to £5 without triggering a referendum and the PFCC took this opportunity, raising Band D council tax to £80.39.

Even after this increase, NCFRA is still one of the lowest funded and lowest precepting Fire and Rescue Authorities in the country.

### Medium Term Financial Plan

The MTFP is regularly reviewed and updated in line with the following established principles:

- To make the best use of available resources.
- To maximise income and funding.
- To target expenditure and investment priorities and value for money opportunities.
- To exploit fixed assets to deliver maximum value.
- To optimise delivery costs.
- To provide sufficient financial reserves in the context of unprecedented uncertainty, transformation and change.

The latest MTFP shows that the NCFRA has produced a balanced budget for 2025/26 with savings targets in place. These are being addressed via the Continuous Improvement Board that feeds into the Senior Leadership Team meeting. In the short term, there are sufficient reserves available, if required, to smooth the timing or impact of efficiencies.

MTFP	25/26 £m	26/27 £m	27/28 £m	28/29 £m	29/30 £m
Expenditure	35.4	37.3	39.5	41.1	41.8
Savings Plans	(1.7)	(1.1)	(1.5)	(1.8)	(2.2)
	<b>33.7</b>	<b>36.2</b>	<b>38.1</b>	<b>39.3</b>	<b>39.6</b>
Funding	(33.7)	(34.7)	(35.8)	(37.0)	(38.2)
<b>Shortfall</b>	<b>-</b>	<b>1.5</b>	<b>2.2</b>	<b>2.3</b>	<b>1.4</b>

### Collaboration

The Fire budget and precept continues in taking forward the statutory duty to collaborate for the three emergency services. This means that the services should be actively seeking opportunities to work together to deliver more efficient and effective public services.

A number of enabling services joint teams have already been established and these, together with interoperability proposals, will provide opportunities for efficiencies and greater integration between Police and Fire and Rescue to realise savings to meet financial challenges, increase capacity and resilience and reinvest where possible in frontline services.

However, with the increase in pay, fuel and utilities inflation, further pressures are anticipated in the medium term. The Medium Term Financial Plan is regularly updated and where appropriate further savings identified.

## OUTLOOK

### RISKS AND OPPORTUNITIES

There are some significant areas of uncertainty which include:

#### The Comprehensive Spending Review (CSR)

This is a governmental process carried out by HM Treasury to set firm expenditure limits and, through public service agreements, define the key improvements that the public can expect from these resources. Following the change in government, only one year funding was announced in Dec 25, with a commitment to provide a multi-year announcement in Spring 25. Meanwhile, there is considerable uncertainty around future levels of funding whilst this is awaited.

#### Economy

The lasting effects of the conflicts in Gaza and Ukraine, and the pandemic have all had an impact on the national and international economies and cost of living. More recently, the impact of USA import tariffs and other international factors are having an impact on the economic situation worldwide. In the UK, we continue to face higher costs of living and inflation rates than the Bank of England target.

#### Estate

NCFRA continues to operate with an ageing estate and there had been a history of limited investment until recently.

The latest plan includes new replacement fire stations at Moulton and Kettering. The stations shall be built with state-of-the-art facilities for firefighters to support the Service in keeping communities safe. They will include enhanced welfare facilities for the safety of our firefighter crews. The proposed new sites will be in great locations which are both accessible to the public and well located for operational needs.

The Estates Strategy is managed jointly with policing by Enabling Services to maximise opportunities for efficiencies across services. This includes a shared vehicle workshop to replace end-of-life facilities in both organisations.

#### Investment

The PFCC ring-fenced £1m for transformative projects and will continue to work with the Chief Fire Officer to

identify investment which will make a difference in supporting the Public Safety Plan.

## THE FINANCIAL STATEMENTS

The accounts are prepared using International Financial Reporting Standards (IFRS). Although these are the same standards that a large company would use in preparing its financial statements, some adjustments to costs are applied where they are not a charge to local taxpayers.

The key statements are as follows:

#### Comprehensive Income and Expenditure Statement (CIES)

This statement shows the income and expenditure accounting cost in the year of providing services under IFRS.

#### Movement in Reserves Statement (MiRS)

This statement shows the movement in the year on the different reserves held by the NCFRA. It shows how the deficit/(surplus) for the year in the Comprehensive Income and Expenditure Statement is adjusted by the costs that are not a charge to local taxpayers.

#### Balance Sheet

The balance sheet shows the PFCC's assets, liabilities and reserve balances at the financial year end date.

#### Cash Flow Statement

This statement shows the reason for changes in cash balances during the year and the balance held by the NCFRA at the end of the financial year.

#### Notes to the Financial Statements

These include information required by the Code and additional material items of interest to assist the reader's understanding of the reported figures.

#### Expenditure and Funding Analysis (EFA)

This reconciles the amounts reported internally in line with the General Fund and the amounts reported in the Comprehensive Income and Expenditure Statement.

#### Events after the Reporting Period and authorised for issue date

This summarises any major events that happened between the year-end and the authorised-for-issue

date. Events coming to light after the authorised-for-issue date will not be included in the financial statements.

#### **Firefighters' Pension Fund Account**

The Firefighters Pension Scheme is unfunded and holds no assets. The purpose of this account is to demonstrate the cash-based transactions taking place over the year and to identify the arrangements needed to balance the account.

#### **Statement of Provisions**

Provisions are made where an event has taken place that gives the NCFRA a legal or constructive obligation that requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. These accounts include a number of provisions, detailed in the Notes to the Financial Statements.

#### **Accounting Policies**

These outline the principles used for how we account and prepare our financial statements.

#### **Glossary of financial terms**

The nature of this document means that technical words are unavoidable. The glossary is intended to simplify and explain such words.

#### **Annual Governance Statement**

This statement explains how the NCFRA complies with the Code of Corporate Governance. Preparation and publication of the statement fulfils the PFCC's statutory requirement under the Accounts and Audit Regulations 2011 to conduct a review at least once in each financial year of the effectiveness of the system of internal control and to include a statement reporting on the review with the Statement of Accounts.

## **SUMMARY AND CONCLUSION**

Despite the tight financial climate and future challenges, the NCFRA and wider PFCC Group continues to demonstrate a strong track record of effective financial management and delivering outturn within the approved budget. However, there is a long-term financial impact of economic uncertainty to consider which will continue to be monitored very closely.

The budgeting process continues to develop with rigorous challenge from both the Chief Fire Officer and the PFCC.

The Chief Fire Officer is committed to ensuring that improvements required as part of recommendations from HMICFRS do not lose momentum and ensure the best services can be delivered for the public of Northamptonshire.

The financial outlook remains challenging, but Northamptonshire are already well prepared in meeting these challenges. Fire and Police will continue to actively seek and implement opportunities to work together to deliver more efficient and effective public services.

**Vaughan Ashcroft**  
**Chief Finance Officer (s151)**

Date:

**Danielle Stone**  
**Northamptonshire Police, Fire and Crime**  
**Commissioner**

Date:

## STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

### The Police, Fire and Crime Commissioner's responsibilities

The Police, Fire and Crime Commissioner 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. In this Authority, that officer is the Chief Finance Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

I certify that these accounts were considered and approved.

**Danielle Stone**

**Police, Fire and Crime Commissioner for Northamptonshire**

Date:

### The Chief Finance Officer's responsibilities

The Chief Finance Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Chief Finance Officer has:

- Selected suitable accounting policies and applied them consistently.
- Made judgements and estimates that are reasonable and prudent.
- Complied with the Local Authority Code.

The Chief Finance Officer 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 Chief Finance Officer's certificate

I certify that the Statement of Accounts has been prepared in accordance with the CIPFA/LASAAC Code and present a true and fair view of the financial position of the Authority at 31<sup>st</sup> March 2025 and its income and expenditure for the year ended 31<sup>st</sup> March 2025.

**Vaughan Ashcroft**

**Chief Finance Officer and s151 Officer**

**Northamptonshire Commissioner Fire and Rescue Authority**

Date:

## STATEMENT OF ACCOUNTING POLICIES

The Financial Statements must meet the accounting requirements of the CIPFA Code of Practice on Local Authority Accounting which has been agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting 2023/24. The accounting policies contained in the CIPFA Code of Practice follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to Local Authority Accounts, as determined by His Majesty's Treasury, who are advised by the Financial Reporting Advisory Board. Where the CIPFA Code of Practice on Local Authority Accounting permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the Authority for the purpose of presenting fairly the position of the Authority is selected. The particular policies adopted by the Authority are described below and they have been applied consistently in dealing with items considered material in relation to the Accounts.

### Accounting Convention

These Accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, intangible assets and inventories. Where appropriate, financial assets and liabilities have been impaired or discounted to bring them to fair value.

### Acquisitions and Discontinued Operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another. The Authority has not acquired or discontinued any operations during the reporting period.

### Going Concern

These accounts have been prepared on a going concern basis.

The concept of a going concern assumes that the functions of the Northamptonshire Commissioner Fire and Rescue Authority will continue in operational existence for the foreseeable future. The provisions in the Code (Code of Practice on Local Authority Accounting in the United Kingdom 2024/25) in respect of going concern reporting requirements reflect the economic and statutory environment in which fire and rescue services operate.

These provisions confirm that, as fire and rescue services cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Fire and Rescue services carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of central government). If a fire and rescue authority were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the functions it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for the financial statements to be provided on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that a fire and rescue authority and service will continue to operate for the foreseeable future.

NCFRA have undertaken cashflow modelling which demonstrates the Authority's ability to work within its Capital Financing Requirement and has a realistic headroom on a £31.4m annual budget, together with sufficient scope for borrowing if required.

At the time of the approval of the accounts, the Authority has only one long term loan which is well below the Authority's operational boundary and authorised limit. The costs of this borrowing is included within the MTFP.

NCFRA therefore concludes that it is appropriate to prepare the financial statements on a going concern basis and that NCFRA will continue to be a going concern, 12 months from the date of the approval of these accounts.

### Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

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

### Employee Benefits

#### Benefits Payable during Employment

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

#### Termination Benefits

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

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

#### Retirement Benefits

Employees of the Authority are members of the following pensions schemes:

- The 1992, 2006, 2015 and Modified Firefighters' Pension Schemes (FPS) - these are unfunded schemes, which means that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet the actual payments as they fall due. The Authority is required by legislation to operate a



Pension Fund, with the amounts that must be paid into or out of the Pension Fund being specified by regulation. The Authority set up a Pension Fund on 1 April 2006 from which pension payments are made and into which contributions, from the Authority and employees, are received. The Pension Fund receives a top-up grant from the Government equal to the deficit each year, with any surplus on the Pension Fund being repaid to the Government. The Pension Fund is shown separately in the Accounts

- The Local Government Pension Scheme (LGPS) for support staff, administered by the Northamptonshire Pension Fund, is a funded scheme, which means that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment Assets.

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

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

Service cost comprising:

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

Remeasurements comprising:

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

Statutory provisions require that the amount charged to the General Fund Balance is that payable by the Authority to Pensions Funds or directly to pensioners during the year rather than that calculated under accounting standards. This means that an appropriation to or from the Pensions Reserve is done within the Movement in Reserves

Statement to replace the notional sums for retirement benefits with the actual pensions costs. The negative balance on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

On 31<sup>st</sup> March 2022, following the Sergeant and McCloud ruling for Pensions Age Discrimination, both the 1992 & 2006 schemes were closed and all members of these schemes will be transferred to the 2015 pension scheme.

### Property, Plant and Equipment Recognition

Property, plant and equipment is capitalised if:

- It is expected to be used for more than one financial year;
- The cost of the item can be measured reliably; and
- The item has a cost of at least £6,000 or is part of a project or replacement programme costing above £6,000.

Where a large Asset, for example a building, includes a number of components with significantly different Asset lives (a minimum of 5 years), and they have a cost that is a significant proportion of the whole Asset (a minimum of 25%), the components are treated as separate Assets and depreciated over their useful economic life.

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

### Valuation

All property, plant and equipment are measured initially at cost, representing the cost attributable to acquiring or constructing the Asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All Assets are measured subsequently at Current Value.

Land and buildings used by the Authority are stated in the Balance Sheet at their re-valued amounts, being the Current Value at the date of valuation. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the Reporting Period. Current Values are determined as follows:

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

Properties in the course of construction are carried at cost, less any impairment loss. Costs include professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at Current Value. Assets are re-valued and depreciation commences when they are brought into use. An increase arising on revaluation is taken to the Revaluation Reserve except when it reverses an impairment previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease is recognised as an Impairment charged to the Revaluation Reserve to the extent that there is a balance on the Reserve for the Asset, and, thereafter, to expenditure. Gains and losses recognised in the Revaluation Reserve are reported as other comprehensive income in the Comprehensive Income and Expenditure Statement.

## Disposals

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

## Depreciation and Impairments

Depreciation is charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their Useful Economic Lives, on a straight line basis. The Useful Economic Life of an Asset is the period over which the Authority expects to obtain economic benefits or service potential from the Asset. This is specific to the Authority and may be shorter than the physical life of the Asset itself. The Useful Economic Life and Residual Values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

The approximate average useful lives (depreciation periods) are categorised below:

- Buildings 30 – 60 years
- Vehicles – Fire Appliances 15 years
- Vehicles – Lorries and Vans 7 years
- Vehicles – Non FDS Cars and Light Vans 7 years
- Vehicles – FDS Cars 5 years
- Equipment 3 - 25 years

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

At each reporting period end, the Authority checks whether there is any indication that any of its non-current Assets have suffered an impairment loss. If there is indication of an Impairment loss, the recoverable amount of the Asset is estimated to determine whether there has been a loss and, if so, its amount.

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

The Authority undertakes regular reviews of all its assets to verify that they still are in use and will provide an economic benefit to the Authority. A non-property asset that is due to last 5 years will incur depreciation for each of those five years and have a £0 balance at the end of the 5 years, but will still be recorded in the asset register after these five years if it still exists and provides an economic benefit to the authority.

The Authority is not required to raise council tax to cover Depreciation and Impairment, however it is required to make an annual provision from its revenue budget to contribute towards the reduction in its overall borrowing requirement, the Minimum Revenue Provision (MRP). The Authority borrowed for the first time in 2021/22 for capital purposes. The policy is to charge MRP over the life of the asset from the year after the asset acquired comes into use, with the result that the first MRP charge was made in 2021/22.

### Government Grants

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

Grants received with no conditions or restrictions are accounted for as income received in the year, in line with the recognition criteria outlined in the appropriate accounting standards.

### Leases

Leases are classified as Finance Leases when substantially all of the risks and rewards of ownership are transferred to the lessee. All other leases are classified as Operating Leases.

### The Authority as a Lessee

Operating Lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a Liability and subsequently as a reduction of rentals on a straight-line basis over the lease term. Where a lease is for land and buildings, the land and building components are separated. Leased land is treated as an Operating Lease. Leased buildings are assessed as to whether they are Operating Leases or Finance Leases.

### Inventories

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

### Cash and Cash Equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. The balances on the current account and the business reserve account are cash. The balance in the liquidity manager account is a cash equivalent (as this is held for investment purposes until a sufficient balance is achieved and a short-term investment entered into). In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Authority's cash management.

### Investments

Short term investments relate to a bank account which is used to relate interest on funds and has a maturity date of over 24 hours but less than 365 days.

### Provisions

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

### Reserves

The Authority sets aside specific reserves for future policy purposes. Details of these reserves are provided in the relevant note to the Accounts. In addition to the Unearmarked General Fund Reserves, the Authority has the following Earmarked general fund reserves:

- Equipment Reserve
- Insurance
- Funding Reserve
- Transformation Reserve
- Carry Forwards Reserve
- S106 Developer Contributions
- Capital Receipts Reserve
- Capital Grants Unapplied Reserve
- Capital Reserve

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

- Revaluation Reserve
- Pension Reserve
- Capital Adjustment Account
- Accumulated Absence Reserve

## Financial Assets

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

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

## Loans and Receivables

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

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

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

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

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

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

## Financial Instruments

Financial instruments are recognised on the Balance Sheet when the Authority becomes party to the contractual provisions of a financial instrument. They are initially measured at fair value.

## Financial Assets

Financial assets held at amortised cost. These represent loans and similar arrangements where repayments of interest and principal take place on set dates and at specified amounts in advance. The amount presented in the Balance Sheet represents the outstanding principal received plus accrued interest. Interest credited to the CIES is the amount receivable as per the loan agreement.

Changes in the value of assets carried at fair value are debited/credited to the CIES as they arise.

### Financial Liabilities

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

### Exceptional Items

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

### Events After The Reporting Period

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

### VAT

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

### Non-Exchange Income Transactions - Council Tax Income and Non-Domestic Rates

Council tax and non-domestic rates are collected from taxpayers by billing authorities both for themselves and substantively as agents, collecting council tax and non-domestic rates on behalf of precepting authorities and central government and distributing it to them.

This authority is a precepting authority, and council tax and non-domestic rates income included in the Comprehensive Income and Expenditure Statement is the accrued income for the year. The difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account on the Balance Sheet and shown within the Movement in Reserves Statement.

Billing authorities prepare a Collection Fund balance sheet for council tax and non-domestic rates activities, which is disaggregated and shared between the billing authority and its precepting authorities. This Authority's Balance Sheet contains the following items:

- Council tax and non-domestic rates arrears apportioned in relation to the following year's precept proportions are included as Short Term Debtors
- Impairment allowance for doubtful debts apportioned as for council tax and non-domestic rates arrears and deducted from council tax and non-domestic rates arrears debtors
- Council tax and non-domestic rates overpayments and prepayment apportioned in relation to the following year's precept proportions are included as Short Term Creditors
- Collection Fund surplus / deficit – the reversing entry to the Comprehensive Income and Expenditure Account adjustment is included in the Collection Fund Adjustment Account
- Collection Fund cash surplus / deficit held on the authority's behalf by the billing authority is included in Short Term Debtors or Short Term Creditors

### Collection Fund Adjustment Account

This reserve manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers, compared with the statutory arrangements for paying across amounts due to the General Fund from the billing authorities.

# ACCOUNTING STATEMENTS

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

For the Year Ending 31<sup>st</sup> March 2025

Gross Expenditure	2023/24			Note Ref	Gross Expenditure	2024/25	
	Gross Income	Net Expenditure/(Income)				Gross Income	Net Expenditure/(Income)
£000	£000	£000			£000	£000	£000
31,554	(7,632)	23,922	Fire and Rescue Services		33,532	(8,112)	25,420
<b>31,554</b>	<b>(7,632)</b>	<b>23,922</b>	<b>Cost of Services</b>		<b>33,532</b>	<b>(8,112)</b>	<b>25,420</b>
75	(91)	(16)	Other Operating Expenditure	7	3,500	(3,260)	240
11,031	(238)	10,793	Financing and Investment Income\Expenditure	8	11,508	(389)	11,119
-	(29,827)	(29,827)	Taxation and Non Specific Grant Income	9	-	(32,297)	(32,297)
		<b>4,872</b>	<b>(Surplus) or Deficit on Provision of Services</b>				<b>4,482</b>
		(2,233)	(Surplus) or deficit on revaluation of non current assets	18/19			688
		(1,539)	Remeasurements of the net defined benefit liability (asset)	37			(25,993)
		<b>(3,772)</b>	<b>Other Comprehensive Income and Expenditure</b>				<b>(25,305)</b>
		<b>1,100</b>	<b>Total Comprehensive (Income) and Expenditure</b>				<b>(20,823)</b>



## MOVEMENT IN RESERVES STATEMENT

For the Year Ending 31<sup>st</sup> March 2025

	Non Earmarked Reserves £000	Earmarked Reserves £000	General Fund Reserves £000	Capital Grants Unapplied £000	Capital Receipts Reserve £000	Usable Reserves Total £000	Unusable Reserves Total £000	Reserves Total £000
<b>Balance at 31st March 2023</b>	<b>(2,000)</b>	<b>(2,035)</b>	<b>(4,035)</b>	<b>(418)</b>	<b>-</b>	<b>(4,453)</b>	<b>202,173</b>	<b>197,720</b>
<b>Movement in Reserves during 2023/24</b>								
Total comprehensive income and expenditure	4,872	-	4,872	-	-	4,872	(3,772)	1,100
Adjustments between accounting and funding basis under regulations (note 6)	(5,497)	34	(5,463)	-	-	(5,463)	5,463	-
Transfer to Earmarked Reserves	625	(625)	-	-	-	-	-	-
<b>(Increase)/Decrease in 2023/24</b>	<b>-</b>	<b>(591)</b>	<b>(591)</b>	<b>-</b>	<b>-</b>	<b>(591)</b>	<b>1,691</b>	<b>1,100</b>
<b>Balance carried forward at 31 March 2024</b>	<b>(2,000)</b>	<b>(2,626)</b>	<b>(4,626)</b>	<b>(418)</b>	<b>-</b>	<b>(5,044)</b>	<b>203,864</b>	<b>198,820</b>
<b>Movement in Reserves during 2024/25</b>								
Total comprehensive income and expenditure	4,482	-	4,482	-	-	4,482	(25,305)	(20,823)
Adjustments between accounting and funding basis under regulations (note 6)	(4,544)	-	(4,544)	-	(2,107)	(6,651)	6,651	-
Transfer to Earmarked Reserves	63	(63)	-	-	-	-	-	-
<b>(Increase)/Decrease in 2024/25</b>	<b>1</b>	<b>(63)</b>	<b>(62)</b>	<b>-</b>	<b>(2,107)</b>	<b>(2,169)</b>	<b>(18,654)</b>	<b>(20,823)</b>
<b>Balance carried forward at 31 March 2025</b>	<b>(2,000)</b>	<b>(2,689)</b>	<b>(4,689)</b>	<b>(418)</b>	<b>(2,107)</b>	<b>(7,214)</b>	<b>185,210</b>	<b>177,997</b>

## BALANCE SHEET

As at 31<sup>st</sup> March 2025

31 March 2024		Notes	31 March 2025
£000			£000
47,469	Property, Plant and Equipment	18	47,245
<b>47,469</b>	<b>Long Term Assets</b>		<b>47,245</b>
344	Inventories	27	449
3,811	Short Term Debtors	26	7,277
10	Short Term Investments	33	2,001
3,500	Asset Held for Sale	20	-
2,344	Cash and Cash Equivalents	33	3,605
<b>10,009</b>	<b>Current Assets</b>		<b>13,332</b>
(7,179)	Short Term Creditors	29	(12,833)
(178)	Provisions	28	(293)
<b>(7,357)</b>	<b>Current Liabilities</b>		<b>(13,126)</b>
(3,060)	Long Term Borrowing	42	(2,977)
(245,881)	Other Long Term Liabilities	43	(222,470)
<b>(248,941)</b>	<b>Long Term Liabilities</b>		<b>(225,447)</b>
<b>(198,820)</b>	<b>Net Liabilities</b>		<b>(177,996)</b>
(5,044)	Usable Reserves	16	(7,214)
203,864	Unusable Reserves	17	185,210
<b>198,820</b>	<b>Total Reserves</b>		<b>177,996</b>

Balance Sheet approved for issue.

Signed:

**Danielle Stone**  
**Police, Fire and Crime Commissioner**  
 Date:

**Vaughan Ashcroft**  
**Chief Finance Officer & s151 Officer**  
 Date:

## CASH FLOW STATEMENT

For the Year Ending 31<sup>st</sup> March 2025

2023/24 £000	Cashflow Statement	2024/25 £000
<b>(4,872)</b>	<b>Net Surplus/(Deficit) on the provision of services</b>	<b>(4,482)</b>
1,860	Depreciation and Amortisation	1,924
311	Impairments and Upward Revaluations	46
1,117	Increase/(Decrease) in Creditors and Provisions	5,769
(1,571)	(Increase)/Decrease in Debtors	(3,466)
(80)	(Increase)/Decrease in Inventories	(105)
3,686	Movement in Pension Liability (difference between employer's contributions paid and IAS19 adjustments)	2,582
80	(Increase)/Decrease on Derecognition of PPE Assets	-
-	Other Non Cash Movements	-
<b>531</b>	<b>Net cashflows from operating activities</b>	<b>2,268</b>
-	Proceeds from Sale of Assets	3,500
(2,305)	Additions of PPE Assets	(2,433)
(10)	(Increase)/Decrease in Investments	(1,991)
<b>(2,315)</b>	<b>Net cashflows from investing activities</b>	<b>(924)</b>
(75)	Borrowing Repayments	(83)
<b>(75)</b>	<b>Net cashflows from financing activities</b>	<b>(83)</b>
<b>(1,859)</b>	<b>Net Increase /(Decrease) in cash and cash equivalents</b>	<b>1,261</b>
4,203	Cash and Cash equivalents at the beginning of the reporting period	2,344
<b>2,344</b>	<b>Cash and Cash equivalents at the end of the reporting period</b>	<b>3,605</b>

## NOTES TO THE ACCOUNTS

The notes provided in the following pages are intended to aid interpretation of the financial statements set out above and provide further information upon the financial performance of the Authority during 2024/25.

### Note 1. Expenditure and Funding Analysis (EFA)

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices.

Net Surplus Chargeable to the General Fund	Adjustments between Funding and Accounting Basis	2023/24 Net Surplus in the CIES*		Net Surplus Chargeable to the General Fund	Adjustments between Funding and Accounting Basis	2024/25 Net Surplus in the CIES*
£000	£000	£000		£000	£000	£000
18,459	5,463	23,922	Fire and Rescue Services	18,769	6,651	25,420
<b>18,459</b>	<b>5,463</b>	<b>23,922</b>	<b>Net Cost of Services</b>	<b>18,769</b>	<b>6,651</b>	<b>25,420</b>
(19,050)	-	(19,050)	Other Income and Expenditure	(20,938)	-	(20,938)
<b>(591)</b>	<b>5,463</b>	<b>4,872</b>	<b>(Surplus)/Deficit</b>	<b>(2,169)</b>	<b>6,651</b>	<b>4,482</b>
(4,453)	-	-	Opening Revenue Reserves	(5,044)	-	-
-	-	-	Add: CGUA** Reserve	-	-	-
<b>(5,044)</b>	-	-	<b>Closing Usable Reserves at 31 March 2025</b>	<b>(7,214)</b>	-	-

\*CIES = Comprehensive Income and Expenditure Statement

\*\*CGUA = Capital Grants Unapplied Account

Note 6 outlines the breakdown of the adjustments between Funding and Accounting Basis

### Note 2. Assumptions made about the future and other major sources of estimation uncertainty

The statement of accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, balances cannot be determined with certainty, so actual results could be materially different from the assumptions and estimates.

The items in the Balance Sheet at 31<sup>st</sup> March 2025 for which there is a risk of material adjustment in the forthcoming financial year are as follows:

- The condition of the local and national housing/industrial building market.
- The economic standing of significant debtors and creditors.

Based on our assessment of the financial and liquidity position of the Authority, there are no material uncertainties or concerns on the basis of preparing the 2024/25 financial statements as a going concern. A full assessment of Going Concern is provided in the Accounting Policies section.

Item	Uncertainties	Effect if actual results differ from assumptions
<b>Property, Plant and Equipment</b>	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred for each asset. 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. The property valuations were provided by external valuer Wilks Head & Eve as at 31st March 2025.	If the useful economic life (UEL) of assets is reduced, depreciation will increase and the carrying value of assets will decrease. It is estimated that the annual depreciation charge for buildings would increase by £15k for every year that useful lives had to be reduced.
Item	Uncertainties	Effect if actual results differ from assumptions
<b>Pensions Liability</b>	Estimation of the net pension liability to pay pensions depends on a number of complex actuarial assumptions/judgements relating to the discount rate used, salary increases, changes in retirement ages, mortality rates and expected return on assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.	The carrying value of the Fire Staff pension liability as at 31 March 2025 is £222.5m. The effect on the net pensions' liability as a result of changes in individual assumptions is detailed within the Pensions Note 37.

### Note 3. Events after the Balance Sheet Date

The statement of accounts was authorised for issue by the Chief Finance Officer in June 2025 and no post-balance sheet event had been reported at this date.

### Note 4. Officers' Remuneration

The number of officers whose remuneration, excluding pension contributions, was **£50,000** or more during 2024/25 is listed below:

Number of Officers	Remuneration Band	Number of Officers
2023/24		2024/25
26	£50,000 - £54,999	36
16	£55,000 - £59,999	16
16	£60,000 - £64,999	9
7	£65,000 - £69,999	20
5	£70,000 - £74,999	6
3	£75,000 - £79,999	3
-	£80,000 - £84,999	4
-	£85,000 - £89,999	1
1	£90,000 - £94,999	-
1	£95,000 - £99,999	-
-	£100,000 - £104,999	1
1	£105,000 - £109,999	1
-	£110,000 - £114,999	-
1	£115,000 - £119,999	1
-	£120,000 - £124,999	-
-	£125,000 - £129,999	1

#### Note 4.1. Senior Officer Remuneration

Full year remuneration amounts for all senior officers are included in the table of remuneration by pay band in Note 4 (above).

The tables below detail the individual remuneration of senior employees for 2024/25 and 2023/24 respectively.

There were three Assistant Chief Fire Officers and Area Commander posts as represented in the table below.

2024/25	Start Date (with NCFRA)	Leaving Date	Salary <sup>1</sup>	Other <sup>2</sup>	Total Excl Pension	Employer's Pension
Post Holder Information			£	£	£	£
Chief Fire Officer - N Watson <sup>3</sup>	16/05/2024		135,833	6,149	141,982	51,073
Chief Fire Officer - S Tuhill	18/07/2023	15/05/2024	19,167	-	19,167	7,207
Deputy Chief Fire Officer	16/05/2024	05/01/2025	86,993	-	86,993	32,709
Assistant Chief Fire Officer (1)	03/03/2025		9,063	389	9,452	3,408
Assistant Chief Fire Officer (2)	01/01/2019	15/02/2025	100,223	34	100,257	37,684
Assistant Chief Fire Officer (3)	01/07/2023		116,899	34	116,933	43,954
Area Commander (1)	15/01/2024		84,822	-	84,822	15,777
Area Commander (2)	01/08/2021		84,221	-	84,221	31,618
Area Commander (3)	25/11/2019		88,054	-	88,054	33,059
Head of Protection	01/01/2019		70,805	-	70,805	13,504
Prevention, Safeguarding and Partnership Manager	01/01/2019		72,605	-	72,605	13,504

<sup>1</sup> Salary includes Basic Salary, Other Allowances, Overtime and reductions for salary sacrifice schemes.

<sup>2</sup> Other costs included mileage, expenses and compensation for loss of office.

<sup>3</sup> In May 2024, Nikki Watson started in the Chief Fire Officer Role, with Simon Tuhill returning to his substantive role of Deputy Chief Fire Officer before his departure in January 2025.

2023/24	Start Date (with NCFRA)	Leaving Date	Salary	Other	Total Excl Pension	Employer's Pension
Post Holder Information			£	£	£	£
Chief Fire Officer - M Jones	03/10/2022	07/07/2023	93,953	30,000	123,953	-
Chief Fire Officer - S Tuhill	18/07/2023		99,652	-	99,652	28,700
Assistant Chief Fire Officer (1)	01/01/2019	28/06/2023	32,766	-	32,766	19,315
Assistant Chief Fire Officer (2)	01/01/2019		116,358	-	116,358	33,511
Assistant Chief Fire Officer (3)	01/07/2023		80,844	(102)	80,742	23,193
Area Manager (1)	01/01/2019	30/06/2023	19,922	5,525	25,447	7,328
Area Manager (2)	01/01/2020	06/02/2023	14,731	4,088	18,819	5,420
Area Manager (3)	01/01/2019	11/06/2023	42,414	11,876	54,290	15,636
Area Commander (1)	15/01/2024		13,414	3,756	17,170	2,970
Area Commander (2)	01/08/2021		61,512	13,890	75,402	21,144
Area Commander (3)	25/11/2019		62,266	16,228	78,494	22,207
Head of Protection	01/01/2019		68,486	-	68,486	11,983
Prevention, Safeguarding and Partnership Manager	01/01/2019		68,486	-	68,486	11,983

<sup>1</sup> The Chief Fire Officer left their post on the 7<sup>th</sup> July 2023 by mutual agreement. The additional payments made reflect NCFRA's contractual obligations which were paid as they fell due.

<sup>2</sup> Prior to the appointment of Simon Tuhill as Chief Fire Officer, the Monitoring Officer and Head of Paid Staff for the Office of Police, Fire and Crime Commissioner was appointed Interim Chief Officer for NCFRA for which no additional consideration was paid.

<sup>3</sup> During the period 30/10/2023 and 11/02/2024, an external secondee performed the role of Area Commander for which NCFRA paid £36k.



A number of the senior officers for the NCFRA are employed and remunerated by either the OPFCC or the Office for the Chief Constable (OCC). These posts are detailed below and details of their remuneration are included within the OPFCC accounts:

On the 2<sup>nd</sup> May 2024, Danielle Stone was elected as the new Police, Fire and Crime Commissioner for Northamptonshire.

Post Holder Information	Start Date (with NCFRA)	End Date
Police, Fire and Crime Commissioner (1)	01/01/2019	08/05/2024
Police, Fire and Crime Commissioner (2)	09/05/2024	-
Chief Executive Officer (Monitoring Officer)	02/01/2024	-
Chief Finance Officer <sup>1</sup>	28/10/2024	-
Assistant Chief Officer (Enabling Services)	01/04/2020	-

<sup>1</sup> The Chief Finance Officer post had been held on an interim basis from 22nd of December 2023.

The Authority makes an annual contribution to OPFCC for a share of these posts and this is referenced further within the Related Parties note.

#### Note 5. Expenditure and Income Analysed by Nature

2023/24 £000	Nature of Expenditure or Income	2024/25 £000
	<b>Expenditure</b>	
20,181	Employee Benefits Expenses	21,239
9,196	Other Services Expenses	10,325
2,177	Depreciation, Amortisation, Impairment	1,968
11,031	Interest Payments	11,508
75	(Gains)/Losses on the Disposal of Non-Current Assets	240
<b>42,660</b>	<b>Total Expenditure</b>	<b>45,280</b>
	<b>Income</b>	
(878)	Fees, Charges and Other Service Income	(722)
(238)	Interest and Investment Income	(389)
(29,827)	Income from Council Tax & Non-Domestic Rates	(32,297)
(6,845)	Government Grants and Contributions	(7,390)
<b>(37,788)</b>	<b>Total Income</b>	<b>(40,798)</b>
<b>4,872</b>	<b>(Surplus)/Deficit on the Provision of Services</b>	<b>4,482</b>

## Note 6. Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

2023/24	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Earmarked Reserves	Capital Grants Unapplied	Capital Receipts Reserve	
Adjustments to the Revenue Resources	£000	£000	£000	£000	£000

### Amounts by which income and expenditure included in the CIES are different from Revenue for the year calculated in accordance with Statutory Requirements:

Pension costs (transferred to (or from) the Pensions Reserve	(3,685)	-	-	-	3,685
Depreciation and Impairment Losses moved to Capital Adj Account	(2,250)	-	-	-	2,250
Change in Accumulated Absence Charge	(261)	-	-	-	261
Capital Expenditure Funded by Revenue Funding (RCCO)	218	-	-	-	(218)
Minimum Revenue Provision (MRP)	166	-	-	-	(166)
Capital Receipts Received in year	90	-	-	(90)	-
Application of S106 Funding	-	34	-	-	(34)
Application of Capital Receipts	-	-	-	90	(90)
Application of Capital Grants	19	-	-	-	(19)
Application of Collection Fund Income	206	-	-	-	(206)
<b>Total Adjustment to Revenue Resources</b>	<b>(5,497)</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>5,463</b>

2024/25	Usable Reserves				Movement in Unusable Reserves
	General Fund Balance	Earmarked Reserves	Capital Grants Unapplied	Capital Receipts Reserve	
Adjustments to the Revenue Resources	£000	£000	£000	£000	£000

### Amounts by which income and expenditure included in the CIES are different from Revenue for the year calculated in accordance with Statutory Requirements:

Pension costs (transferred to (or from) the Pensions Reserve	(2,583)	-	-	-	2,583
Depreciation and Impairment Losses moved to Capital Adj Account	(1,968)	-	-	-	1,968
Change in Accumulated Absence Charge	118	-	-	-	(118)
Capital Expenditure Funded by Revenue Funding (RCCO)	19	-	-	-	(19)
Minimum Revenue Provision (MRP)	259	-	-	-	(259)
NBV of Disposed Assets	(3,500)	-	-	-	3,500
Capital Receipts Received in year	3,260	-	-	(3,260)	-
Application of Capital Receipts	-	-	-	1,153	(1,153)
Application of Collection Fund Income	(149)	-	-	-	149
<b>Total Adjustment to Revenue Resources</b>	<b>(4,544)</b>	<b>-</b>	<b>-</b>	<b>(2,107)</b>	<b>6,651</b>

### Note 7. Other Operating Expenditure

Other Operating expenditure relates solely to Gains/Losses on disposal of non current assets, therefore there are no levies or other expenditure which cannot be captured elsewhere in the statement of accounts

31 March 2024	31 March 2025
£000	£000
(16) (Gains)/Losses on the Disposal of Non-Current Assets	240
<b>(16) Total Other Operating Expenditure</b>	<b>240</b>

### Note 8. Financing and Investment Income and Expenditure

31 March 2024	31 March 2025
£000	£000
- Interest payable and similar charges	60
11,031 Net interest on the net defined benefit liability (asset)	11,448
(238) Interest receivable and similar income	(389)
<b>10,793 Total Other Operating Expenditure</b>	<b>11,119</b>

### Note 9. Taxation and Non-Specific Grant Income

12 Months to 31 March 2024	Council Tax and Non Domestic Rates Income	12 Months to 31 March 2025
£000		£000
(19,019) Council Tax Funding		(19,804)
(2,587) Revenue Support Grant		(3,944)
(8,221) Non Domestic Rates Funding		(8,040)
0 Funding guarantee Grant		(509)
<b>(29,827) Total Funding</b>		<b>(32,297)</b>

### Note 10. Material Items of Income and Expenditure

During the 2024/25 financial year, there was one material item of income or expenditure arising that requires separate disclosure. At the 31st March 2024, NCFRA classified a site as held for sale as the site was actively being marketed, with a valuation of £3.5m. Subsequently, an offer of £3.3m was accepted for the site, and taking account of the fees involved (£40k), this led to an accounting loss of £240k (as shown in Note 7) when the asset was sold in August 2024. The accounting loss reflects the difference between the price at which the asset was listed for sale and the actual sale price, less selling costs. It is important to note that this does not represent a cash loss, this is reflecting the difference between the accounting assumption and actual sales value. Therefore, there is no impact to the local taxpayer.

### Note 11. Critical Judgements in Applying Accounting Policies

In applying its accounting policies, 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:

- Influences on Going Concern status, such as future levels of funding for central government department
- Possible impairment of investments.
- Whether other entities with which the Authority has a relationship are subsidiaries, associates or jointly controlled entities.
- The potential outcome of legal claims by or against the Authority.
- The condition of the local and national housing/industrial building market.
- The economic standing of significant debtors and creditors.

Based on our assessment of the financial and liquidity position of the Authority, there are no material uncertainties or concerns on the basis of preparing the 2024/25 financial statements as a going concern. A full assessment of Going Concern is provided in the Accounting Policies section.

#### Note 12. Member Allowances

Payments to members of the Joint Independent Assurance Committee (JIAC) are disclosed in the OPFCC Group accounts.

#### Note 13. External Audit Costs

The Public Sector Audit Appointments (PSAA) have set a scale fee of £106k for external audit services carried out by the appointed auditor (Grant Thornton UK LLP) in 2024/25 (the scale fee of £95k was payable for 2023/24 and any further cost requested will be following discussion with PSAA).

#### Note 14. Grant Income

NCFRA credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement.

31 March 2024	31 March 2025
£000	£000
(7) New Dimensions Grant	(27)
(180) Firelink Grant	(120)
(106) Protection Grant	(254)
(218) Service Grant	(38)
(5,306) Pensions Grant	(5,164)
(1,483) Business Rates S31 Grants	(1,737)
(8) New Burdens Grant	(23)
- Redmond Review Grant	(27)
<b>(7,308) Total</b>	<b>(7,390)</b>

#### Note 14.1 Grant Receipts in Advance

The Authority has £5,556k (£954k in 2023/24) grant receipts in advance, all of which is for revenue purposes.

31 March 2024	31 March 2025
£000	£000
(651) Emergency Services Network Grant	-
(50) Fire Protection Grant Building Risk	(50)
(253) Fire Protection	(104)
- Firefighters Pension Grant	(5,403)
<b>(954)</b>	<b>(5,556)</b>

The Firefighters Pension Grant figures relate to the McCloud and Matthews remedies, for which we have received the funding from the Home Office. In line with that national position, at the 31<sup>st</sup> March 2025 no payments had been made to those impacted.

## Note 15. Related Parties

IPSAS 20 Related Party Disclosures, based on IAS 24, requires NCFRA to disclose material transactions and outstanding balances with related parties; bodies or individuals, that have the potential to control or influence NCFRA or to be controlled or influenced by NCFRA.

Central Government has effective control over the general operations of both NCFRA and the OPFCC. It is responsible for providing the statutory framework within which NCFRA and the OPFCC operates, together with funding in the form of general or specific grants.

The Chief Executive (and Monitoring Officer) and Chief Finance Officer of the OPFCC also undertake these roles in NCFRA, and all OPFCC Directors and staff support the governance of NCFRA. There is also a Joint Communications Team for OPFCC and Fire. The costs are reviewed annually as part of the budget setting process and in 2024/25, the sum of £0.396m was charged to NCFRA for all this support.

NCFRA and Northamptonshire Police work together on a number of collaboration and other activities or where one organisation provides services for another. A separate collaboration agreement is in place which sets out the governance arrangements for existing and future collaborative activities between OPFCC, the Chief Constable (CC) and NCFRA. This agreement was reviewed and updated in April 2025..

NCFRA and Police collaborate on operational and non-operational activities. Shared support services teams are in place for a number of services and shared accommodation in Darby House. During 2024/25, net charges of £3.578m were charged by Police to NCFRA.

NCFRA collaborate and deliver mutual aid arrangements to and from other Fire Authorities. They collaborate with Warwickshire for the control room and system.

The OPFCC maintains a register of business interests and key members of staff in the OPFCC and NCFRA Chief Officers and the JIAC members are required, at the end of each year, to declare whether they, or any member of their immediate family, have had any related party transactions (i.e. significant financial dealings) with the OPFCC and NCFRA. All returns were received and reviewed by the s151 Officer and no disclosures are required.

During the year, whilst NCFRA do not contribute financially, they continued as active participants in the Cadets arrangements with other emergency services in Northamptonshire.

A review of accounts payable and receivable transactions was undertaken which confirms that no payments have been made to or from employees of the organisations other than in line with contracts of employment.

## Note 16. Transfers to/from Earmarked Reserves

This note sets out the amounts set aside in earmarked reserves to provide financing for future expenditure plans.

	Opening Balance April 2023 £000	Transfers to Reserve £000	Transfers from Reserve £000	Closing Balance March 2024 £000	Transfers to Reserve £000	Transfers from Reserve £000	Closing Balance March 2025 £000
<b>Earmarked Reserves:</b>							
Section 106 Contributions	34	-	(34)	-	-	-	-
Insurance reserve	250	-	-	250	-	-	250
Smoothing Reserve	292	675	-	967	230	-	1,197
Transformation Reserve	1,000	-	-	1,000	-	(147)	853
Capital & ESN	314	-	-	314	-	-	314
Equipment Reserve	100	-	(30)	70	5	-	75
Service Carry Forwards	45	-	(20)	25	-	(25)	-
<b>Total General Fund and Earmarked Reserves</b>	<b>2,035</b>	<b>675</b>	<b>(84)</b>	<b>2,626</b>	<b>235</b>	<b>(172)</b>	<b>2,689</b>

### Note 16.1 Usable Reserves

Movements in the Authority's usable reserves are summarised in the Movement in Reserves Statement. The nature and purpose of these reserves is set out below:

31 March 2024 £000		31 March 2025 £000
(2,000)	General Fund	(2,000)
-	Section 106 Receipts	-
(250)	Insurance Fund External	(250)
(967)	Funding Reserves	(1,197)
(25)	Carry Forwards	-
(1,000)	Transformation Reserve	(853)
(314)	Capital	(314)
(70)	Equipment Reserve	(75)
<b>(4,626)</b>	<b>General Fund + Earmarked Reserves</b>	<b>(4,689)</b>
(418)	Capital Grants Unapplied Account	(418)
<b>(418)</b>	<b>Capital Grants Unapplied Account</b>	<b>(418)</b>
-	Capital Receipts Reserve	(2,107)
-	<b>Capital Receipts Reserves</b>	<b>(2,107)</b>
<b>(5,044)</b>	<b>Total Usable Reserves</b>	<b>(7,214)</b>

## Note 17. Unusable Reserves

An analysis of the unusable reserves is shown below:

31 March 2024		31 March 2025
£000		£000
(9,584)	Revaluation Reserve	(8,897)
(32,389)	Capital Adjustment Account	(28,351)
245,881	Pensions Reserve	222,470
347	Accumulated Absences Account	229
(224)	Donated Assets Reserve	(224)
(167)	Council Tax and NDR Collection Fund Account	(17)
<b>203,864</b>	<b>Total Unusable Reserves</b>	<b>185,210</b>

### Note 17.1. Revaluation Reserve

The Revaluation Reserve contains the gains/losses made by the Authority arising in the value of its Property, Plant and Equipment.

31 March 2024		31 March 2025
£000		£000
(7,351)	Opening Balance	(9,584)
(2,606)	Revaluation gains in the period	(48)
373	Revaluation losses in the period	736
<b>(9,584)</b>	<b>Revaluation Reserve</b>	<b>(8,897)</b>

The Reserve contains only revaluation gains/losses accumulated since 1<sup>st</sup> January 2019, the date that the Reserve was created.

### Note 17.2. Capital Adjustment Account (CAA)

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 January 2019, the date that the Revaluation Reserve was created to hold such gains. Note 17.2 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve. A breakdown of the CAA balance is set out below:

31 March 2024		31 March 2025
£000		£000
(34,336)	Opening Balance	(32,389)
(403)	Additions funded by revenue funding	(278)
(34)	Additions funded by S106 Funding	-
-	Additions funded by Capital Grants Unapplied	-
(90)	Additions funded by Capital Receipts	(1,153)
1,862	Depreciation	1,924
612	Revaluation Losses + Disposals	3,545
<b>(32,389)</b>	<b>Capital Adjustment Reserves</b>	<b>(28,351)</b>

### Note 17.3. Pension Reserve

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 Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pay 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 March 2024		31 March 2025
£000		£000
239,524	Opening Balance	245,881
6,357	Actuarial (Gains)/Losses	(23,411)
<b>245,881</b>	<b>Pension Reserve</b>	<b>222,470</b>

### Note 17.4. Accumulated Absences Account

31 March 2024		31 March 2025
£000		£000
86	Opening Balance	347
261	Provision for the period	(118)
<b>347</b>	<b>Accumulated Absences Account</b>	<b>229</b>

### Note 17.5. Collection Fund Adjustment Account

31 March 2024		31 March 2025
£000		£000
(320)	Council Tax Collection Fund Adjustment Account	(120)
153	NNDR Collection Fund Adjustment Account	103
<b>(167)</b>	<b>Collection Fund Adjustment Account</b>	<b>(17)</b>



## Note 18. Property, Plant and Equipment

The movement in fixed assets during the year is shown in the table below.

Operational Assets					
	Land and Buildings £000	Assets Under Construction £000	Surplus Assets £000	Vehicles, Plant and Equipment £000	Total Assets £000
<b>Cost or Valuation</b>					
<b>At 31 March 2024</b>	37,854	1,014	-	13,652	<b>52,520</b>
Additions/Enhancement	392	1,083	-	958	<b>2,433</b>
Revaluation Increases/(Decreases) to Revaluation Reserve	(1,287)	-	-	-	<b>(1,287)</b>
Depreciation eliminated on Revaluation	-	-	-	-	-
Revaluation Loss Reversal to Comprehensive Income and Expenditure Statement	(45)	-	-	-	<b>(45)</b>
Derecognitions & Disposals	-	-	-	-	-
Reclassifications	-	(1,014)	-	1,014	-
<b>At 31 March 2025</b>	<b>36,914</b>	<b>1,083</b>	-	<b>15,624</b>	<b>53,621</b>
<b>Depreciation/Impairment</b>					
<b>At 31 March 2024</b>	-	-	-	(5,051)	<b>(5,051)</b>
Charge for the twelve months to 31st March 2024	(599)	-	-	(1,325)	<b>(1,924)</b>
Depreciation written out to the Revaluation Reserve	-	-	-	-	-
Depreciation written out to the CIES	599	-	-	-	<b>599</b>
Impairments	-	-	-	-	-
Derecognitions	-	-	-	-	-
Reclassifications	-	-	-	-	-
<b>At 31 March 2025</b>	-	-	-	(6,376)	<b>(6,376)</b>
<b>Balance as at 31 March 2025</b>	<b>36,914</b>	<b>1,083</b>	-	<b>9,248</b>	<b>47,245</b>
<b>Balance as at 31 March 2024</b>	<b>37,854</b>	<b>1,014</b>	-	<b>8,601</b>	<b>47,469</b>

Operational Assets					
	Land and Buildings £000	Assets Under Construction £000	Surplus Assets £000	Vehicles, Plant and Equipment £000	Total Assets £000
<b>Cost or Valuation</b>					
<b>At 31 March 2023</b>	35,835	-	3,746	13,074	<b>52,655</b>
Additions/Enhancement	456	1,014	-	835	<b>2,305</b>
Revaluation Increases/(Decreases) to Revaluation Reserve	1,627	-	-	-	<b>1,627</b>
Depreciation eliminated on Revaluation	-	-	-	-	-
Comprehensive Income and Expenditure Statement	(64)	-	(246)	-	<b>(310)</b>
Derecognitions & Disposals	-	-	(3,500)	(346)	<b>(3,846)</b>
Reclassifications	-	-	-	89	<b>89</b>
<b>At 31 March 2024</b>	<b>37,854</b>	<b>1,014</b>	<b>-</b>	<b>13,652</b>	<b>52,520</b>
<b>Depreciation/Impairment</b>					
<b>At 31 March 2023</b>	-	-	-	(3,976)	<b>(3,976)</b>
Charge for the twelve months to 31st March 2024	(606)	-	-	(1,254)	<b>(1,860)</b>
Depreciation written out to the Revaluation Reserve	606	-	-	-	<b>606</b>
Depreciation written out to the CIES Impairments	-	-	-	-	-
Derecognitions	-	-	-	268	<b>268</b>
Reclassifications	-	-	-	(89)	<b>(89)</b>
<b>At 31 March 2024</b>	-	-	-	(5,051)	<b>(5,051)</b>
<b>Balance as at 31 March 2024</b>	<b>37,854</b>	<b>1,014</b>	<b>-</b>	<b>8,601</b>	<b>47,469</b>
<b>Balance as at 31 March 2023</b>	<b>35,835</b>	<b>-</b>	<b>3,746</b>	<b>13,074</b>	<b>52,655</b>

The freehold and leasehold properties within the Authority's property portfolio are valued by the Authority's property advisors (Wilkes, Head and Eve) with impairment reviews made annually.

A full valuation was undertaken as at 31<sup>st</sup> March 2025. All valuations were undertaken in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyors. Fire Stations are valued at depreciated replacement cost and other properties are valued at existing use value.

#### Note 19. Impairment Losses

There were no true impairment losses in 2024/25.

#### Note 20. Assets Held for Sale

The Authority has no assets held for sale at the 31st March 2025.

31 March 2024	31 March 2025
£000	£000
3,500 Assets Held for Sale	-
<b>3,500 Total Assets Held for Sale</b>	<b>-</b>

#### Note 21. Investment Properties

The Authority does not hold any investment property interests that could be classified and accounted for as investment properties, therefore, no adjustments or disclosures are required.

#### Note 22. Operating Leases

The Authority has property leases that have been accounted for as operating leases.

The future minimum payments due under operating leases in the coming years are:

31 March 2024	31 March 2025
£000	£000
45 Less than one year (payments)	45
138 One to five years	93
<b>183 Total</b>	<b>138</b>

The expenditure charged to service lines in the Comprehensive Income and Expenditure Statement during the period in relation to these leases was:

31 March 2024	31 March 2025
£000	£000
18 Minimum lease payments	18

#### Note 23. Intangible Assets

The Authority has no intangible assets.

## Note 24. Capital Expenditure and Capital Financing

The movement on the Capital Financing Requirement in the year was as follows:

31 March 2024		31 March 2025
£000		£000
7,218	<b>Opening Capital Financing Requirement</b>	8,772
	<b>Capital Investment:</b>	
2,305	Property, Plant and Equipment	2,433
<b>2,305</b>	<b>Total Capital Spending</b>	<b>2,433</b>
	<b>Sources of Finance:</b>	
(90)	Capital Receipts	(1,154)
-	Earmarked Reserves	-
(34)	Section 106 Receipts	-
(224)	Movement to Donated Assets Reserve	-
	<b>Sums set aside from revenue:</b>	
(237)	Direct revenue contributions	(19)
(166)	Minimum revenue provision	(259)
<b>(751)</b>	<b>Total Sources of Finance</b>	<b>(1,432)</b>
<b>8,772</b>	<b>Closing Capital Financing Requirement</b>	<b>9,773</b>

The year end position on the Capital Financing Requirement consists of the following:

31 March 2024		31 March 2025
£000		£000
	<b>Capital Investment:</b>	
47,469	Property, Plant and Equipment	47,245
3,500	Asset Held for Sale	-
<b>50,969</b>	<b>Total Capital Spending</b>	<b>47,245</b>
	<b>Unusable Capital Reserves:</b>	
(9,584)	Revaluation Reserve	(8,896)
(224)	Donated Assets Reserve	(224)
(32,389)	Capital Adjustment Account	(28,351)
<b>(42,197)</b>	<b>Total Unusable Capital Reserves</b>	<b>(37,471)</b>
<b>8,772</b>	<b>Closing Capital Financing Requirement</b>	<b>9,774</b>

## Note 25. Capital Commitments

NCFRA discloses all material Capital Commitments and after a review of all approved contracts, there were no significant capital commitments in existence prior to 31<sup>st</sup> March 2025. NCFRA has a significant capital programme for the next 10 years and therefore the expectation is to spend a material amount on a capital expenditure in future years but as at the 31<sup>st</sup> March 2025 NCFRA had not entered into any material contracts for delivery in the 2025/26 financial year and beyond.

## Note 26. Debtors

The analysis of Debtors is shown below:

31 March 2024		31 March 2025
£000		£000
692	Trade Debtors	1,092
3,119	Other Debtors	6,184
<b>3,811</b>	<b>Total Debtors</b>	<b>7,277</b>

Trade Debtors consist primarily of payments in advance made to suppliers for goods and services. Other debtors include the Authority's share of Council Tax and Business Rates debtors due to be paid to the Northamptonshire Unitary Authorities by taxpayers, grants and from other local government organisations for a variety of arrangements.

## Note 27. Inventories

The values of stock items held are summarised in the table below:

31 March 2024		31 March 2025
£000		£000
264	Opening Balance	344
80	Year End Stock Take Adjustment	105
<b>344</b>	<b>Total Inventories</b>	<b>449</b>

## Note 28. Provisions

Each Unitary Council, based on their local data, calculates a provision for potential losses arising from ratepayers successfully appealing the level of their property's rateable value. A proportion of each provision (currently 1%) is allocated to the Authority and recognised in the accounts.

31 March 2024		31 March 2025
£000		£000
(178)	Provision for Business Rates Appeals	(293)
<b>(178)</b>	<b>Total Provisions</b>	<b>(293)</b>

## Note 29. Creditors

The analysis of Creditors is shown below:

31 March 2024		31 March 2025
£000		£000
(4,660)	Trade Creditors	(5,732)
(2,519)	Other Creditors	(7,101)
<b>(7,179)</b>	<b>Total Creditors</b>	<b>(12,833)</b>

Other creditors include the Authority's share of Council Tax and Business Rates prepayments made to the Northamptonshire Unitary Authorities by taxpayers, grants received in advance from central government (see Note 14.1), payments due to central government for income tax and national insurance and pension contributions due to be paid to the pension fund.

## Note 30. Capitalisation of Borrowing Costs

The Authority has elected not to capitalise its new borrowing costs.

### Note 31. Contingent Liabilities

The Authority has not identified any contingent liabilities that require disclosure.

### Note 32. Contingent Assets

The Authority has not identified any contingent assets that require disclosure.

### Note 33. Cash, Cash Equivalents and Short-Term Investments

31 March 2024	31 March 2025
£000	£000
2,344 Cash at Bank (Call Accounts)	3,605
<b>2,344 Total Cash</b>	<b>3,605</b>

31 March 2024	31 March 2025
£000	£000
10 Cash at Bank (Notice Accounts)	-
- Fixed Term Deposit	2,001
<b>10 Total Short Term Investments</b>	<b>2,001</b>

### Note 34. Cash Flow from Operating Activities

Please see Cash Flow Statement.

### Note 35. Cash Flow from Investing Activities

Please see Cash Flow Statement.

### Note 36. Redundancy and Early Retirement Costs – Exit packages

Redundancy and early retirement costs are payable when employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these payments.

These costs are recognised only when the Authority is demonstrably committed to terminate the employment on the affected employees.

During the 12 months from April 2023 to March 2024, a single redundancy payment of £30k was committed.

There was no redundancy payments decided in the 12 months between April 2024 and March 2025.

### Note 37. Participation in Pension Schemes

As part of the terms and conditions of employment of its officers and other employees, the Authority offers retirement benefits. Although these will not actually be payable until employees retire, the Authority has a commitment to make payments that need to be disclosed at the time that employees earn their future entitlement. The Authority participates in two defined benefit pension schemes:

- the Local Government Pension Scheme for civilian employees, administered by West Northamptonshire Council – this is a funded scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level estimated to balance the pensions liabilities with investment assets. In 2024/25, the rate of contributions payable by employees range from 5.5% to 12.5% depending on the salary band of the employee. The Authority contributes at the rate prescribed by the Fund's actuary.

- the Firefighters' Pension Scheme – this is an unfunded scheme, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

On 1 April 2015 a new Firefighters' Pension Scheme was introduced, and the following notes include the data for the three schemes combined (2015, 2006 and 1992). Employees' and employers' contributions into the Firefighters' Pension Fund are determined by the Secretary of State on the advice of the Government Actuary. Payments of pensions and other retirement benefits are made from the Pension Fund. Government grant is payable to cover any shortfall on the Pension Fund Account.

### Note 37.1. Transactions Relating to Retirement Benefits

The Authority recognises the cost of retirement benefits in the Net Cost of Services when employees earn them, rather than when the benefits are eventually paid as pensions. However, the funding needs of the Authority are based upon the cash payable in the year, so the real cost of retirement benefits is reversed out after Net Operating Expenditure. The following transactions have been made during the year:

	Local Government Pension Scheme  March 2024 £000	Fire Fighters Pension Scheme  March 2024 £000	Total  March 2024 £000	Local Government Pension Scheme  March 2025 £000	Fire Fighters Pension Scheme  March 2025 £000	Total  March 2025 £000
<b>Income and Expenditure Account</b>						
<b>Cost of Services</b>						
Current Service Cost	455	1,530	1,985	479	1,570	2,049
Past Service Cost (including Settlements and Curtailments)		(40)	(40)	87	-	87
<b>Financing and Investment Income and Expenditure</b>						
Net Interest Expense	19	10,950	10,969	(22)	11,470	11,448
<b>Total defined benefit cost recognised in Income and Expenditure Account</b>	<b>474</b>	<b>12,440</b>	<b>12,914</b>	<b>544</b>	<b>13,040</b>	<b>13,584</b>
<b>Return on plan assets (excluding the amount included in the net interest expense)</b>	(504)	-	(504)	325	-	325
<b>Actuarial gains and losses arising on changes in demographic assumptions</b>	(56)	-	(56)	(18)	(640)	(658)
<b>Actuarial gains and losses arising on changes in financial assumptions</b>	(698)	1,090	392	(1,912)	(24,800)	(26,712)
<b>Other</b>	297		297	(90)	(470)	(560)
<b>Total remeasurements recognised in Other Comprehensive Income (OCI)</b>	<b>(961)</b>	<b>1,090</b>	<b>129</b>	<b>(1,695)</b>	<b>(25,910)</b>	<b>(27,605)</b>
<b>Movement in Reserves Statement</b>						
Reversal of net charges made for retirement benefits in accordance with IAS19	868	(6,720)	(5,852)	1,612	23,410	25,022
<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>						
Employers' contribution payable to scheme (LGPS)/Retirement Benefits payable to pensioners (FPS)	(389)	(8,840)	(9,229)	(461)	(10,540)	(11,001)



## Note 37.2. Assets and Liabilities in Relation to Retirement Benefits

The Local Government Pension Scheme contributions payable by employers are determined by the actuary to the Pension Fund based on triennial valuations, the most recent of which was at 31 March 2023 which has changed the level of contributions from 2023/24. The level of contributions payable during 2024/25 was consistent with 2023/24.

Reconciliation of asset and benefit obligation:

	Local Government	Fire Fighters		Local Government	Fire Fighters	
	Pension Scheme	Pension Scheme	Total	Pension Scheme	Pension Scheme	Total
	31 March 2024	31 March 2024	31 March 2024	31 March 2025	31 March 2025	31 March 2025
	£000	£000	£000	£000	£000	£000
<b>Opening Defined Benefit Obligation</b>	<b>9,384</b>	<b>243,370</b>	<b>252,754</b>	<b>9,782</b>	<b>245,880</b>	<b>255,662</b>
Current Service Cost	455	1,530	1,985	479	1,570	2,049
Past Service Cost	-	(40)	(40)	87	-	87
Interest Cost	455	10,950	11,405	488	11,470	11,958
Contribution by Scheme Participants	142	1,430	1,572	162	1,900	2,062
<b>Actuarial Gains and Losses:</b>			-			-
Arising from changes in demographic assumptions	(56)	-	(56)	(18)	(640)	(658)
Arising from changes in financial assumptions	(698)	(1,090)	(1,788)	(1,912)	(24,800)	(26,712)
Return on assets	-	-	-	-	-	-
Other	297	-	297	(90)	(470)	(560)
Curtailments, Settlements and past Service Costs	-	-	-	-	-	-
Benefits paid	(197)	(10,270)	(10,467)	(168)	(12,440)	(12,608)
<b>Closing Defined Benefit Obligation</b>	<b>9,782</b>	<b>245,880</b>	<b>255,662</b>	<b>8,810</b>	<b>222,470</b>	<b>231,280</b>

Reconciliation of opening and closing balances of the fair value of scheme assets:

	LGPS Pension Scheme	LGPS Pension Scheme
	31 March 2024	31 March 2025
	£000	£000
Opening Fair Value of Employer Assets	9,021	10,295
Return on Plan Assets, excluding the amount included in the net interest costs	504	(325)
Interest income on Plan assets	436	510
Benefits Paid	(197)	(168)
Contributions from Employer	389	461
Contributions by scheme participants	142	162
<b>Closing Fair Value of Employer Assets</b>	<b>10,295</b>	<b>10,935</b>

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross

redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

### Note 37.3. Scheme History

	Local Government Pension Scheme	Fire Fighters Pension Scheme	Total	Local Government Pension Scheme	Fire Fighters Pension Scheme	Total
	March 2024	March 2024	March 2024	March 2025	March 2025	March 2025
	£000	£000	£000	£000	£000	£000
Present value of the defined benefit obligation	(9,782)	(245,880)	(255,662)	(8,810)	(222,470)	(231,280)
Fair value of plan assets	10,295	-	10,295	10,935	-	10,935
<b>Net Liability arising from defined benefit obligation</b>	<b>513</b>	<b>(245,880)</b>	<b>(245,367)</b>	<b>2,125</b>	<b>(222,470)</b>	<b>(220,345)</b>

The liabilities show the underlying commitments that the Authority has in the long-run to pay retirement benefits. The total liability of £220.3m has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy:

- the pension fund has recently undergone a triennial valuation, which recommended increased contributions over the remaining working life of employees, as assessed by the scheme actuary. Whilst the ongoing financial actuarial valuation is more positive than it previously has been, it is important to note, that this considers those increased contributions; and
- finance is only required to be raised to cover fire pensions when the pensions are actually paid.

### Note 37.4. Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The annual Authority budget will make allowance for the firefighter's pension scheme payments based on an estimate of when such payments fall due. The Authority's budget is set taking the employer's pension contribution into account and government grant is received to cover any shortfall in the account.

The Government Actuaries Department (GAD) has assessed the Firefighters' Pension Scheme, and Hymans Robertson the Local Government Pension Scheme (LPGS) liabilities. The main assumptions used in their calculations are as follows:

Local Government Pension Scheme	Fire Fighters Pension Scheme		Local Government Pension Scheme	Fire Fighters Pension Scheme
March 2024	March 2024		March 2025	March 2025
%	%		%	%
2.75	2.60	Rate of inflation	2.75	2.70
3.25	3.85	Rate of increase in salaries	3.25	3.45
2.75	2.60	Rate of increase in pensions	2.75	2.70
4.85	4.75	Rate for discounting scheme liabilities	5.8	5.65
50	N/A	Take up of option to convert annual Pension into retirement grant	55	N/A

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below 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 while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Local Government Pension Scheme March 2024	Fire Fighters Pension Scheme March 2024		Local Government Pension Scheme March 2025	Fire Fighters Pension Scheme March 2025
		<b>65 year old current pensioner</b>		
20.4	21.3	Male	20.4	21.3
24.7	21.3	Female	24.6	21.3
		<b>45 year old future pensioner at age 65</b>		
21.6	22.9	Male	21.5	22.7
25.5	22.9	Female	25.4	22.7

Impact on Defined Benefit Obligation				
Local Government Pension scheme March 2024	Fire Fighters Pension Scheme March 2024	Increase/Decrease in assumption	Local Government Pension scheme March 2025	Fire Fighters Pension Scheme March 2025
4.0%	2.0%	Longevity (increase in 1 year)	4.0%	2.5%
0.0%	0.2%	Rate of increase in salaries (increase by 0.1%)	0.0%	0.2%
2.0%	1.4%	Rate of increase in pensions (increase by 0.1%)	2.0%	1.3%
2.0%	-1.4%	Rate for discounting Scheme liabilities (decrease by 0.1%)	2.0%	1.3%

The Fire Pension Scheme has no assets to cover its liabilities. The Local Government Pension Scheme's assets consist of the following categories, by proportion of the total assets held:

Fair value of plan assets				
Asset category	31 March 2024		31 March 2025	
	Total	Percentage	Total	Percentage
	£000	%	£000	%
<b>Equity Securities</b>				
Consumer	108.7	1%	113.4	1%
Manufacturing	95.9	1%	102.8	1%
Energy and Utilities	44.5	0%	45.8	0%
Financial Institutions	92.8	1%	112.0	1%
Health and Care	72.4	1%	68.1	1%
Information Technology	185.3	2%	242.4	2%
Other	18.5	0%	25.7	0%
<b>Debt Securities</b>				
Corporate Bonds (investment grade)	-	0%	-	0%
Corporate Bonds (non-investment grade)	-	0%	-	0%
UK Government	1,508.7	15%	1,437.6	13%
Other	-	0%	-	0%
<b>Private Equity</b>				
All	765.2	7%	830.2	8%
<b>Real Estate</b>				
UK Property	546.2	5%	966.1	9%
Overseas Property	75.0	1%	76.9	1%
<b>Investment Funds and Unit Trusts</b>				
Equities	4,446.2	43%	4,185.1	38%
Bonds	1,499.3	15%	1,618.4	15%
Hedge Funds	-	0%	-	0%
Commodities	-	0%	-	0%
Infrastructure	642.5	6%	661.8	6%
Other	-	0%	-	0%
<b>Derivatives</b>				
Inflation	-	0%	-	0%
Interest Rate	-	0%	-	0%
Foreign Exchange	-	0%	(0.1)	0%
Other	-	0%	-	0%
<b>Cash and Cash Equivalents</b>				
All	193.8	2%	448.8	4%
<b>Totals</b>	<b>10,295</b>	<b>100%</b>	<b>10,935</b>	<b>100%</b>

## Note 37.5. Pensions Reserve

	Local Government	Fire Fighters		Local Government	Fire Fighters	
	Pension Scheme	Pension Scheme	Total	Pension Scheme	Pension Scheme	Total
	31 March 2024	31 March 2024	31 March 2024	31 March 2025	31 March 2025	31 March 2025
	£000	£000	£000	£000	£000	£000
<b>Opening Balance</b>	<b>363</b>	<b>243,371</b>	<b>243,734</b>	<b>(513)</b>	<b>245,880</b>	<b>245,367</b>
Current service cost	455	1,530	1,985	479	1,570	2,049
Interest cost	19	10,950	10,969	(22)	11,470	11,448
Changes in assumptions	(961)	(1,091)	(2,052)	(1,695)	(25,910)	(27,605)
Past service cost, including curtailments	-	(40)	(40)	87	-	87
Contributions by employer/employee	(389)	1,430	1,041	(461)	1,900	1,439
Benefits Paid	-	(10,270)	(10,270)	-	(12,440)	(12,440)
Return on assets less interest	-	-	-	-	-	-
<b>Closing Balance</b>	<b>(513)</b>	<b>245,880</b>	<b>245,367</b>	<b>(2,125)</b>	<b>222,470</b>	<b>220,345</b>

## Note 38. Financial Instruments

Financial instruments are recognised on the Balance Sheet when the Fire Authority becomes party to the contractual provisions of a financial instrument. They are initially measured at fair value.

### Financial Liabilities

Financial liabilities are subsequently measured at amortised cost. For the Fire Authority's borrowing this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest).

Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

### Financial Assets

Financial assets are classified as below:

- 1) Financial assets held at amortised cost. These represent loans and loan-type arrangements where repayments of interest and principal take place on set dates and at specified amounts. The amount presented in the Balance Sheet represents the outstanding principal received plus accrued interest. Interest credited to the CIES is the amount receivable as per the loan agreement.
- 2) Fair Value Through Profit and Loss (FVTPL). These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are recognised in the CIES as they occur.

Allowances for impairment losses have been calculated for amortised cost assets, applying the expected credit losses model. Changes in loss allowances (including balances outstanding at the date of derecognition of an asset) are debited/credited to the Financing and Investment Income and Expenditure line in the CIES.

As at the 31<sup>st</sup> March 2025 (or 31<sup>st</sup> March 2024), the Authority has no Type 2 assets or liabilities in its balance sheet.

Changes in the value of assets carried at fair value are debited/credited to the Financing and Investment Income and Expenditure line in the CIES as they arise.

### Note 38.1. Financial Instruments

The value of debtors and creditors reported in the table below are solely those amounts meeting the definition of a financial instrument. The balances of debtors and creditors reported in the balance sheet and Notes 26 and 29 also include balances which do not meet the definition of a financial instrument, such as tax-based debtors and creditors. The NCFRA has the following assets and liabilities held in its balance sheet as at 31<sup>st</sup> March 2025:

31 March 2024			31 March 2025	
Long term	Short term		Long term	Short term
£000	£000		£000	£000
<b>Financial assets at amortised cost</b>				
-	10	Investments	-	2,001
-	2,344	Cash and Cash equivalents	-	3,605
-	3,811	Debtors	-	7,277
-	<b>6,165</b>	<b>Total Financial Assets</b>	-	<b>12,883</b>
<b>Financial liabilities at amortised cost</b>				
(3,060)	-	Borrowing	(2,977)	-
-	(7,179)	Creditors	-	(12,833)
<b>(3,060)</b>	<b>(7,179)</b>	<b>Total Financial Liabilities</b>	<b>(2,977)</b>	<b>(12,833)</b>

### Note 38.2. Financial Instruments - Income, Expense, Gains and Losses

2023/24			2024/25	
Financial Liabilities	Financial Assets		Financial Liabilities	Financial Assets
Measured at Amortised Cost	Measured at Amortised Cost		Measured at Amortised Cost	Measured at Amortised Cost
£000	£000		£000	£000
62	-	Interest Expense	60	-
<b>62</b>	-	<b>Total Expense in Surplus/Deficit on the Provision of Service</b>	<b>60</b>	-
-	(238)	Interest Income	-	(389)
-	<b>(238)</b>	<b>Total income in Surplus/Deficit on the Provision of Services</b>	-	<b>(389)</b>
-	<b>(238)</b>	<b>Net Gain/(Loss) for the Year</b>	<b>60</b>	<b>(389)</b>

### Note 38.3. Financial Instruments - Fair Value of Assets and Liabilities

Financial liabilities and financial assets classed as financial assets and financial liabilities at amortised cost are carried in the balance sheet at amortised cost. Their fair values can be estimated by calculating the present value of cash flows that will take place over the remaining term of the instruments.

Level in Hierarchy	31 March 2024			31 March 2025	
	Long term £000	Short term £000		Long term £000	Short term £000
			<b>Financial assets at amortised cost</b>		
2	-	10	Investments	-	2,001
2	-	2,344	Cash and cash equivalents	-	3,605
2	-	3,396	Debtors	-	6,524
	-	<b>5,750</b>	<b>Total Financial Assets</b>	-	<b>12,130</b>
			<b>Financial liabilities at amortised cost</b>		
2	(3,060)	-	Borrowing	(2,977)	-
2	-	(6,225)	Creditors	-	(7,277)
	<b>(3,060)</b>	<b>(6,225)</b>	<b>Total Financial Liabilities</b>	<b>(2,977)</b>	<b>(7,277)</b>

31 March 2024			31 March 2025	
Carrying Amount £000	Fair Value £000		Carrying Amount £000	Fair Value £000
		<b>Financial Assets Held at amortised cost</b>		
10	10	Investments	2,001	2,001
2,344	2,344	Cash and cash equivalents	3,605	3,605
3,396	3,396	Debtors	6,524	6,524
<b>5,750</b>	<b>5,750</b>	<b>Total Financial Assets</b>	<b>12,130</b>	<b>12,130</b>
		<b>Financial liabilities at amortised cost</b>		
(3,060)	(2,257)	Public Works Loan Board Borrowing	(2,977)	(2,030)
(6,225)	(6,225)	Creditors	(7,277)	(7,277)
<b>(9,285)</b>	<b>(8,482)</b>	<b>Total Financial Liabilities</b>	<b>(10,254)</b>	<b>(9,307)</b>

The fair value of borrowing is less than the carrying value because this reflects the fact that the average rate of interest (1.98%) on the Fire Authorities' borrowing is less than current rates (4.23%) for new borrowing.

The changes between the values shown on note 38.1 and note 38.3 will reflect that not all assets of each category meet the criteria of financial instrument, the value of which is shown in Note 38.4 below:

### Note 38.4. Non-Financial Instruments

The definition of a financial instrument is 'any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity'. Therefore the following items are the difference between Table 38.1 and Table 38.3 as they don't meet the definition of financial instruments.

31 March 2024		31 March 2025	
Long term	Short term	Long term	Short term
£000	£000	£000	£000
<b>Financial assets at amortised cost</b>			
-	-	-	-
-	415	-	753
-	<b>415</b>	-	<b>753</b>
<b>Financial liabilities at amortised cost</b>			
-	-	-	-
-	(954)	-	(5,556)
-	<b>(954)</b>	-	<b>(5,556)</b>

#### Note 38.5. Credit risk management practices

The Authority's credit risk management practices are set out in the published Treasury Management Strategy.

#### Note 39. Joint Operations & Associate Entities

The Authority has no Joint Operations or Associates.

#### Note 40. Accounting Standards that have been issued but not yet adopted

Under The Code of Practice on Local Authority Accounting disclosure of the impact of accounting standards issued but not yet adopted is required. Following a review of the relevant standards it has been determined that there would be no material changes to the accounts if these were to have been adopted. The relevant standards being introduced for 2024/25 are:

- IFRS 17 Insurance Contracts issued in May 2017.
- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023.
- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets.

#### Note 41. Restatements

No restatements have taken place in preparation of the 2024/25 Statement of Accounts.

#### Note 42. Long Term Borrowing

31 March 2024		31 March 2025
£000		£000
(3,060)	PWLB Loan	(2,977)
<b>(3,060)</b>	<b>Total Long Term Borrowing</b>	<b>(2,977)</b>

#### Note 43. Other Long Term Liabilities

The Authority has other long term liabilities as below, which relate to pension liabilities estimated to fall due over the longer term.

31 March 2024		31 March 2025
£000		£000
(245,881)	Pension Liabilities	(222,470)
<b>(245,881)</b>	<b>Total Long Term Liabilities</b>	<b>(222,470)</b>



## FIREFIGHTERS' PENSION FUND ACCOUNT

For The Year Ended 31 March 2025

2023/24 £000		Note	2024/25 £000
	<b><u>Income to the Fund</u></b>		
	<b>Contributions Receivable</b>		
	From Employer		
(3,253)	Normal Contributions	7	(4,754)
(1,457)	From Members	9	(1,657)
	<b>Transfers in</b>		
(10)	Individual transfers in from other schemes		(243)
(5)	<b>Other income</b>		(3)
	<b><u>Expenditure by the Fund</u></b>		
	<b>Benefits Payable</b>		
8,833	Pensions including ill health		9,666
1,623	Commutations and lump sum retirement benefits		2,600
(426)	Less Injury		(455)
	<b>Payments to and on account of leavers</b>		
-	Individual transfers out to other schemes		3
<b>5,305</b>	<b>Net amount payable for the year</b>		<b>5,158</b>
-	Refund to be received from HMRC		-
(5,305)	<b>Top up grant receivable from Central Government</b>	10	(5,158)
-	<b>Net Fund position for year</b>		-

  

31-Mar-24 £000	Net Current Assets and Liabilities	Note	31-Mar-25 £000
(1,490)	Top Up grant receivable/(received) from Central Government	10	(1,851)
1,490	Amount Owing to/(owed by) Northamptonshire Fire & Rescue		1,851
-	<b>Total</b>		-

## NOTES TO FIREFIGHTERS' PENSION FUND ACCOUNT

### Notes to the Firefighters Pension Fund Statement

1. This statement has been prepared in accordance with the Code of Practice on Local Authority Accounting in Great Britain.
2. Three pension schemes operate within the Fund, the 1992 scheme, the 2006 scheme, and the 2015 scheme. However, the 1992 scheme and the 2006 scheme closed to future accrual on 31 March 2022.
3. The Fund is administered and managed according to the statutory requirements set out in the 1992, 2006, and 2015 scheme legislation.
4. The Firefighters Pension Schemes are unfunded and as such have no investment assets. They are funded through employee and employer contributions and Government grant.
5. All firefighter pension related benefits are charged to the Firefighters Pension Fund Account with the exception of costs relating to non-member retirement on ill health grounds and all costs relating to injury pensions, which are charged to the Fire Service Operating Account (revenue).
6. The Fund Account captures income and liabilities relevant to the period shown and therefore does not take account of liabilities to pay pensions and other benefits after the period end.
7. Normal Employer contributions for 2015 scheme are 28.8% of pensionable pay.
8. For any retirement on ill health grounds the Fire Service is required to make a payment to the Pension Fund from its revenue account. This is payable over 3 years. There were 0 retirements of scheme members on ill health grounds in 2024/25.
9. Members contributions for the 2015 scheme have banded contributions, as set out below:

2015 scheme members	Pensionable Pay	FPS 2015 %
Up to £27,818		11.0
£27,819 to £51,515		12.9
£51,516 to £142,500		13.5
£142,501 or more		14.5

10. These accounts have been prepared on an accruals basis.

## GLOSSARY OF TERMS

### 1 Accounting period

The length of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

### 2 Accruals

Sums included in the final accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March.

### 3 Actuarial gains and losses

For defined benefit schemes, the changes in actuarial deficits or surpluses arise because: events have not coincided with the actuarial assumptions made for the last valuation (experience gains or losses) or the actuarial assumptions have changed.

### 4 Asset

An item having value to the authority in monetary terms. Assets are categorised as either current or fixed:

A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock);

A fixed asset provides benefits to the Authority and to the services it provides for a period of more than one year and may be tangible e.g. a community building, or intangible, e.g. computer software licences.

### 5 Audit of accounts

An external audit is an independent examination of the financial records prepared by an organisation. The main objective of an external audit is to verify that the accounting records for a company provide a true and accurate picture of the organisation's finances and that statements are prepared in accordance to the set laws and accounting standards. External audits also add value by identifying areas where efficiency in the business can be improved and where controls and processes may be made more effective.

### 6 Balance sheet

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

### 7 Budget

The forecast of net revenue and capital expenditure over the accounting period.

### 8 Capital expenditure

Expenditure on the acquisition of a fixed asset, which will be used in providing services beyond the current accounting period, or expenditure which adds to and not merely maintains the value of an existing fixed asset.

### 9 Capital financing

Funds raised to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

### 10 Capital programme

The capital schemes the Authority intends to carry out over a specific period of time.

### 11 Capital receipt

The proceeds from the disposal of land or other fixed assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the government but they cannot be used to finance revenue expenditure.

### 12 CIPFA

The Chartered Institute of Public Finance and Accountancy.

### 13 Collection fund

A separate fund that records the income and expenditure relating to Council Tax and non-domestic rates.

### 14 Consistency

The concept that the accounting treatment of like items within an accounting period and from one period to the next is the same.

### 15 Contingent asset

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's accounts.

### 16 Contingent liability

A contingent liability is either: a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's control; or a present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

### 17 Creditor

Amount owed by the Authority for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

### 18 Current service cost (pensions)

The increase in the present value of a defined benefits pension scheme's liabilities, expected to arise from employee service in the current period.

### 19 Debtor

Amount owed to the Authority for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

### 20 Deferred charges

Expenditure which can be properly deferred (i.e. treated as capital in nature), but which does not result in, or remain matched with, a tangible asset. Examples of deferred charges are grants of a capital nature to voluntary organisations.

### 21 Defined benefit pension scheme

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

### 22 Depreciation

The measure of the cost of wearing out, consumption, or other reduction, in the useful economic life of the Authority's fixed assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

### 23 Discretionary benefits (pensions)

Retirement benefits which the employer has no legal, contractual or constructive obligation to award and are awarded under the Authority's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.

### 24 Equity

The Authority's value of total assets less total liabilities.

### 25 Events after the balance sheet date

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

### 26 Exceptional items

Material items which derive from events or transactions that fall within the ordinary activities of the Authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

### 27 Expected return on pension assets

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

### 28 Extraordinary items

Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside the ordinary activities of the Authority and which are not expected to recur. They do not include exceptional items, nor do they include prior period items merely because they relate to a prior period.

### 29 Fair value

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

### 30 Government grants

Grants made by the government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Authority. These grants may be specific to a particular scheme or may support the revenue spend of the Authority in general.

### 31 Impairment

A reduction in the value of a fixed asset to below its carrying amount on the Balance Sheet.

### 32 Income and expenditure account

The revenue account of the Authority that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from precepts, grants and other income.

### 33 Interest cost (pensions)

For a defined benefit scheme, the expected increase during the period of the present value of the scheme liabilities because the benefits are one period closer to settlement.

### 34 Investments (pension fund)

The investments of the Pension Fund will be accounted for in the statements of that fund. However, authorities are also required to disclose, as part of the disclosure requirements relating to retirement benefits, the attributable share of the pension scheme assets associated with their underlying obligations.

### 35 Liability

A liability is where the Authority owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.

A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

### 36 Liquid resources

Current asset investments that are readily disposable by the Authority without disrupting its business and are either: readily convertible to known amounts of cash at or close to the carrying amount; or traded in an active market.

### 37 Long term contract

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one accounting period.

### 38 Materiality

The concept that the Statement of Accounts should include all amounts which, if omitted, or mis-stated, could be expected to lead to a distortion of the financial statements and ultimately mislead a user of the accounts.

### 39 Minimum Revenue Provision (MRP)

The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Authority.

### 40 Net book value

The amount at which fixed assets are included in the Balance Sheet, i.e. their historical costs or fair value less the cumulative amounts provided for depreciation.

### 41 Net debt

The Authority's borrowings less cash and liquid resources.

### 42 Non-domestic rates (NDR)

The Non-Domestic Rate is a levy on businesses, based on a national rate in the pound set by the government and multiplied by the assessed rateable value of the premises they occupy.

### 43 Non-operational assets

Fixed assets held by the Authority but not directly occupied, used or consumed in the delivery of services. Examples are investment properties, assets under construction or assets surplus to requirements pending sale or redevelopment.

### 44 Operating lease

A lease where the ownership of the fixed asset remains with the lessor.

### 45 Operational assets

Fixed assets held and occupied, used or consumed by the Authority in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

#### 46 Past service cost (pensions)

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to retirement benefits.

#### 47 Pension scheme liabilities

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

#### 48 Precept

The levy made by precepting authorities to billing authorities, requiring the latter to collect income from Council Tax on their behalf.

#### 49 Prior year adjustment

Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

#### 50 Provision

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

#### 51 Public Works Loan Board (PWLB)

A Central Government Agency, which provides loans for one year and above to authorities at interest rates only slightly higher than those at which the government can borrow itself.

#### 52 Rateable value

The annual assumed rental of a hereditament, which is used for NDR purposes.

#### 53 Related parties

There is a detailed definition of related parties in IAS 24. For the Authority's purposes related parties are deemed to include the Authority's members, the Chief Executive, its Directors and their close family and household members.

#### 54 Related party transactions

The Code requires the disclosure of any material transactions between the Authority and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.

#### 55 Remuneration

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits. Received other than in cash. Pension contributions payable by the employer are excluded.

#### 56 Reserves

The accumulation of surpluses, deficits and appropriations over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Authority. Some capital reserves such as the fixed asset restatement account cannot be used to meet current expenditure.

#### 57 Residual value

The net realisable value of an asset at the end of its useful life.

### 58 Retirement benefits

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

### 59 Revenue expenditure

The day-to-day expenses of providing services.

### 60 Revenue support grant

A grant paid by Central Government to authorities, contributing towards the general costs of their services.

### 61 Stocks

Items of raw materials and stores an authority has procured and holds in expectation of future use. Examples are consumable stores, raw materials and products and services in intermediate stages of completion.

### 62 Temporary borrowing

Money borrowed for a period of less than one year.

### 63 Useful economic life (UEL)

The period over which the Authority will derive benefits from the use of a fixed asset



## ANNUAL GOVERNANCE STATEMENT - NCFRA

Following a review of the organisation's governance arrangements, it is the opinion of the PFCC that the current framework is appropriate, effective, and fit for purpose in the context of public sector standards and expectations. The governance structure provides clear accountability, transparency, and oversight, ensuring that public resources are managed responsibly and in line with statutory, regulatory, and policy requirements. However, there are always ways to improve further, and some specific actions are identified later in this document.

The roles and responsibilities of the governing body, executive leadership, and supporting committees are well-defined, with appropriate reporting lines and decision-making processes in place. Risk management, financial stewardship, and performance monitoring are embedded within governance processes, supporting the delivery of public value and safeguarding the public interest.

The organisation demonstrates a strong commitment to integrity, openness, and continuous improvement, with regular reviews ensuring governance arrangements remain effective and responsive to changing demands and priorities. In the past financial year, the two corporations sole have maintained the governance arrangements and strategies in place and driven forward performance improvements.

The Police and Crime Act 2017 enabled Police and Crime Commissioners to become responsible for the governance of fire and rescue authorities, subject to the approval of a business case by the Home Secretary. The aim of this legislation was to "enable fire and police services to work more closely together and develop the role of our elected and accountable Police and Crime Commissioners". Northamptonshire Commissioner Fire and Rescue Authority (NCFRA) was created on 1<sup>st</sup> January 2019. The Police, Fire and Crime Commissioner also acts as NCFRA.

### The CIPFA/SOLACE Framework of Good Governance

In 2007, CIPFA developed with the Society of Local Authority Chief Executives (Solace) a framework – "*Delivering good governance in local government*". This was subsequently reviewed with an updated edition was published in April 2016, and most recently an addendum published May 2025.

This framework recognises that no two organisations are the same and as such allows an organisation to test its governance structures against a set of principles which are:

- **Principle A:** Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- **Principle B:** Ensuring openness and comprehensive stakeholder engagement
- **Principle C:** Defining outcomes in terms of sustainable, economic, social and environmental outcomes
- **Principle D:** Determining the interventions necessary to optimise the achievement of intended outcomes
- **Principle E:** Developing Capacity and Capability
- **Principle F:** Managing Risks and Performance
- **Principle G:** Implementing good practices in transparency, reporting and accountability.

### What is Governance?

Governance as defined in the 2016 framework is:

**"Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and delivered."**

Good governance is not only about rules, policies and procedures but should also incorporate a spirit of good governance as an integral part of the culture of the organisation, its values and the expected behaviours.

Senior leaders have a significant responsibility not only to ensure that good governance arrangements are properly codified and documented but also that the proper culture exists so that the concept of good governance, including transparency and openness, is effectively conveyed throughout their organisation.

This statement explains how the Police, Fire and Crime Commissioner (PFCC) and Chief Fire Officer has complied with the CIPFA/SOLACE framework and also meets the requirements of the Accounts and Audit Regulations in relation to the publication of an Annual Governance Statement.

### The Annual Governance Statement

It is a requirement on each public body to prepare an annual governance statement. This is intended to provide an assessment of how effectively it has complied with its own governance arrangements and the principles set out in the framework.

This governance statement provides a high-level overview. It comments on the effectiveness of governance arrangements over the past year and makes proposals to improve processes, or mitigate issues or risks identified.

### The Purpose of the Governance Framework

The Corporate Governance Framework comprises the systems and processes, and culture and values, by which NCFRA is directed and controlled and its activities through which it accounts to, engages with, and leads the community. It enables the Authority (the PFCC) to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, value-for-money 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 risks to the achievement of the PFCC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact and to manage them efficiently, effectively and economically.

The PFCC, CC and NCFRA Joint Corporate Governance Framework was reviewed during the year and an updated version was published in March 2025, incorporating changes required to ensure compliance with new procurement legislation.

### The Governance Framework

The Police, Reform and Social Responsibility Act 2011 brought in the responsibility for local authorities to create a Police and Crime Panel. This panel is made up of local elected councillors and independent members with the responsibility to scrutinise and support the work of the Police and Crime Commissioner.

The Policing and Crime Act 2017 amended Section 28 (Powers of Police and Crime Panels) of the Police Reform and Social Responsibility Act 2011 to include the responsibilities of the new Fire and Rescue Authority. The functions of the Panel are set out in legislation and the Panel must also review or scrutinise decisions made, or other actions taken by the PFCC in connection with the discharge of their functions in relation to Policing and Fire and Rescue. The Panel is referred to as the Police, Fire and Crime Panel (PFCP).

### The PFCC's Governance Arrangements

The Authority continued to seek confirmation that appropriate management and reporting arrangements were in place to gain assurance that the approach to corporate governance was both adequate and effective in practice. These arrangements included:

- An Accountability Board forward plan seeking timely updates and assurances at appropriate times during the year. Minutes are publicly available on the PFCC's website.

- Regular dialogue between the PFCC and Chief Fire Officer, and meetings held between key officers of the Service and Office of the Police, Fire and Crime Commissioner (OPFCC).
- The terms of reference of the Joint Independent Audit Committee (JIAC) includes NCFRA. Four meetings of the Committee took place in the year and notes of the meetings are published on the OPFCC website. Additional workshops with a specific focus were also held. The JIAC provides independent assurance to the PFCC as NCFRA.
- A joint Assistant Chief Officer leads the Enabling Services function and provides strategic leadership of joint support services across Fire and Policing.
- A collaboration agreement is in place in line with the Home Office Financial Management Code of Practice. The agreement was reviewed during the year and an updated version approved in April 2025.
- Fire and Rescue Service have a number of meetings established at strategic and operational levels. Where appropriate, members of the OPFCC attend to provide scrutiny and challenge.

In the full year to 31<sup>st</sup> March 2025, the PFCC has sought to ensure that appropriate management and reporting arrangements are in place to give assurance that the approach to corporate governance was both adequate and effective in practice.

The system of internal control is based on a system of financial, contractual, management and administrative controls and is reviewed by both internal and external audit.

## Compliance with the seven principles set out in the CIPFA/SOLACE Framework

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

The Corporate Governance Framework provides guidance on expected behaviours to ensure integrity and builds on the clear statements made by the PFCC and the Chief Fire Officer. The OPFCC has its own whistleblowing policy and associated policies in relation to complaints.

For 2024/25, related party disclosures have been undertaken for all key staff in the OPFCC, Fire Service and JIAC members. Additionally, the PFCC and all members of OPFCC staff complete a declaration of business interests which were received and reviewed by the two s151 officers and any disclosures required included within the Statement of Accounts.

The OPFCC has a well-resourced Customer Service Team to deal with complaints and other issues with a remit to identify and report any unethical behaviours.

The statutory roles of Monitoring Officer and Chief Finance Officer to NCFRA are held by the post holders in the OPFCC which provides consistency and continuity. Further details under Principle E below.

### Principle B: Ensuring openness and comprehensive stakeholder engagement

The Commissioner's purpose is set out in statute. The vision for Northamptonshire policing is set out in the Police, Fire and Crime Plan, which we call 'Safe and Sound' and sets out the strategic direction of the PFCC's activities. It was informed by 'the Big Conversation', a significant programme of consultation and engagement in the heart of communities and strongly supported by partners. It works in synergy with both police and fire operational plans, and the PFCC provides an update at each Police, Fire and Crime Panel meeting.

The OPFCC and OCC have both invested in fit-for-purpose communications and engagement resources, with additional capacity built in for the Commissioner from 2025/26. Newsletters and press releases are produced regularly to ensure the work of the OPFCC and OCC are clearly understood by the public, and to encourage feedback and engagement.

The OPFCC website is used to publish a wide range of policy and information, making this easily accessible to the public. All agendas, unrestricted papers and meetings of the JIAC are open to the public and unrestricted papers are available online. The minutes of the Accountability Board are also published to transparently demonstrate the PFCC holding the Chief Fire Officer to account.

Decisions made by the PFCC are published on the website, together with consultations and details of future public events and public surveys. The OPFCC undertakes regular council taxpayer and customer survey activities, ensuring that these can be used to inform council tax levels, service delivery and to evaluate commissioned services. The PFCC undertakes public consultation to inform setting the Fire precept, with results shared by the Police, Fire and Crime Panel and the full report published on the OPFCC website.

**Principle C: Defining outcomes in terms of sustainable, economic, social and environmental outcomes.**

For the budget and precept, the Police, Fire and Crime Plan was informed by significant public engagement and used to direct the resources for the NCFRA through the Revenue and Capital budgets. It informs where resources are most needed and targets investment to priority areas. This clearly lays out expectations to deliver on social value and sustainability priorities, with strategies, policies and procurement tailored with this in mind.

As in previous years, budgets were prepared on zero-based budget principles, the Chief Fire Officer was fully involved in the preparation of the budgets. The budget, council tax levels and Medium Term Financial Plan (MTFP), alongside the Reserves, Capital and Treasury Management Strategies were considered by the PFCC in proposing and setting the level of precept.

Whilst still one of the lowest funded authorities nationally, and although future efficiencies are required, it is now in a much more stable and resilient position. The NCFRA revenue budget has increased significantly since the governance transfer and reserves are currently deemed adequate.

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

A detailed Medium Term Financial Plan (MTFP) is regularly reviewed and includes scenarios to reflect the uncertainties we face in terms of funding and the local/national factors. Budgets are monitored throughout the year to give clear indications of pressures and opportunities, directly feeding decision-making. Robust internal controls ensure that data quality is high and there is assurance around the reliability of reporting and forecasting, supported by the internal audit regime.

The NCFRA Capital Programme has continued to develop and includes essential operational requirements, together with some transformative requirements for the service. It is supported by asset strategies and these reflect the desired direction of travel for joint working between Fire and Police, building capacity or reducing costs to be reinvested in operational services.

There are regular updates to the PFCC on the costs and delivery of the capital programme, particularly in relation to large scale building projects which have been affected by delays and inflationary, and have been refreshed to reflect the priorities of the Police, Fire and Crime Plan and operational risks.

Joint Heads of Department are in place for all support functions, overseen by Assistant Chief Officer for Enabling Services. Joint systems are in place between Fire and Police, and NCFRA are receiving the benefits of extra resilience and professional expertise from the joint arrangements.

Accountability Boards and Problem-Solving Boards take place with Chief Officers and the Commissioner, focussing on key areas not only to hold the Chief Fire Officer to account but also to recognise good practice and to determine actions intended to address emerging issues.

Sufficient resources are made available to ensure effective monitoring and forecasting of demand, so that operational resources are allocated in the best possible way to achieve outcomes and best serve the public.

The third HMICFRS Inspection took place in Mar/Apr 2024 and was published in Summer 2024. The Chief Fire Officer is taking steps to address the recommendations it set out. The JIAC receive regular updates throughout the year on the progress of HMICFRS recommendations and the PFCC requires regular reports to the Accountability Board.

#### **Principle E: Developing Capacity and Capability.**

The OPFCC, OCC and Fire are all supported by the Human Resources Department in Enabling Services, ensuring there is consistency and parity across organisations, that effective policies/procedures are in place and that recruitment, training and wellbeing arrangements are optimised. A People and Culture Board provides effective oversight.

Whilst significant strides have been made in managing staffing resources since the governance transfer, the links between risk, resources and appliance availability continues to be refined, under the Your Future Service project and in line with the Community Risk Management Plan (CRMP).

Throughout 2024/25, the Monitoring Officer continued in their role in the OPFCC. The Chief Finance Officer post had been undertaken on an interim basis since December 2023 and permanently appointed in October 2024.

The commitment to increasing wholtime firefighters supports wellbeing of the workforce whilst increasing capacity and resilience for the public of Northamptonshire.

NCFRA has training capacity, skills and knowledge and there are options to review these to maximise the benefit from these resources of NCFRA. Training budgets have been enhanced for 2025/26.

The Joint Commercial Team is working well across Fire and Police, and a commercial strategy is in place which is intended to consider all opportunities available to both services.

Simon Tuhill undertook the role of Interim Chief Fire Officer from 18<sup>th</sup> July 2023 to 15<sup>th</sup> May 2024. Nikki Watson commenced as Chief Fire Officer on a permanent basis from 16<sup>th</sup> May 2024 and Simon Tuhill reverted to his substantive role as Deputy Chief Fire Officer.

#### **Principle F: Managing Risks and Performance**

During 2024/25, the OPFCC continued to demonstrate a commitment to transparency, sharing information and briefings with the Force, the Police, Fire and Crime Panel and the JIAC. The PFCC meets regularly with the CC, the Chair and Vice Chair of the Panel and holds regular briefings for councillors and attends numerous engagement events.

Performance forms a significant part of the Accountability Board and a representative of the OPFCC attends the regular performance meetings to discuss performance at a more operational level and identify the issues and challenges. The OPFCC employs an analyst who collates key information for the Senior Leadership Team to consider, and highlights areas for further scrutiny.

NCFRA and OPFCC have risk management policies that are consistent with policing, and manage and record risks in the same manner, through the same system. The risk registers are considered at the Senior Leadership and JIAC meetings.

During 2024/25, Forvis Mazars continued as internal auditors for the NCFRA and OPFCC/Policing, along with the other PCCs in the East Midlands. Regular review and planning meetings took place with Service and OPFCC officers (both locally and regionally) to update on progress. Mazars attended each JIAC meeting to routinely report and give

assurance on the adequacy and effectiveness of internal control. In addition, they contribute to the JIAC forward plan and agenda setting to inform and highlight national and regional themes, considerations and practices.

The Joint Independent Audit Committee (JIAC) have responsibility for reviewing the risk, control and governance processes to ensure internal control systems are effective and that policies and practices are appropriate. The Chair and four members continued in their roles during the year. JIAC members were offered and some attended CIPFA, Public Sector Audit Appointments (PSAA) or other events. Additionally, audit and other circulars are shared with JIAC members and senior officers where provided.

#### **Principle G: Implementing good practices in transparency, reporting and accountability.**

The Police, Fire and Crime Plan was developed following significant amounts of engagement and thorough consultations with local communities. OPFCC staff are in place to lead on each area of priority.

External governance is managed through a system of assurance that includes attendance at meetings by OPFCC staff to fully understand activities and associated risks. There is a monthly robust, formal Accountability Board meeting regularly between the PFCC and Chief Fire Officer and this is supported by regular informal meetings. The Commissioner provides regular updates to the Police, Fire and Crime Panel as well as to elected Members, officials and members of the local community. This includes an annual report by the Joint Independent Audit Committee (JIAC) that sets out their terms of reference, the work completed over the year and their opinion on the controls in place.

The OPFCC website contains a substantial amount of information to an appropriate level of transparency for the public to access information about the OPFCC, NCFRA and its activity. This includes timely publishing of key decisions, grants issued and papers for the Joint Independent Audit Committee (JIAC).

In line with the Accounts and Audit Regulations, the Statements of Accounts for the OPFCC, Group and OCC were placed on the OPFCC website by the required deadline. All previously outstanding financial statements were published in line with the audit backstop with associated external audit reports.

#### **Internal Audit and Internal Audit Review of Effectiveness**

The PFCC has the responsibility for conducting, at least annually, a review of the effectiveness of the governance framework, including the system of internal control. The review of effectiveness is informed by the work of the JIAC, internal and external auditors, HMICFRS, statutory officers and senior managers within the Authority who have responsibility for the development and maintenance of the governance environment.

The agreed Internal Audit Plan for 2024/25 was informed by statutory officers, approved by the PFCC and considered by JIAC in March 2024. The plan covered identified areas of risk and internal control. At the date of the reviewing the draft annual internal auditor report in June 2025, one audit report remained in draft form with the final version imminent. The assessment of internal controls for this audit and overall is not expected to change when they are finalised.

Fire provide an annual update for the PFCC on the progress of audit recommendations and the PFCC asks for updates on specific audits as appropriate. Furthermore, the JIAC received updates on internal audit reports and management implementation of recommendations during the year.

NCFRA contracted with Forvis Mazars from 2023/24 to provide the service to both Fire and Policing. This enables a comprehensive and holistic internal audit plan to be delivered across all services and also provides efficiencies for both Fire and Police.

The results from the internal audit programmes are as follows:

Audit Area	2023/24	2024/25
Annual IA Report/Governance Statement	Moderate	Moderate
Core Financials*	Moderate	Moderate
Payroll	Moderate	Substantial
New Systems Assurance	Moderate	
IT Identity Access Management*	Limited	
IT Asset Management*	Moderate	
Risk Management	Moderate	
EDI Plan (prev. People and Culture)	Moderate	
Grievance Policy & Procedure	Substantial	
Governance*		Moderate
Asset Management*		Moderate
Estates Management*		Moderate
IT Governance*		Moderate
Succession Planning & Promotions		Moderate
Safeguarding		Limited

\* Denote joint audits with OPFCC (Police)

The audits reflect that whilst policies, procedures and compliance are adequately robust in the most part, there is always work to do to elevate internal controls further.

The PFCC, the s151 Officer and the Chief Fire Officer will continue to monitor these areas closely and will identify areas where further assurance is required and act accordingly.

The draft Internal Audit Annual Report for 2024/25 was produced and will be considered by the JIAC at their meeting in July 2025. The results of the report are summarised as follows:

“On the basis of our audit work, our opinion on the framework of governance, risk management, and control is Moderate in its overall adequacy and effectiveness. This opinion is provided on the basis that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. Certain weaknesses and exceptions were highlighted by our internal audit work, in particular a limited assurance opinion was provided during the period in respect of Safeguarding. These matters have been discussed with management, to whom we have made recommendations, several of which are categorised as ‘High’ and ‘Medium’. All of these have been, or are in the process of being addressed, as detailed in our individual reports, and summarised in Section 04.

A ‘Substantial’ assurance opinion was provided for the Payroll internal audit. ...”

### CIPFA Financial Management Code

The CIPFA Financial Management Code translates the principles of good financial management into a series of financial standards that comprise: leadership and accountability, governance and financial management, medium term financial planning to inform and ensure financial resilience, and monitoring financial performance to address emerging issues through to financial reporting. Taken together these financial management standards underpin the effective governance of the use and control of resources utilised by NCFRA in pursuance of its stated objectives.



The s151 Officer, together with the Joint Finance Team and Joint Assistant Chief Officer for Enabling Services have considered a self-assessment against this framework. This review highlighted that compliance has mainly been achieved in all significant areas of the framework and a small number of areas have been highlighted for further consideration in 2025/26, and this is captured in the Annual Governance Statement (AGS) action plan as a recommendation.

### Review of Effectiveness

The Internal Audit Plan was in place in 2024/25. The PFCC is fully appraised of these and will continue to seek assurance through statutory officer updates and the Accountability Board.

The JIAC Chair produces an annual report for the Police, Fire and Crime Panel which includes the latest Terms of References, areas of focus and an assessment of internal controls. No significant issues were raised, with positive feedback in regard of the organisations' approach to governance and internal controls.

There were four JIAC meetings during the year, and workshops to go through all the draft 2023/24 Statement of Accounts in detail. The four meetings considered the following across Fire and Police:

JIAC Meeting	Areas Covered	Fire	Police
July 2024	Meeting of members with auditors without officers present Annual Report of the JIAC and Terms of Reference Review External Audit Update Internal Audit Annual Report 2023/24 Internal Audit Progress Report 2024/25 Internal Audit progress against recommendations update HMICFRS Update Disaster Recovery Update System Implementation Update NFRS Audit Update – Restricted	Y Y Y Y Y Y Y Y Y Y	Y Y Y Y Y - Y Y Y -
October 2024	External Audit Update Internal Audit Progress Report 2024/25 Internal Audit progress against recommendations update HMICFRS Update Anti-Fraud and Corruption Processes 2025/26 Budget and MTFP Processes, Plan and Timetable OPFCC Risk Register Update	Y Y - - Y Y -	Y Y Y Y - Y Y
December 2024	External Audit Update Internal Audit Progress Report 2024/25 Internal Audit progress against recommendations update HMICFRS Update Risk Register Update Anti-Fraud and Corruption Processes Complaints Procedure Chief Constable Recruitment Update Disaster Recovery and Cyber Update	Y Y Y Y - - Y - Y	Y Y - - Y Y Y Y Y
March 2025	External Audit Update Internal Audit Progress Report 2024/25 Internal Audit Plan 2025/26 Internal Audit progress against recommendations update HMICFRS Update Risk Register Update 2025/26 Treasury Management Strategy	Y Y Y - - Y Y	Y Y Y Y Y - Y



### Significant Governance Issues

There were no formal reports issued by the s151 or Monitoring Officer during the year, outcomes of Monitoring Officer Investigations, objections from local electors or ombudsman referrals. The financial settlement and precept flexibility for 2025/26 have enabled NCFRA to set a balanced budget for three years with an agreed realistic efficiency plan which will be kept under close review.

## Actions

Progress has been made on the 2024/25 AGS recommendations as follows:

2024/25 Internal Control Action Plan		
<b>Principle C:</b> Defining outcomes in terms of sustainable, economic, social and environmental outcomes.	<b>Recommendation 1:</b> Complete the Emergency Cover Review and Propose Options for the PFCC Consideration and next steps.	<b>Ongoing</b> The review was completed and an plan of priorities has been developed.
<b>Principle D:</b> Determining the interventions necessary to optimise the achievement of intended outcomes.	<b>Recommendation 2:</b> Northamptonshire HMICFRS Reports 2022 and 2024 - Continue to take forward recommendations and areas for improvement with specific attention to the Cause of Concern.  Take forward recommendations and actions from the national HMICFRS Report "Culture and Values in Fire and Rescue Services 2023" and monitor updates regularly through JIAC and the Accountability Board.	<b>Ongoing</b> Regular updates are provided to the PFCC and JIAC. Work continues to act upon findings of the 'Serving with Pride' project which forms the foundation for improvements in culture and core values.  Whilst there is promising progress, the latest HMICFRS report requires further improvements to be made.
<b>Principle F:</b> Managing Risks and Performance.	<b>Recommendation 3:</b> Take forward the recommendation from the Target Operating Model Performance Data audit and progress.	<b>Complete</b> The recommendation was specifically around review of the Risk Management Policy, which was done, consulted upon and published.
<b>Principle G:</b> Implementing good practices in transparency, reporting and accountability.	<b>Recommendation 4:</b> To improve the consistent application governance principles to option appraisals and investment decisions, ensuring business cases are robust and go through all the appropriate channels for well-informed decision-making.	<b>Complete</b> Governance processes around new business proposals are much improved. There are still practical improvements to made for business cases which can be addressed through self-assessed recommendations below.
<b>Principle G:</b> Implementing good practices in transparency, reporting and accountability.	<b>Recommendation 5:</b> In addition to those outlined above, to continue to take forward the actions identified from the self- assessment of the CIPFA Financial Management Code.	<b>Ongoing</b> Improvements continue. No new areas of improvement have been identified for the coming year.
<b>Principle D:</b> Determining the interventions necessary to optimise the achievement of intended outcomes.	<b>Recommendation 6:</b> To undertake a review of the collaboration agreement between Police and Fire to ensure that governance arrangements are relevant and up-to-date.	<b>Complete</b> A refreshed collaboration agreement has been signed off by all parties.

## Actions for 2025/26

Following the assessment of internal controls, the following areas have been recommended to improve internal controls for 2025/26:

2025/26 Internal Control Action Plan	
<b>Principle C:</b> Defining outcomes in terms of sustainable, economic, social and environmental outcomes.	<b>Recommendation 1:</b> Complete the Emergency Cover Review and Propose Options for the PFCC Consideration and next steps.
<b>Principle D:</b> Determining the interventions necessary to optimise the achievement of intended outcomes.	<b>Recommendation 2:</b> Northamptonshire HMICFRS Reports 2022 and 2024 - Continue to take forward recommendations and areas for improvement with specific attention to the Cause of Concern.  Take forward recommendations and actions from the national HMICFRS Report “Culture and Values in Fire and Rescue Services 2023” and monitor updates regularly through JIAC and the Accountability Board.
<b>Principle G:</b> Implementing good practices in transparency, reporting and accountability.	<b>Recommendation 5:</b> In addition to those outlined above, to continue to take forward the actions identified from the self- assessment of the CIPFA Financial Management Code.

## Conclusion

We propose over the coming year to take steps to address the above matters to progress the actions and further enhance our governance arrangements.

Looking ahead, there is a clear commitment to continuous improvement, adapting governance arrangements to remain agile, inclusive, and resilient in the face of evolving public expectations, policy developments, and operational pressures. Regular review and enhancement of governance processes will help ensure the organisation continues to deliver public value, maintains trust, and upholds the highest standards of public accountability.

Signed:

**Vaughan Ashcroft**  
**Chief Finance Officer (s151)**  
Date:

**Danielle Stone**  
**Northamptonshire Police, Fire and Crime Commissioner**  
Date:

# INDEPENDENT AUDITOR'S REPORT TO THE NORTHAMPTONSHIRE COMMISSIONER FIRE AND RESCUE AUTHORITY