West Yorkshire
Fire & Rescue Authority

OFFICIAL

Agenda item: 06

Quarterly Financial Review

Finance and Resources Committee

Date:	18 July 2025
Submitted by:	Director of Finance and Procurement
Purpose:	To present a quarterly review of the financial position of the Authority
Recommendations:	a) That members note the content of the report b) That member approve the revised revenue budget c) That members approve capital slippage into 2025/26
Summary:	The purpose of this report is to present an overview of the financial performance of the Authority in the first 3 months of the current financial year. The report deals with revenue and capital expenditure.

Local Government (Access to information) Act 1972

Exemption Category:	Nil
Contact Officer:	Alison Wood, Director of Finance and Procurement Alison.wood@westyorksfire.gov.uk 07500 075362
Background papers open to inspection:	Nil
Annexes:	Appendix A - Capital Slippage Appendix B – Capital Expenditure Appendix C – Investments as of the 19th of June 2025 Appendix D – Prudential Indicators Appendix E – Liability Benchmark

1 Introduction

1.1 Expenditure is monitored throughout the year against the approved revenue budget with reports presented to departments, cost centre managers and directors. A high-level summary report is presented to the Senior Leadership Team on a monthly basis. The purpose of the report is to monitor progress against the approved revenue budget; provide a forecast outturn for the financial year; provide an explanation of any major variations, and to show the impact of any variations on the revenue balances of the Authority.

2 Information

Revenue Budget Revision

2.1 When the revenue budget is approved an amount is included in contingencies for any budget increases/decreases that were not included within the original budget. Growth and savings included within the approved original budget which have yet to be expended or realised are included within the general contingency budget. The following paragraphs detail the movements to and from contingencies during the reporting period.

2.2 **Base Budget Review**

Since the budget was approved in February a number of budget reductions have been identified. Due to the time lapse of the budget being calculated in November and the start of the financial year in April, it is usual that there is some variance to the approved budget allocations.

A budget review was undertaken in June in conjunction with budget holders to identify any growth or savings since the budget was approved.

A number of virements between budget headings have been actioned, these are areas of over budget and under budget provision, these are not detailed in the report as they have a zero effect on the overall budget position.

The table below details the reductions in revenue budgets from the budget review exercise:

Description	Directorate	Reduction
		£
Electricity	Service Support	350,000
Support Staff Salaries	All Directorates	440,000
ICT Maintenance & Support	Service Support	148,000
Annual Contracts and Servicing	Service Support	100,000
Contingency Crews	Service Delivery	53,000
Fuel Oil	Service Support	7,000
Total		**1,098,000**

a) Electricity – following the increase in electricity costs in 2023/24 for which the base budget was increased by £0.879m, there has been a decrease in the cost of electricity. This is a combination in a reduction in usage and the unit cost of electricity, this has resulted in budget savings of £0.350m in 2025/26.

b) The support staff salaries budget has been reduced by £0.440m, this is for the savings on posts that have become vacant from the 1st April and have either been filled or are in the process of being filled. Some £0.207m is in respect of seven fire inspector posts in fire protection that are currently vacant. A decision has been made by the Senior Fire Protection Manager to defer filling these posts until 2026, which aligns with the completion of the fire protection apprenticeship scheme. There are currently twenty fire protection apprentices who started in September 2024, these, once qualified will progress to the roles of inspector and advisor.

c) ICT Maintenance and Support – there are some ICT contracts that have not been renewed due to changes in the way of working, for example the contract to support the link between expenses claims and payroll is no longer required due to the introduction of a PowerApp for the payment of expenses. In addition, there are also some ICT contract costs that have reduced in cost at contract renewal. The total amount of budget reduction is £0.148m.

d) Annual Contracts and Servicing - the Authority has entered into a new contract for property maintenance which will result in savings of £0.100m per annum.

e) Contingency crews – the number of employees employed as contingency crews has reduced since the budget was calculated. These were originally employed in Autumn 2022 to provide operational resilience if there was a period of industrial action. There is no plan to recruit additional continency staff, so the budget can be reduced by £0.053m.

f) Fuel Oil – Huddersfield Fire Station is the only station to have fuel oil as it's heating supply. There has been a reduction in the unit cost of fuel oil totalling £0.007m resulting in a corresponding reduction in budget provision.

2.3 **Wholetime Employees**

A reconciliation has been undertaken comparing wholetime workforce strength which is included in the base employee budget for 2025/26 against actual workforce strength at the 1/4/25.

The wholetime employee budget has been overstated due to the following factors:

a) There has been one unplanned employee resignation and six new career breaks since the calculation of the budget in November 2024.
b) It was budgeted that there would be thirty recruits on the January 2025 course, the actual number of trainees was twenty eight.
c) There has been a budget overprovision for nine employees that work part time, the budget calculation was based on full time employment.
d) There are thirty one firefighters who have yet to qualify as a competent firefighter, it was assumed based on their recruitment date that they would be on a competent rate of pay by the 1st of April 2025. The usual length of time for a firefighter to become competent is eighteen months.

These reductions have been offset by a required increase to the firefighters budget from the 1st of April 2025 for the appointment of six external firefighter transfers, a transfer from on-call to wholetime and the re-engagement of a retired firefighter.

The above factors have caused a forecast underspend on the wholetime budget, which if kept in base budgets would skew budget monitoring.

It is proposed that this underspend amounting to £0.385m is transferred to the recruitment reserve so that it can be used to support future recruitment.

The workforce plan is monitored closely on a monthly basis against actuals in post to that which is included within the budget, as such further adjustments maybe required during the course of the year.

2.4 Employee Contingency

Budgets for pay awards are held in the employee contingency budget until they are paid, this ensures that budget monitoring is not distorted.

A provision of 4% has been included in the Medium-Term Financial Plan for pay awards for all staff groups, this totals £3.257m and will be held in the employee contingency budget until the pay awards have been paid.

2.5 Firefighters Pay Award

As explained in paragraph 2.4 there is a provision of 4% in the 2025/26 employees' budget for pay awards. The National Joint Council (NJC) made a pay offer to the Fire Brigades Union (FBU) on the 25th of April of 3.2% which following a ballot of its members has been accepted. This is payable from the 1st of July 2025.

Calculations have shown that the pay offer, which is 0.8% less than budget provision, will save the Authority approximately £0.438m in 2025/26 and the full year effect in 2026/27 increase those savings to £0.579m per annum.

Unison, the green book union representative, has recommended that their offer of 3.2% is rejected and are currently balloting for industrial action.

2.6 Revenue Bids

Due to budget pressures identified during the budget setting processes only the revenue bids that were deemed essential amounting to £1.138m were approved and included in the 2025/26 revenue budget. Some £2.031m of revenue bids that were submitted as part of the budget setting process were thus not approved.

The savings from the pay award totalling £0.438m, outlined in 2.5 above, and the budget review savings totalling £1.098m which are detailed in section 2.3 will be re-invested in the organisation through a revenue bidding process.
The Executive Leadership Team have agreed a revenue bidding process whereby budget holders will be able to resubmit revenue bids that were not approved in February for inclusion in the 2025/26 base budget and will be able to submit new areas of growth. The amount available for revenue bids is £1.536m.

The Executive Leadership Team will review and approve these growth bids, details of which will be brought to October Finance and Resources Committee.

2.7 **Contingency Budgets**

The table below summarises the current contingencies budgets position following the transfers outlined in sections 2.2 and 2.4:

	Opening Balance 1/4/25 £0	Transfer to/from Contingencies £0	Closing Balance £0
General Contingency	662	1,483	2,145
Employee Contingency	0	3,257	3,257
TOTAL CONTINGENCIES	662	4,740	5,402

3 Expenditure Monitoring

3.1 This report is based on expenditure to mid-June 2025 and includes the first three salary payments of 2025/26. The projected outturn is based on the current year's expenditure and is forecast to the end of the year based on previous expenditure profiles. Overall, the latest forecast indicates there will be an under spending of £0.188m in the current financial year.

3.2 Because the report includes only the first two full months of expenditure, the projected under and overspends are subject to variation as the year progresses. As in previous years a review of budgets will be undertaken in August/September in conjunction with budget holders to ascertain if any budgets can be transferred to contingencies during the year. This will be presented to members at Finance and Resources committee in October.

3.3 An improved budget monitoring report for managers was introduced in 2018/19 which highlights those areas of concern using a Red, Amber, Green (RAG) rating. For those budgets that are forecast to overspend or under spend a red "cross" will be inserted against the budget line and for those within 5% of budget, an amber mark will be inserted. For those budgets where there is either a red or amber indicator, the budget holder will be required to provide an explanation as to the reason for the projected overspend. This has brought increased accountability to budget holders and is reported to the Senior Leadership Team on a monthly basis.

3.4 The table below summarises the forecast with an explanation of the causes detailed below.

	Revenue Budget	Forecast	Variance
	£0	£0	£0
Employees			
Wholetime	66,107	66,049	-58
On Call Firefighters	2,488	2,490	2
Control	2,416	2,417	1
Support Staff	15,998	15,908	-90
Contingency Crews	187	187	0
Employee Contingency	3,257	3,257	0
Pensions	1,600	1,600	0
Training	1,833	1,835	2
Other Employee	597	604	7
TOTAL	94,483	94,347	-136
Premises	5,844	5,831	-13
Transport	2,457	2,449	-8
Supplies and Services	7,647	7,619	-28
Contingency - General	2,145	2,145	0
Support Services	381	381	0
Capital Charges	7,367	7,367	0
Income	-3,128	-3,131	-3
Net Expenditure	117,196	117,008	-188

Due to the detailed review of budgets outlined in section 2.2, there are minimal variances between budgets and budget forecasts.

An explanation of the variances over £20,000 is explained below:

3.5 **Employees** -£136,000

Whole Time Firefighters -£58,000

There is currently a forecast underspending of £58,000 in whole time fire fighter employee budgets. This forecast underspend is calculated on the current workforce strength on the 1st June which is 5.8 employees below establishment and the forecast establishment on the 31st March 2026 which is 3.2 employees above establishment.

The wholetime firefighters budget is subject to variation during the year, as such the workforce plan is monitored closely on a monthly basis against actuals in post to that included within the budget.

Support Staff -£90,000

There is a projected under spend on support staff which is due to posts that are vacant and are currently being advertised. This excludes the reductions in budget detailed in section 2.2. There are currently four posts that are currently out to advert or at the interview stage and four posts that have been appointed but are subject to pre-employments checks and start dates. The budget for posts that were vacant on the 1st of April 2025 and have yet to be advertised are held in the general contingency budget, so as not to distort budget monitoring.

3.6 **Supplies and Services** - £28,000

The net underspend is spread over a number of budget headings within supplies and services. There is a small forecast underspend on phones, radio licencing, ICT spares, ICT maintenance and subsistence which has been offset by overspends on grants, clothing, and subscriptions. These areas of expense are closely monitored, and some budget adjustments may be identified during the financial year.

4 Impact on Revenue Balances

4.1 The projected under spending will have the effect of increasing usable reserves which is detailed in the table below:

Description	Usable Reserves £000's
Opening Balance 1/4/25	
General Fund	5,700
Earmarked Reserves	24,030
Forecast use of reserves in 2025/26	-4,003
Impact of forecast	188
Forecast Usable Reserves at 31/3/2026	**25,915**

5 Spending Review

1.2 On 11 June 2025, the Chancellor of the Exchequer, Rachel Reeves MP, announced the outcome of the Spending Review 2025. The Spending Review sets out revenue funding allocations for each Government department over the next three years (2026-27 to 2028-29) with an additional fourth year for capital allocations.

As this Spending Review is taking place outside of the fiscal event process, there are no accompanying updated forecasts by the Office for Budget Responsibility.

1.3 Overall, a 2.3% real-terms increase in Government spend was announced but no specific allocations for departments was provided. Authority-level allocations will be subject to the ongoing Fair Funding Review and Business Rates Reset and the usual settlement process.

1.4 It has been confirmed that that Local Authorities will be able to increase their council tax by 3% which is the core referendum principle and 2% for adult social care. There was no announcement on the allowable Fire and Rescue precept increase.

1.5 If available, members will be provided with further funding updates in the October financial review report.

6 Contact Procedure Rules

1.6 A requirement of the Authority's constitution, approved at Full Authority in February 2021, is to report to Finance and Resources Committee the approval of waivers to the Contract Procedure Rules over £75,000.

Up to the end of June 2025, the following waivers to exemptions have been agreed:

- The Director of Support Service approved a two year extension to the Access HR system totalling £0.263m. The current system has been in use since 2020 and is no longer meeting the Authorities requirements. The extension to the existing contract will allow enough system cover whilst the project team develops requirements and engages with the market to deliver a fit for purpose HR system via a compliant procurement process.

- The Director of Service Delivery approved a nine month extension to the current control system maintenance contract with Systel in March totalling £0.269m. The contract with Systel expired on the 14th March and the new replacement system will not go live until August 2025. Therefore due to the control system being a critical part of our statutory duty to receive 999 calls and mobilise fire engines the Authority had to extend to current contract with Systel.

- The Director of Service Support approved a three year exemption for the provision of scrap vehicles amounting to £0.200m. The Authority has conducted two full and compliant tendering processes, however, only a single supplier was able to meet all specified requirements. It is thus considered that re-tendering would not result in a different outcome as there are no changes to the tender specification and an exemption has been granted.

7 Capital Expenditure Monitoring

At its meeting on the 27th of February 2025 the Authority approved a five-year capital programme of £64.673m which includes £11.031m of new schemes in 2025/26.

Revised capital plan 2025/26

7.1 **Slipped Schemes**

The nature of major capital schemes means that expenditure often straddles a number of financial years, particularly in the case of major building schemes and projects that require a lengthy procurement process. As part of the closure of the 2024/25 accounts, expenditure on capital schemes is reviewed and schemes that are committed but not completed are slipped into the following year's capital plan.

The value of schemes which have been slipped from 2024/25 into the 2025/26 capital plan is £4.078m, £1.807m of this slippage relates to the two largest capital schemes included in the 2024/25 capital plan: the redevelopment of FSHQ and the replacement of the command and control system.

7.2 **Additions to the Capital Plan**

Finance and Resources Committee in January 2025 approved the capital scheme for the replacement of Firefighter PPE totalling £1.393m. Since approval was granted, there has been an increase in the framework price resulting in an increase to the capital scheme of £0.037m. This therefore requires an increase to the 2025/26 capital plan.

A detailed list of slipped schemes and additions is detailed in Appendix A.

7.3 **Capital Payments 2025/26**

7.3.1 The actual capital payments to date total £0.844m which represents 3.95% of the revised capital plan. If commitments are included in this, the actual expenditure to date is £20.822m which equates to 97.3% of the capital plan.
Due to the procurement process for capital schemes, a large proportion of capital expenditure occurs in the latter part of the financial year.

As with revenue budget monitoring a RAG rating system has been introduced to capital budget monitoring which will improve accountability of capital scheme managers.

7.3.2 A summary of expenditure to date against each individual scheme which includes slipped schemes detailed in 7.2.1 is attached to this report in Appendix B.

7.4 **Management Board Approvals**

7.4.1 At the Authority AGM in 2010, Management Board was given delegated power to approve individual virement between capital schemes of up to £100,000. Details of any approvals will be reported to committee throughout the year as part of this report.

7.4.2 Under financial procedures 3.11 the Management Board can approve expenditure on schemes in the approved capital plan up to an amount of £100,000 along with a requirement to report these approvals to the Finance and Resources Committee.

7.4.3 In this financial year, the Management Board have approved new schemes totalling £0.162m and one virement which are shown in the table below:

Schemes Approved by Management Board

Date	Directorate	Scheme	Approval £	Virement £
26/03/2025	People and Culture	Replacement of Dumbbells	34,400	
02/04/2025	Service Delivery	Foam Branches & Ancilliary equipment		-45,000
02/04/2025	Service Delivery	Foam		45,000
02/04/2025	Service Delivery	Drones	13,500	
02/04/2025	Service Delivery	BA Masks	19,000	
02/04/2025	Service Delivery	BA Cleaning	65,000	
02/04/2025	Service Delivery	Gas Tight Suits	11,500	
02/04/2025	Service Delivery	Powerboat Engines	37,500	
02/04/2025	Service Delivery	Water Rescue Equipment	15,000	
			161,500	**0**

7.5 **Capital Receipts**

Capital receipts expected in 2025/26 will be for the sale of appliances which exceed £10,000 and the sale of Cleckheaton Fire Station. Capital receipts are used to fund capital expenditure. In the first quarter of 2025/26, the Authority sold ten fire appliances to Cumbria Fire and Rescue which has generated a capital receipt of £0.410m.

8 Treasury Management

8.1 The Authority approved its Treasury Management Strategy on the 27th of February 2025 in accordance with the CIPFA Code of Practice on Treasury Management. As per the 2021 CIPFA Prudential Code for Capital Finance in Local Authorities a requirement was introduced in 2023/24 that quarterly monitoring information is provided on prudential indicators. The indicators are required to assist members understand and evaluate the prudence and affordability of the Authority's capital expenditure plans and borrowing and investments plan undertaken in support of this.

The Prudential Indicators are detailed in Appendix D

8.2 In the Annual Report on the Statement of Accounts 2023/24, Grant Thornton, our external auditors, recommended that the Liability Benchmark should be updated and reported to members. The liability benchmark is a projection of the amount of loan debt outstanding that the authority needs each year into the future to fund its existing debt liabilities, planned prudential borrowing and other cash flows. It is a long-term forecast of the authority's gross loan debt (or 'gross loans requirement') based on its current capital programme and other forecast cash flow movements. This is shown by the gap between the authority's existing loans that are still outstanding at a given future date and the authority's future need for borrowing (as shown by the liability benchmark).

It therefore shows how closely the existing loans book fits the future needs of the authority based only on its current plans. Any shortfall will need to be met by future borrowing; any excess will have to be invested (unless existing borrowing is prematurely repaid). Refinancing risk, interest rate risk and credit risk can be minimised or reduced by ensuring that the existing loans portfolio shows a profile close to the liability benchmark.

The liability benchmark identifies the maturities needed for new borrowing in order to match future liabilities. It therefore avoids borrowing for too long or too short.

The Liability Benchmark is shown in Appendix E.

8.3 In the current financial year, treasury management activity has been limited to investments. The table in Appendix C shows the Authority currently has total investments on the 19th of June of £23.458m split between five counter parties with rates of interest receivable between 4.21% and 4.3%. This will increase further at the end of July when the Authority receives an estimated £33m in pension Top Up Grant.

9 Debtors

9.1 The Authority receives income for services provided; these include special services, lift rescues, fire safety certificates, and licences for telecom masts on premises. In most cases the services provided are a result of an emergency which means that it is not possible to raise a charge in advance of the service and consequently debtor accounts are raised.

9.2 The level of outstanding debt owed to the Authority to the end of June 2025 is £423,695 which can be profiled as follows:

Less than 60 days -	£ 108,831
Greater than 60 days -	£ 314,864

9.3 The procedure for issuing accounts and debt collection is provided by Kirklees Council under a Service Level Agreement. A summary of the procedure for collecting outstanding debt is detailed below:

21 days	first reminder letter
28 days	second reminder letter
35 days	instigation of debt recovery system

As detailed above, there is currently £139,794 of debt which is at the recovery stage. However, previous experience suggests that the Authority will recover all of the outstanding debts.

9.4 In accordance with financial procedure rules, the total amount of debts written off under delegated authority should be reported annually to Finance and Resources Committee. At the end of the financial year 2024/25, the Director of Finance and Procurement authorised the writing off of £4,025.01. Before debt is written off, all attempts to recover the money is taken and debt is only written off as a last resort.

10. Creditors

10.1 The Authority is required to pay all non disputed invoices within 28 days of receipt.In the first 3 months of the current financial year the Authority has received 2,395 invoices and paid 92% of them within 28 days, of which 65% were autopaid.

11. Financial Implications

11.1 These are included within the main body of the report.

12. Legal Implications

12.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

13. Human Resource and Diversity Implications

13.1 There are no human resource and diversity implications.

14. Equality Impact Assessment

14.1 Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? No

15. Health, Safety and Wellbeing Implications

15.1 There are no health, safety, and wellbeing implications.

16. Environmental Implications

16.1 There are no environmental implications.

17. Your Fire and Rescue Service Priorities

17.1 This report links with the Community Risk Management Plan 2025-28 strategic priorities below

- Provide ethical governance and value for money.

18. Conclusions

18.1 This report identifies that the Authority is currently forecast to under spend its revenue budget in 2025/26 by £188k. A budget review has been undertaken with budget holders which has identified savings of £1.098m, in addition savings from the firefighters pay award which came in under budget provision has generated further savings of £0.438m. A revenue bidding process in underway which is identifying areas of growth, these will be reported at October F&R committee.

18.2 Prior to October F&R committee both the capital plan and the revenue budget will be reviewed, and a revised capital plan and revenue budget will be presented to members for approval if required.

Appendix A

Directorate	Scheme	Original Capital Plan 2025/26 £	Slippage into 2025/26 £	Additions to Plan	Revised Plan 2024/25 £
Service Support	Firefighter PPE	1,393,000		36,624	1,429,624
Service Support	Rawdon - Facilities upgrade		214,972		214,972
Service Support	Otley - Showers		70,643		70,643
Service Support	Ludo charging points		38,093		38,093
Service Support	Bingley - Upgrade works		147,706		147,706
Service Support	24/25 Bradford F/S Dorms & Showers		445,871		445,871
Service Support	24/25 Slaithwaite fire escape		3,074		3,074
Service Support	Illingworth		-143		-143
Service Support	Boiler Upgrades		-6,200		-6,200
Service Support	Rastrick Ventilation		-64		-64
Service Support	Keighley		149,680		149,680
Service Support	FSHQ Offices/Training Arena		880,788		880,788
Service Support	PC replacement programme		200,000		200,000
Service Support	MDT Software		-6,896		-6,896
Service Support	Data Transfer centre		354,000		354,000
Service Support	Print Solution		31,333		31,333
Service Support	Training Centre Telehandler		90,000		90,000
Service Support	Command Support		43,785		43,785
Service Delivery	Wildfire Vehicle		63,779		63,779
Service Delivery	Body Worn Cameras		67,515		67,515
Service Delivery	Dividing Breeches		30,000		30,000
Service Delivery	New Control Project		926,365		926,365
Service Delivery	Defibrillators		115,000		115,000
Service Delivery	Lockers		48,322		48,322
Service Delivery	Trauma bag replacement		40,000		40,000
Service Delivery	Breathing Apparatus Mechanical & drying units		62,000		62,000
Service Delivery	Vehicle Stabilisation strut		13,000		13,000
Service Delivery	Foam		55,400		55,400
TOTAL		**£1,393,000**	**£4,078,023**	**£36,624**	**£5,507,647**

Appendix B

Department	Capital Plan 2025/26				Adjustments to the Capital Plan in 2025/26					Capital Expenditure 2025/26			
	Capital Bids 2025/26	Approved Slippage into 2025/26 from budget reviews during 2024/25	Slippage b/f at year end from 2024/25	Total Capital Plan 2025/26	Removal from Plan	Virement	Increase to Capital Plan	Slippage c/f	Revised Capital Plan 2025/26	Actual expenditure incurred to date	Forecast Expenditure	Total Expected Expenditure in 25/26	Forecast over / (under) spend
Property Services	3,140,000	1,423,940	913,952	5,477,892	0	0	0	0	5,477,892	105,422	5,806,931	5,912,353	434,461
CRMP	3,000,000	1,500,000	1,030,468	5,530,468	0	0	0	0	5,530,468	610,290	4,420,178	5,030,468	(500,000)
ICT	730,000	49,776	578,437	1,358,213	0	0	0	0	1,358,213	25,349	1,355,218	1,380,567	22,354
Transport	10,000	2,765,000	90,000	2,865,000	0	0	0	0	2,865,000	687	2,380,563	2,381,250	(483,750)
Training Centre	177,400	0	0	177,400	0	0	0	0	177,400	0	198,121	198,121	20,721
Stores	1,393,000	0	0	1,393,000	0	0	36,624	0	1,429,624	0	1,430,078	1,430,078	454
Human Resources	40,000	0	0	40,000	0	0	0	0	40,000	0	40,000	40,000	0
OHSU	34,400	0	0	34,400	0	0	0	0	34,400	0	34,400	34,400	0
Finance	800,000	0	0	800,000	0	0	0	0	800,000	0	800,000	800,000	0
Operations	1,306,500	1,617,000	1,465,166	4,388,666	0	0	0	(1,112,000)	3,276,666	56,313	3,158,081	3,214,393	(62,273)
Fire Safety	400,000	0	0	400,000	0	0	0	0	400,000	46,358	353,642	400,000	0
	11,031,300	7,355,716	4,078,023	22,465,039	0	0	36,624	(1,112,000)	21,389,663	844,419	19,977,212	20,821,630	(568,033)

Capital Budget Monitoring 2025/26

Service Support - Property

Scheme	Capital Plan 2025/26				Adjustments to the Capital Plan in 2025/26					Capital Expenditure 2025/26			
	Capital Bids 2025/26	Approved Slippage into 2025/26 from budget reviews during 2024/25	Slippage b/f at year end from 2024/25	Total Capital Plan 2025/26	Removal from Plan	Virement	Increase to Capital Plan	Slippage c/f	Revised Capital Plan 2025/26	Actual expenditure incurred to date	Forecast Expenditure	Total Expected Expenditure in 25/26	Forecast over / (under) spend
Cookridge	0	0	0	0	0	0	0	0	0	11,805	300	12,105	12,105
Rawdon - Facilities upgrade	0	215,000	214,972	429,972	0	0	0	0	429,972	0	429,972	429,972	0
Otley - Showers	0	30,000	70,643	100,643	0	0	0	0	100,643	59,150	41,493	100,643	0
Ludo charging points	0	0	38,093	38,093	0	0	0	0	38,093	0	38,093	38,093	0
Bingley - Upgrade works	0	20,000	147,706	167,706	0	0	0	0	167,706	30,062		30,062	(137,644)
24/25 EV Chargers	0	46,640	0	46,640	0	0	0	0	46,640	0	46,640	46,640	0
24/25 Hunslet Refurbishment	0	160,000	0	160,000	0	0	0	0	160,000	0	160,000	160,000	0
24/25 Bradford F/S Dorms & Showers	0	0	445,871	445,871	0	0	0	0	445,871	4,405	441,466	445,871	0
24/25 Slaithwaite fire escape	0	0	3,074	3,074	0	0	0	0	3,074	0	3,074	3,074	0
24/25 Illingworth	0	875,100	(143)	874,957	0	0	0	0	874,957	0	874,957	874,957	0
24/25 Boiler Upgrade Schemes	0	6,200	(6,200)	0	0	0	0	0	0	0	0	0	0
24/25 Rastrick ventilation	0	71,000	(64)	70,936	0	0	0	0	70,936	0	70,936	70,936	0
2025/26 Boiler Replacement Schemes	250,000	0	0	250,000	0	0	0	0	250,000	0	250,000	250,000	0
2025/26 Appliance bay door replacement	100,000	0	0	100,000	0	0	0	0	100,000	0	100,000	100,000	0
2025/26 Boiler controls	50,000	0	0	50,000	0	0	0	0	50,000	0	50,000	50,000	0
2025/26 Leeds Refurbishment	480,000	0	0	480,000	0	0	0	0	480,000	0	600,000	600,000	120,000
2025/26 Fairweather Green Refurbishment	600,000	0	0	600,000	0	0	0	0	600,000	0	1,200,000	1,200,000	600,000
2025/26 LED Lighting	200,000	0	0	200,000	0	0	0	0	200,000	0	200,000	200,000	0
2025/26 EV Charging points	300,000	0	0	300,000	0	0	0	0	300,000	0	300,000	300,000	0
2025/26 Ilkley Fire Station Refurbishment	160,000	0	0	160,000	0	0	0	0	160,000	0	0	0	(160,000)
2025/26 Hunslet Fire Station	1,000,000	0	0	1,000,000	0	0	0	0	1,000,000	0	1,000,000	1,000,000	0
	3,140,000	1,423,940	913,952	5,477,892	0	0	0	0	5,477,892	105,422	5,806,931	5,912,353	434,461

Capital Budget Monitoring 2025/26

Service Support - CRMP

Scheme	Capital Plan 2025/26				Adjustments to the Capital Plan in 2025/26					Capital Expenditure 2025/26			
	Capital Bids 2025/26	Approved Slippage into 2025/26 from budget reviews during 2024/25	Slippage b/f at year end from 2024/25	Total Capital Plan 2025/26	Removal from Plan	Virement	Increase to Capital Plan	Slippage c/f	Revised Capital Plan 2025/26	Actual expenditure incurred to date	Forecast Expenditure	Total Expected Expenditure in 25/26	Forecast over / (under) spend
Keighley	0	1,500,000	149,680	**1,649,680**	0	0	0	0	**1,649,680**	380,369	1,269,311	1,649,680	**0**
Halifax	0	0	0	**0**	0	0	0	0	**0**	0		0	**0**
Huddersfield	3,000,000	0	0	**3,000,000**	0	0	0	0	**3,000,000**	0	2,500,000	2,500,000	**(500,000)**
FSHQ Offices/Training Arena	0	0	880,788	**880,788**	0	0	0	0	**880,788**	229,921	650,867	880,788	**(0)**
FSHQ Fire Station	0	0	0	**0**	0	0	0	0	**0**	0	0	0	**0**
FSHQ BA/ICT	0		0	**0**	0	0	0	0	**0**	0	0	0	**0**
FSHQ TRTC	0		0	**0**	0	0	0	0	**0**	0	0	0	**0**
	3,000,000	**1,500,000**	**1,030,468**	**5,530,468**	**0**	**0**	**0**	**0**	**5,530,468**	**610,290**	**4,420,178**	**5,030,468**	**(500,000)**

Capital Budget Monitoring 2025/26

Finance and Procurement - Finance

Scheme	Capital Plan 2025/26				Adjustments to the Capital Plan in 2025/26					Capital Expenditure 2025/26			
	Capital Bids 2025/26	Approved Slippage into 2025/26 from budget reviews during 2024/25	Slippage b/f at year end from 2024/25	Total Capital Plan 2025/26	Removal from Plan	Virement	Increase to Capital Plan	Slippage c/f	Revised Capital Plan 2025/26	Actual expenditure incurred to date	Forecast Expenditure	Total Expected Expenditure in 25/26	Forecast over / (under) spend
Leases	800,000	0	0	800,000	0	0	0	0	800,000	0	800,000	800,000	0
	800,000	0	0	800,000	0	0	0	0	800,000	0	800,000	800,000	0

Capital Budget Monitoring 2025/26

Service Support - ICT

Scheme	Capital Plan 2025/26				Adjustments to the Capital Plan in 2025/26					Capital Expenditure 2025/26			
	Capital Bids 2025/26	Approved Slippage into 2025/26 from budget reviews during 2024/25	Slippage b/f at year end from 2024/25	Total Capital Plan 2025/26	Removal from Plan	Virement	Increase to Capital Plan	Slippage c/f	Revised Capital Plan 2025/26	Actual expenditure incurred to date	Forecast Expenditure	Total Expected Expenditure in 25/26	Forecast over / (under) spend
VDI server replacement	0	0	0	0	0	0	0	0	0	22,354	0	22,354	22,354
PC replacement programme	0	0	200,000	200,000	0	0	0	0	200,000	0	200,000	200,000	0
MDT Software	0	49,776	(6,896)	42,880	0	0	0	0	42,880	0	42,880	42,880	0
Data Transfer centre	0	0	354,000	354,000	0	0	0	0	354,000	0	354,000	354,000	0
Print Solution	0	0	31,333	31,333	0	0	0	0	31,333	2,995	28,338	31,333	0
2025/26 PC refresh	210,000	0	0	210,000	0	0	0	0	210,000	0	210,000	210,000	0
2025/26 WiFi Refresh	100,000	0	0	100,000	0	0	0	0	100,000	0	100,000	100,000	0
2025/26 Firewalls Refresh	240,000	0	0	240,000	0	0	0	0	240,000	0	240,000	240,000	0
2025/26 Email and Web security	60,000	0	0	60,000	0	0	0	0	60,000	0	60,000	60,000	0
2025/26 Backup solution	120,000	0	0	120,000	0	0	0	0	120,000	0	120,000	120,000	0
	730,000	49,776	578,437	1,358,213	0	0	0	0	1,358,213	25,349	1,355,218	1,380,567	22,354

Capital Budget Monitoring 2025/26

People and Culture - OHSU

	Capital Plan 2025/26				Adjustments to the Capital Plan in 2025/26					Capital Expenditure 2025/26			
Scheme	Capital Bids 2025/26	Approved Slippage into 2025/26 from budget reviews during 2024/25	Slippage b/f at year end from 2024/25	Total Capital Plan 2025/26	Removal from Plan	Virement	Increase to Capital Plan	Slippage c/f	Revised Capital Plan 2025/26	Actual expenditure incurred to date	Forecast Expenditure	Total Expected Expenditure in 25/26	Forecast over / (under) spend
Replacement of gym dumbbells	34,400	0	0	34,400	0	0	0	0	34,400	0	34,400	34,400	0
	34,400	0	0	34,400	0	0	0	0	34,400	0	34,400	34,400	0

Capital Budget Monitoring 2025/26

People and Culture - Human Resources

Scheme	Capital Plan 2025/26				Adjustments to the Capital Plan in 2025/26					Capital Expenditure 2025/26				
	Capital Bids 2025/26	Approved Slippage into 2025/26 from budget reviews during 2024/25	Slippage b/f at year end from 2024/25	Total Capital Plan 2025/26	Removal from Plan	Virement	Increase to Capital Plan	Slippage c/f	Revised Capital Plan 2025/26	Actual expenditure incurred to date	Forecast Expenditure	Total Expected Expenditure in 25/26	Forecast over / (under) spend	Forecast over / (under) spend
2025/26 Induction production costs	0	0	0	40,000	40,000	0	0	0	0	40,000	0	40,000	40,000	0
	0	0	0	40,000	40,000	0	0	0	0	40,000	0	40,000	40,000	0

Capital Budget Monitoring 2025/26
Service Delivery - Operations

Scheme	Capital Plan 2025/26: Capital Bids 2025/26	Capital Plan 2025/26: Approved Slippage into 2025/26 from budget reviews during 2024/25	Capital Plan 2025/26: Slippage b/f at year end from 2024/25	Total Capital Plan 2025/26	Adjustments to the Capital Plan in 2025/26: Removal from Plan	Adjustments: Virement	Adjustments: Increase to Capital Plan	Adjustments: Slippage c/f	Revised Capital Plan 2025/26	Capital Expenditure 2025/26: Actual expenditure incurred to date	Capital Expenditure 2025/26: Forecast Expenditure	Capital Expenditure 2025/26: Total Expected Expenditure in 25/26	Capital Expenditure 2025/26: Forecast over / (under) spend
Command Support	0	0	43,785	43,785	0	0	0	0	43,785	2,368	41,474	43,842	57
BA Cleaning & drying Units	0	0	0	0	0	0	0	0	0	(150)	2,377	2,227	2,227
Wildfire Vehicle	0	0	63,779	63,779	0	0	0	0	63,779	0	41,810	41,810	(21,969)
Body Worn Cameras	0	0	67,515	67,515	0	0	0	0	67,515	0	67,515	67,515	0
Dividing Breeches	0	0	30,000	30,000	0	0	0	0	30,000	0	27,678	27,678	(2,322)
Multi role PPE	0	0	0	0	0	0	0	0	0	0	103,009	103,009	103,009
New Control Project	0	0	926,365	926,365	0	0	0	0	926,365	2,837	923,528	926,365	0
Hydrants	0	0	0	0	0	0	0	0	0	0	0	0	0
BA Ancillary Equipment	0	275,000	0	275,000	0	0	0	(275,000)	0	0	0	0	0
BA Sets & Charging Kits	0	837,000	0	837,000	0	0	0	(837,000)	0	0	0	0	0
Defibrillators	0	0	115,000	115,000	0	0	0	0	115,000	0	0	0	(115,000)
Featherweight/Light portable pumps	0	120,000	0	120,000	0	0	0	0	120,000	0	0	0	(120,000)
Lockers	0	0	48,322	48,322	0	0	0	0	48,322	4,241	44,081	48,322	0
Mainline Branches	0	20,000	0	20,000	0	0	0	0	20,000	0	20,000	20,000	0
MIBS Stretchers	0	55,000	0	55,000	0	0	0	0	55,000	0	55,000	55,000	0
Rescue Jackets	0	200,000	0	200,000	0	0	0	0	200,000	0	400,000	400,000	200,000
Tirfors and Ancillary Equipment	0	60,000	0	60,000	0	0	0	0	60,000	0	60,000	60,000	0
Trauma bag replacement	0	0	40,000	40,000	0	0	0	0	40,000	0	40,000	40,000	0
Breathing Apparatus Mechanical & drying units	0	50,000	62,000	112,000	0	0	0	0	112,000	4,945	43,980	48,925	(63,075)
Vehicle Stabilisation strut	0	0	13,000	13,000	0	0	0	0	13,000	0	13,000	13,000	0
Foam	0	0	55,400	55,400	0	0	0	0	55,400	10,200	0	10,200	(45,200)
Breathing Apparatus Cleaning and Drying Units	65,000	0	0	65,000	0	0	0	0	65,000	0	65,000	65,000	0
BA Mask Comms	19,000	0	0	19,000	0	0	0	0	19,000	0	19,000	19,000	0
Drones	13,500	0	0	13,500	0	0	0	0	13,500	0	13,500	13,500	0
Fire Ground Radios	625,000	0	0	625,000	0	0	0	0	625,000	0	625,000	625,000	0
Powerboat Engines	37,500	0	0	37,500	0	0	0	0	37,500	0	37,500	37,500	0
Gas Tight Suits	11,500	0	0	11,500	0	0	0	0	11,500	0	11,500	11,500	0
Lay Flat Hose and Hosereels	70,000	0	0	70,000	0	0	0	0	70,000	0	70,000	70,000	0
Hydrants	450,000	0	0	450,000	0	0	0	0	450,000	31,872	418,128	450,000	(0)
Water Rescue Equipment	15,000	0	0	15,000	0	0	0	0	15,000	0	15,000	15,000	0
	1,306,500	1,617,000	1,465,166	4,388,666	0	0	0	(1,112,000)	3,276,666	56,313	3,158,081	3,214,393	(62,273)

Capital Budget Monitoring 2025/26

Service Support - Training Centre

Scheme	Capital Plan 2025/26				Adjustments to the Capital Plan in 2025/26					Capital Expenditure 2025/26			
	Capital Bids 2025/26	Approved Slippage into 2025/26 from budget reviews during 2024/25	Slippage b/f at year end from 2024/25	Total Capital Plan 2025/26	Removal from Plan	Virement	Increase to Capital Plan	Slippage c/f	Revised Capital Plan 2025/26	Actual expenditure incurred to date	Forecast Expenditure	Total Expected Expenditure in 25/26	Forecast over / (under) spend
Laptop purchase	15,000	0	0	15,000	0	0	0	0	15,000	0	15,000	15,000	0
Trauma Manikins	28,000	0	0	28,000	0	0	0	0	28,000	0	28,000	28,000	0
Thermal Imaging Cameras (x4 cameras)	19,600	0	0	19,600	0	0	0	0	19,600	0	19,600	19,600	0
Thermal Imaging cameras (Flir)	17,100	0	0	17,100	0	0	0	0	17,100	0	17,100	17,100	0
Competency Dashboard System	97,700	0	0	97,700	0	0	0	0	97,700	0	118,421	118,421	20,721
	177,400	0	0	177,400	0	0	0	0	177,400	0	198,121	198,121	20,721

Capital Budget Monitoring 2025/26
Service Support - Transport

Scheme	Capital Plan 2025/26				Adjustments to the Capital Plan in 2025/26					Capital Expenditure 2025/26			
	Capital Bids 2025/26	Approved Slippage into 2025/26 from budget reviews during 2024/25	Slippage b/f at year end from 2024/25	Total Capital Plan 2025/26	Removal from Plan	Virement	Increase to Capital Plan	Slippage c/f	Revised Capital Plan 2025/26	Actual expenditure incurred to date	Forecast Expenditure	Total Expected Expenditure in 25/26	Forecast over / (under) spend
Welfare Vehicles	0	230,000	0	230,000	0	0	0	0	230,000	0	230,000	230,000	0
Vehicle Replacement	0	2,200,000	0	2,200,000	0	0	0	0	2,200,000	687	1,715,563	1,716,250	(483,750)
USAR Vans	0	335,000	0	335,000	0	0	0	0	335,000	0	335,000	335,000	0
Training Centre Telehandler	0	0	90,000	90,000	0	0	0	0	90,000	0	90,000	90,000	0
2025/26 Workshops Lifting Ramp	10,000	0	0	10,000	0	0	0	0	10,000	0	10,000	10,000	0
Total	10,000	2,765,000	90,000	2,865,000	0	0	0	0	2,865,000	687	2,380,563	2,381,250	(483,750)

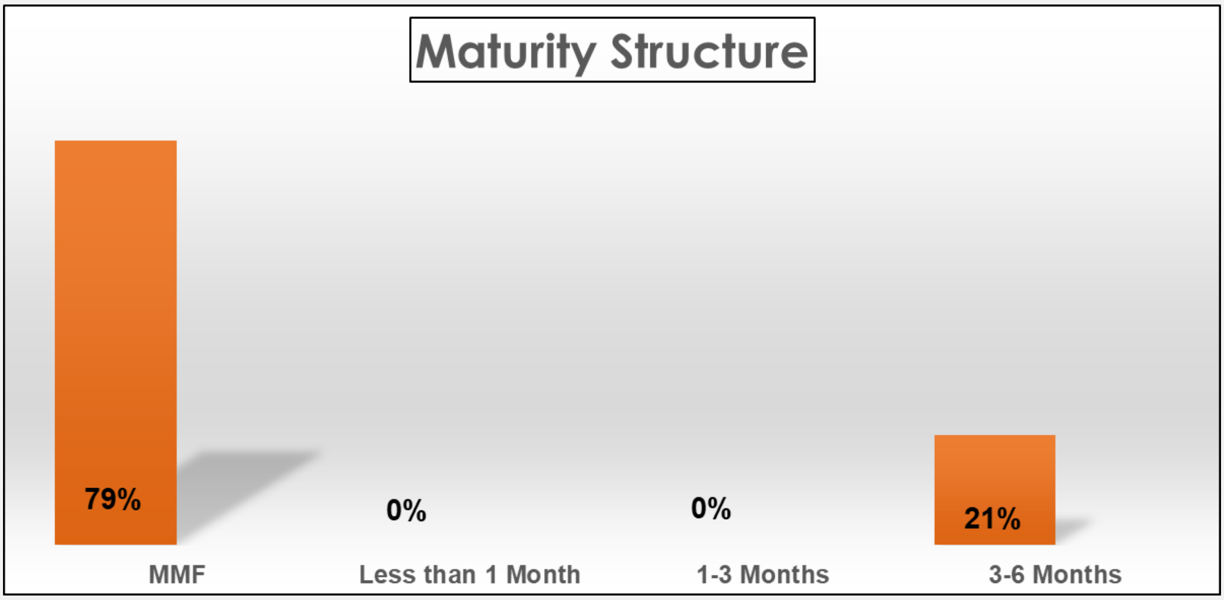
Capital Budget Monitoring 2025/26

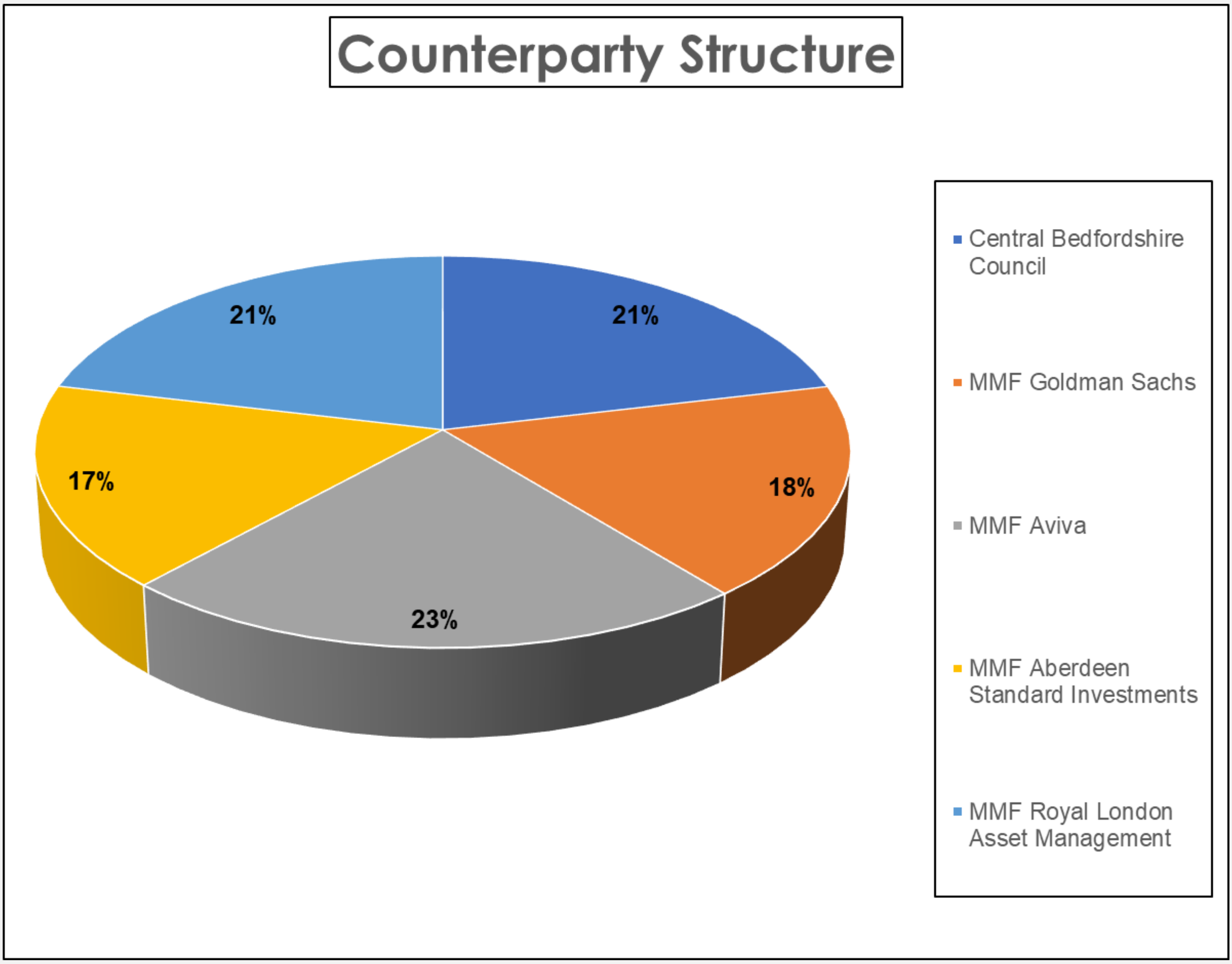
Service Support - Stores

Scheme	Capital Plan 2025/26				Adjustments to the Capital Plan in 2025/26					Capital Expenditure 2025/26			
	Capital Bids 2025/26	Approved Slippage into 2025/26 from budget reviews during 2024/25	Slippage b/f at year end from 2024/25	Total Capital Plan 2025/26	Removal from Plan	Virement	Increase to Capital Plan	Slippage c/f	Revised Capital Plan 2025/26	Actual expenditure incurred to date	Forecast Expenditure	Total Expected Expenditure in 25/26	Forecast over / (under) spend
2025/26 Firefighter Structural PPE	1,393,000	0	0	1,393,000	0	0	36,624	0	1,429,624	0	1,430,078	1,430,078	454
	1,393,000	0	0	1,393,000	0	0	36,624	0	1,429,624	0	1,430,078	1,430,078	454

Appendix C

COUNTERPARTY	£	Interest Rate	Date Invested	Maturity Date	Maturity Structure
Central Bedfordshire Council	5,000,000	4.30	22/05/2025	22/09/2025	3-6 Months
MMF Goldman Sachs	4,164,040	4.21	MMF	MMF	MMF
MMF Aviva	5,335,062	4.32	MMF	MMF	MMF
MMF Aberdeen Standard Investments	3,966,596	4.28	MMF	MMF	MMF
MMF Royal London Asset Management	4,992,274	4.30	MMF	MMF	MMF
TOTAL	**23,457,972**				




Counterparty Structure
21%
21%
18%
23%
17%
Central Bedfordshire Council
MMF Goldman Sachs
MMF Aviva
MMF Aberdeen Standard Investments
MMF Royal London Asset Management

Appendix D

PRUDENTIAL INDICATORS ACTUALS 2025/26

Capital Expenditure, Capital Financing Requirement and External Debt

The table below draws together the main elements of the capital plans, highlighting borrowing and other financing arrangements. The table also shows the Capital Financing Requirement (CFR), which is the Authority's underlying external indebtedness for a capital purpose, compared with the expected borrowing position.

	Estimate 2025/26 £000's	Forecast Actual 2025/26 £000's	Estimate 2026/27 £000's	Estimate 2027/28 £000's	Estimate 2028/29 £000's
CFR b/fwd	64,515	64,515	64,390	70,336	78,125
Capital Expt	10,438	10,438	12,700	12,934	12,439
Capital Receipts	-985	-985	-2,000	0	0
Earmarked Reserve	-5,529	-5,529	-500	-500	-500
Revenue Contribution	-560	-560	-560	-560	-560
MRP	-3,489	-3,489	-3,694	-4,085	-4,536
Closing CFR	**64,390**	**64,390**	**70,336**	**78,125**	**84,968**

	Estimate 2025/26 £000's	Forecast Actual 2025/26 £000's	Estimate 2026/27 £000's	Estimate 2027/28 £000's	Estimate 2028/29 £000's
CFR	64,390	64,390	70,336	78,125	84,968

Limits to Borrowing Activity

The first key control over the Authority's borrowing activity is a Prudential Indicator to ensure that over the medium term, net borrowing will only be for a capital purpose. Net external borrowing should not, except in the short-term, exceed the total CFR. This allows some flexibility for limited early borrowing for future years. The Authorities net external borrowing is below the CFR and thus comfortably complies with the prudential indicator.

A further two Prudential Indicators control overall level of borrowing. These are the Authorised Limit and the Operational Boundary. The Authorised Limit represents the limit beyond which borrowing is prohibited. It reflects the level of borrowing which, while not desired, could be afforded in the short-term, but is not sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3(1) of the Local Government Act 2003.

The Operational Boundary is based on the probable external debt during the course of the year. It is not a limit and actual borrowing could vary around this boundary for short times during this year.

	2025/26 £000's	Forecast Actual 2025/26 £000's	2026/27 £000's	2027/28 £000's	2028/29 £000's
Authorised Limit for External Debt	65	65	74	86	97
Operational Boundary for External Debt	60	60	69	81	92

External Debt

The Authority is forecasting the levels of outstanding debt on the 31st of March 2026:

	Actual Debt 31 March 2025 £m	%	Estimated Debt 31 March 2026 £m	%
PWLB Loans	38.90	95.2	38.2	95.1
LOBO	2.00	4.8	2.00	4.9
TOTAL	40.90	100	40.20	100

Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators but within this framework a prudential indicator is required to assess the affordability of the capital investment plans. The following indicator provides an indication of the capital investment plans on the overall finances of the Authority:

Ratio of financing costs to net revenue stream.

This indicator identifies the trend in the cost of capital against the net revenue stream (amounts met from Revenue Support Grant, local taxpayers, and balances):

	Actual 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29
Ratio of Financing to Net Revenue Stream	6.45%	6.29%	6.11%	5.94%	6.28%

Treasury Management Prudential Indicators

Interest Rate Exposures

While fixed rate borrowing can contribute significantly to reducing the uncertainty surrounding future interest rate scenarios, the pursuit of optimum performance justifies retaining a degree of flexibility through the use of variable interest rates on at least part of the treasury management portfolio. The Prudential Code requires the setting of upper limits for both variable rate and fixed interest rate exposure:

	Limit 2025/26	Forecast Actual 2025/26
Interest at fixed rates as a percentage of net interest payments	60%-100%	100%
Interest at variable rates as a percentage of net interest payments	0% - 40%	0%

Maturity Structure of Borrowing

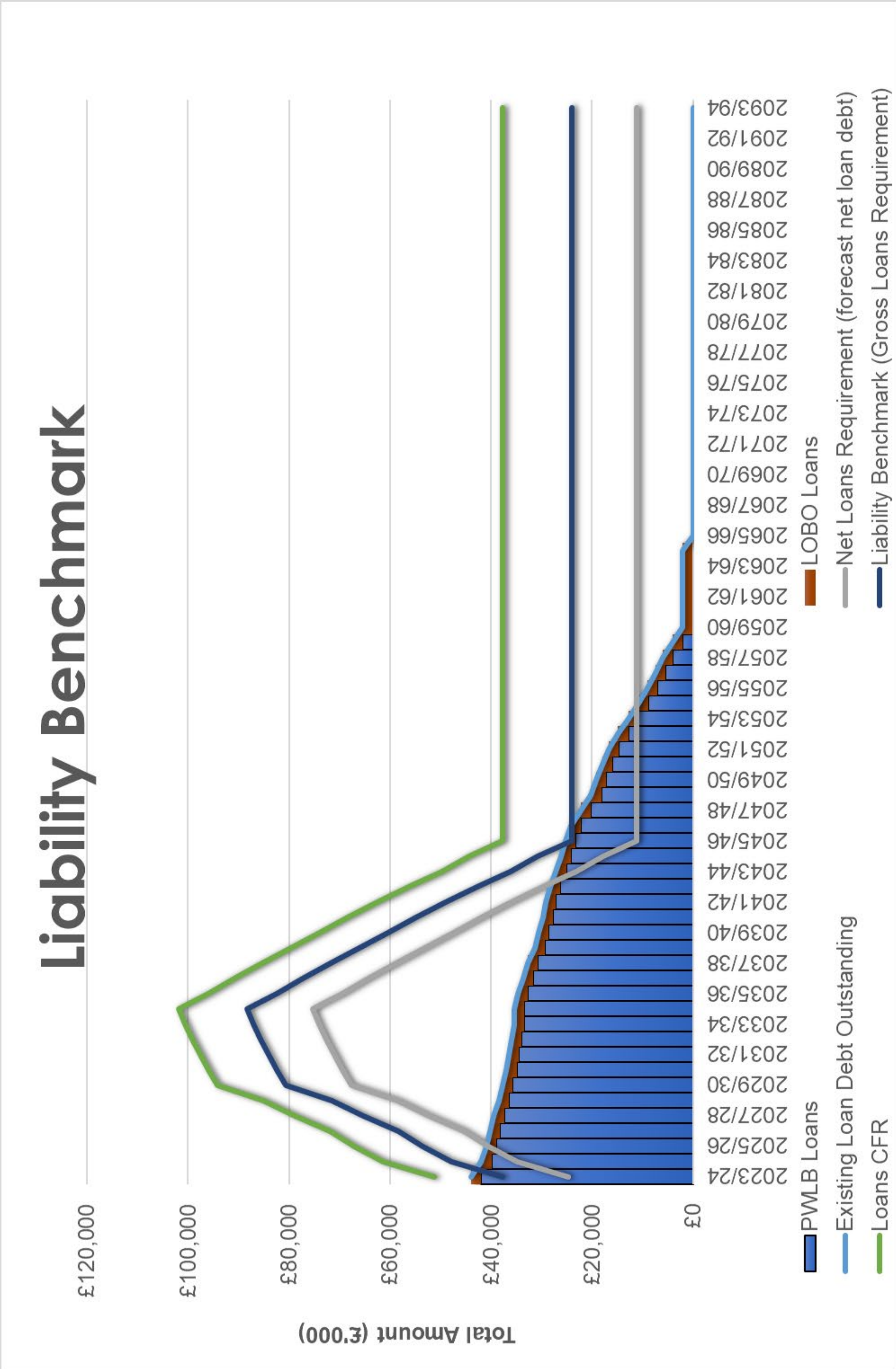
This indicator is designed to prevent the Authority having large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.	Limit Set 2025/26	Forecast Actual 2025/26
Under 12 months	0% -20%	6.80%
12 months to 2 years	0% -20%	2.50%
2 years to 5 years	0% -60%	5.00%
5 years to 10 years	0% -80%	5.30%
More than 10 years	20% -100%	80.40%

Total principal sums invested for periods longer than 365 days.

This indicator was set at zero as there was no intention to hold investments for treasury management purposes with maturity dates in excess of a year. There was no change to this position.

Appendix E



Liability Benchmark
Total Amount (£'000)
£120,000
£100,000
£80,000
£60,000
£40,000
£20,000
£0
2023/24
2025/26
2027/28
2029/30
2031/32
2033/34
2035/36
2037/38
2039/40
2041/42
2043/44
2045/46
2047/48
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2063/64
2065/66
2067/68
2069/70
2071/72
2073/74
2075/76
2077/78
2079/80
2081/82
2083/84
2085/86
2087/88
2089/90
2091/92
2093/94
PWLB Loans
LOBO Loans
Existing Loan Debt Outstanding
Net Loans Requirement (forecast net loan debt)
Loans CFR
Liability Benchmark (Gross Loans Requirement)

OFFICIAL

Agenda item: 07

Incident Ground Radio Replacement

Finance and Resources Committee

Date:	18 July 2025
Submitted by:	Director of Service Delivery
Purpose:	To seek approval for the capital drawdown of funds to purchase replacement digital radios.
Recommendations:	That Committee approves the drawdown of funds to allow for the purchase of the replacement digital incident ground radios and batteries for all frontline, special appliances and officers
Summary:	This report is requesting approval to drawdown capital funds for the purchase of digital radios. These funds were approved in the capital plan for 2025/26.

Local Government (Access to information) Act 1972

Exemption Category:	None
Contact Officer:	Area Manager (AM) David Teggart T: 07810 354638 E: dave.teggart@westyorksfire.gov.uk
Background papers open to inspection:	None
Annexes:	None

1. Introduction

1.1 The budget for this was approved at the 27 February 2025 Authority budget meeting as part of the wider capital plan. Incident ground radios are an essential piece of equipment on every front-line and special appliance, along with being carried by individual officers. As our current digital radios come to the end of their life this purchase would also enable us to take advantage of recent advancements in radio technology.

2. Information

2.1 Our existing digital incident ground radios have been in operation now for 8 years, these are accompanied by an intrinsic radio that are over 12 years old. According to the manufacturers most radio equipment has a life span of 5-7 years.

2.2 We have seen a gradual increase over the past few years in the number of reports of failures and equipment being returned along with increasing costs of repairs, as we are continuously ordering replacement equipment, to enable us to cope with the demands from operational crews. The faults reported include poor transmission over distance, battery performance decay, failure of screens and other parts of the radio.

2.3 Communication issues are the most common issue raised through the debrief process and have been subject to significant scrutiny within the Grenfell Tower Inquiry reports, with specific recommendations 113.59, 113.60 and 113.61. These recommendations cover the technical issues that affect the use of radios in certain environments, such as tall buildings through their construction, mainly of dense or reflective materials such as stone, concrete, brick and steel. The use of differing power outputs due to the intrinsically safe radio equipment requiring a lower power output which limits transmission range and the training and use of incident ground radios.

2.4 This procurement will see us purchase 5 radios per pumping appliance (4 digital fireground radios and 1 Intrinsically safe digital radio), along with digital radios for special appliances and officers. It will also include all ancillary equipment such as chargers, and spare batteries.

3. Financial Implications

3.1 There is provision in the capital plan for the purchase of Incident ground radios of £625,000.

3.2 Procurement of this equipment will be via a full tender process which will ensure compliance with contract procedure rules.

4. Legal Implications

4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority’s Constitution.

5. People and Culture Implications

5.1 There are currently no People and Culture implications associated with this report.

6. Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? (EIA guidance and form 2020 form.docx (westyorksfire.gov.uk))	Yes / No
Date EIA Completed	12/01/22
Date EIA Approved	tbc

6.1 As work progresses through the procurement phase an Equality Impact Assessment will be completed. Once completed the EIA will be available on request from the report author or from diversity.inclusion@westyorksfire.gov.uk

7. Health, Safety and Wellbeing Implications

7.1 Failure to replace our radios may impact our operational effectiveness due to the potential increased radio communications failure. New digital radios will give greater clarity to users and new battery technology will provide improved battery life.

7.2 The procurement will also look at other advancements in technology including earpieces and helmet mikes to further improve communications and to assist incident ground communications.

7.3 The report highlights the need for good communication technology and our continued work to improve the provision of equipment, training, knowledge and understanding of incident ground radios and communication will reduce the risk to our staff and members of the public within West Yorkshire.

8. Environmental Implications

8.1 The shift to digital systems may reduce the need for auxiliary equipment and streamline communications, potentially lowering the carbon footprint of incident response logistics.

8.2 Decommissioning old radios will contribute to electronic waste, this will be managed through our existing contracts and where possible, will see some elements of the old units being recycled.

8.3 New devices may require more energy due to including advanced features like GPS, encryption, and/or data connectivity.

8.4 Modern radios may have longer lifespans, better durability, and upgradable software, which in the future may reduce the frequency of replacements and associated environmental costs.

9. Your Fire and Rescue Service Priorities

9.1 This report links with the Community Risk Management Plan 2022-25 strategic priorities below:

- Plan and deploy our resources based on risk.
- Improve the safety and effectiveness of our firefighters.
- Promote the health, safety, and wellbeing of all our people.
- Encourage a learning environment in which we support, develop, and enable all our people to be at their best.
- Provide ethical governance and value for money.
- Continuously improve using digital and data platforms to innovate and work smarter.

10. Conclusions

10.1 The current incident ground radios have reached the end of their serviceable life. The advancement of radio technology and battery technology will enhance the operational effectiveness and health and safety provision for firefighters on the incident ground.

10.2 The replacement of the entire incident ground radio systems to the latest digital radio technology will incorporate many new areas of radio communications and will be more robust and reliable. It would allow us to incorporate improved ways of working on the fireground, through enhanced radio capacity, such as text messaging, integrated GPS, better audio quality over greater coverage, improved penetration into buildings and longer battery runtime.

OFFICIAL

Agenda item: 08

Treasury Management Outturn 2024/25

Finance and Resources Committee

Date:	18 July 2025
Submitted by:	Director of Finance and Procurement
Purpose:	To present the Treasury Management Annual Report for 2024/25.
Recommendations:	That members note the content of the report.
Summary:	The CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance require that the Authority receives an annual report on Treasury Management activities for the previous financial year. The report reviews borrowing and investment performance, Prudential Indicators, and risk and compliance issues.

Local Government (Access to information) Act 1972

Exemption Category:	Nil
Contact Officer:	Alison Wood, Director of Finance and Procurement Alison.wood@westyorksfire.gov.uk 07500 075362
Background papers open to inspection:	Nil
Annexes:	Appendix A – Investments on the 31st March 2025 Appendix B – Movement in PWLB Borrowing Appendix C – Long Term Debt Structure Appendix D – Prudential Indicators Actuals 2024/25

1. Introduction

1.1 The CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance require that the Authority receives an annual report on Treasury Management activities for the previous financial year. The report reviews borrowing and investment performance, Prudential Indicators, and risk and compliance issues.

2. Information

2.1 The Authority has adopted the CIPFA and Accountancy's Treasury Management in Public Services: Code of Practice on Treasury Management and operates its treasury management service in compliance with this Code and various statutory requirements. These require that the prime objective of the activity be to secure the effective management of risk, and that borrowing is undertaken on a prudent, affordable, and sustainable basis.

2.2 As part of the new requirements in the Code of Practice, the Finance and Resources Committee undertakes a scrutiny role regarding treasury management.

2.3 In reviewing performance, reference will be made to the Treasury Management Strategy Report approved by the Full Authority on 29th of February 2024. Investments averaged £18.1 million and were deposited in instant access accounts as well as longer-term notice accounts and local authority investments to benefit from higher interest rate opportunities in low-risk investments. The average rate of interest was 5.12%. Total external borrowing was £40.2 million (£40.9 million 31st of March 2024). Most of the borrowing is on fixed rate terms and the average borrowing rate for 2024/25 was 4.08%.

2.4 <u>Borrowing and Investment Strategy 2024/25</u>

2.4.1 The Authority's overall Treasury Management Strategy prioritises security, liquidity and risk management which was adhered to in 2024/25. The timing of the receipt of government grants meant that the Authority was a net investor for all of the year, with balances of up to £49.2million. Whilst the Authority's preferred strategy would be only to invest sufficient funds for the purpose of managing day to day cash flow requirements, the grant receipts make this unworkable. The investment strategy is designed to minimise risk, investments being made primarily in instant access accounts or short-term deposits with the major British owned banks and building societies, Money Market Funds, Local Authorities and Central Government.

2.4.2 It was expected that the Authority would have no external borrowing requirement arising from the need to finance capital expenditure, replace long-term borrowing due to mature and replace balances used. It was proposed to take a pragmatic approach to borrowing, in terms of short or long term, variable or fixed rate, public or private sector borrowing, depending on opportunities offered in terms of interest rates and availability of products.

2.5 Actual Performance

Below paragraphs 2.3.1 to 2.3.4 are a commentary from Link Group, the external treasury management advisors to the authority,

Economy

2.5.1 UK inflation has proved somewhat stubborn throughout 2024/25. Having started the financial year at 2.3% y/y (April), the CPI measure of inflation briefly dipped to 1.7% y/y in September before picking up pace again in the latter months. The latest data shows CPI rising by 2.8% y/y (February), but there is a strong likelihood that figure will increase to at least 3.5% by the Autumn of 2025.

2.5.2 Against that backdrop, and the continued lack of progress in ending the Russian invasion of Ukraine, as well as the potentially negative implications for global growth as a consequence of the implementation of US tariff policies by US President Trump in April 2025, Bank Rate reductions have been limited. Bank Rate currently stands at 4.5%, despite the Office for Budget Responsibility reducing its 2025 GDP forecast for the UK economy to only 1% (previously 2% in October).

2.5.3 Moreover, borrowing has becoming increasingly expensive in 2024/25. Gilt yields rose significantly in the wake of the Chancellor's Autumn Statement, and the loosening of fiscal policy, and have remained elevated ever since, as dampened growth expectations and the minimal budget contingency (<£10bn) have stoked market fears that increased levels of borrowing will need to be funded during 2025.

2.5.4 From a fiscal perspective, the increase in businesses' national insurance and national minimum wage costs from April 2025 is likely to prove a headwind, although in the near-term the Government's efforts to provide 300,000 new homes in each year of the current Parliament is likely to ensure building industry employees are well remunerated, as will the clamp-down on immigration and the generally high levels of sickness amongst the British workforce. Currently wages continue to increase at a rate close to 6% y/y. The MPC would prefer a more sustainable level of c3.5%.

2.5.5 At the beginning of each quarter, interest rates for the UK were as follows:

Year	Quarter	Base Rate	50 Year PWLB (Maturity)
2024	Apr	5.25%	5.26%
	Jul	5.25%	5.44%
	Oct	5.00%	5.29%
2025	Jan	4.75%	5.85%
	Apr	4.50%	5.82%

2.5.6 The Authority's investments totalled £17.0 million as of the 31st of March 2025 – see Appendix A for details - (£19.2 million 31st of March 2024). The Authority invested an average balance of £18.1 million externally during the year which was higher than expected due to revenue underspends and the slippage of the capital plan in year which resulted in a stronger cash flow position. The revenue underspend in 2024/25 gave the flexibility to make additional voluntary Minimum Revenue Provision (MRP) payments in order to reduce the overall Capital Financing Requirement (CFR). This will in turn reduce the MRP charges in future years and hence reduce the cost in the revenue budget. Income of £1.509 million was generated through these investments. The Authority's average lending rate for the year was 5.12%, being below the weighted average sterling overnight interest rate of 4.83%.

2.5.7 In terms of borrowing, long-term loans at the end of the year totalled £40.9million (£41.9million 31st of March 2024). Repayments of Principal PWLB loans totalled £1.00million. There was no new long-term borrowing taken during 2024/25. Repayments are detailed in Appendix B.

2.5.8 Long Term debt is made up of fixed rate loans giving the Authority stability in its interest costs. The maturity profile for long-term loans is shown in Appendix C and shows that only 5.14% of fixed rate debt is due to be repaid in any one year. This is good practice as it reduces the Authority's exposure to a substantial borrowing requirement in future years when interest rates might be at a high level.

2.5.9 The primary source of long-term local authority borrowing has historically been from the Government i.e. Public Works Loan Board (PWLB). From November 2012, the PWLB have been offering a 0.20% discount on loans ("the certainty rate" scheme) for local authorities providing improved information and transparency on their locally determined long-term borrowing and associated capital spending plans.

2.5.10 The Authority has a £2.0 million LOBO (Lender's Option, Borrower's Option) loan as of the 31st of March 2025, this 60-year loan was taken out in 2007 at a rate of interest of 4.58%. The way these loans work is that the Authority pays interest at a fixed rate for an initial period and then the lender has the option in the secondary period to increase the rate. If the option is exercised, the Authority can either accept the new rate or repay the loan, the Authority cannot change the terms of the loan. The initial fixed period ended in May 2011. The lender had the opportunity to exercise this option in May 2016 and May 2021 but did not. The next time this option will be available to the lender is May 2026.

2.5.11 The Local Capital Finance Company established in 2014 by the Local Government Association as an alternative source of local authority finance. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. Its first bond was issued in February 2020 and has announced three further pooled bond issues to follow. Officers will continue to monitor developments of this potential new funding source.

2.5.12 The Authority's average borrowing rate has remained low. The average for 2024/25 was 4.08% compared to 4.27% in 2023/24. This reduction is due to the repayment of historic debt which was taken at higher rates of interest. The Authority's investment levels are dependent on the timely receipt of Government grants.

2.6 Prudential Indicators

2.6.1 The Prudential Code requires the Authority to report to Members the actual prudential indicators after the year end. Appendix D provides a schedule of all the mandatory indicators. The Authority operated within all the appropriate limits.

2.7 Risk and Compliance Issues

2.7.1 The Authority has complied with all the relevant statutory, regulatory, and internal requirements which limit the levels of risk associated with its treasury management activities. The Authority's adoption and implementation of both the Prudential Code and the CIPFA and Accountancy's Treasury Management in the Public Services: Code of Practice on Treasury Management means that its capital expenditure is prudent, affordable, and sustainable.

2.7.2 The Authority took responsibility for Treasury Management from Kirklees from the 1st of August 2021, where it was previously provided as part of an SLA arrangement.

The Authority procured the services of an external Treasury Management advisor, Link Group, who provide daily, weekly, and monthly updates to the finance team on investments and borrowing rates. Link provided treasury management training to members and officers in October 2024 and provide CPD sessions and specific treasury management training to the finance team on a regular basis.

2.7.3 The CIPFA Code of Practice requires that treasury management performance be subject to regular member scrutiny. The Treasury Management Strategy report, approved by the Full Authority on 29th of February 2024, which stated that the Finance and Resources Committee would be responsible for treasury management. As well as receiving the Strategy and Outturn reports the Committee also receive quarterly updates on treasury management activities which is include in the quarterly financial review report.

3. Financial Implications

3.1 There are no financial implications associated with this report.

4. Legal Implications

4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

5. People and Culture and Diversity Implications

5.1 There are no people and culture and diversity implications associated with this report.

6. Equality Impact Assessment

6.1 Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? No

7. Health, Safety and Wellbeing Implications

7.1 There are no health, safety and wellbeing implications associated with this report.

8. Environmental Implications

8.1 There are no environmental implications associated with this report.

9. Your Fire and Rescue Service Priorities

9.1 This report links with the Community Risk Management Plan 2022-25 strategic priorities below:

- Provide ethical governance and value for money.

10. Conclusions

10.1 This report summarises the Treasury Management activities in 2024/25 and provides information on compliance with the approved Treasury Management Strategy.

Appendix A

Investments on the 31 March 2025

Borrower	£	Credit Rating Lowest LT / Fund Rating	** Historic Risk of Default	Expected Credit Loss £
* MMF Aberdeen Standard Investments	3,929,056	AAAm		
* MMF Aviva	1,277,787	AAAm		
* MMF Goldman Sachs	727,621	AAAm		
* MMF Royal London Asset Management	1,025,727	AAAm		
*** PCC for Dorset	5,000,000	AA-	0.000%	0
*** Surrey County Council	5,000,000	AA-	0.001%	0
TOTAL	**16,960,191**		**0.001%**	**0**

* - Money Market Fund. The funds are made up of numerous diverse investments with highly rated banks and other institutions. The credit risk is therefore spread over numerous countries, including the UK. An historic rate of default and expected credit loss are not provided for MMF, for which the agencies provide a fund rating.

** - The Historic Risk of Default is based on the lowest long term credit rating including Historic Default Rates from 1990-2023 for Fitch, 1983-2023 for Moody's and 1981-2023 for S&P.

*** - The expected credit loss is nil where the counterparty is central government or a local authority as statutory provisions are in place to prevent default.

Key – Fitch's credit ratings:

<table>
<tr><th></th><th></th><th>Long</th><th>Short</th></tr>
<tr><td rowspan="10">Investment Grade</td><td>Extremely Strong</td><td>AAA</td><td rowspan="4">F1+</td></tr>
<tr><td rowspan="3">Very Strong</td><td>AA+</td></tr>
<tr><td>AA</td></tr>
<tr><td>AA-</td></tr>
<tr><td rowspan="3">Strong</td><td>A+</td><td rowspan="3">F1</td></tr>
<tr><td>A</td></tr>
<tr><td>A-</td></tr>
<tr><td rowspan="3">Adequate</td><td>BBB+</td><td rowspan="2">F2</td></tr>
<tr><td>BBB</td></tr>
<tr><td>BBB-</td><td>F3</td></tr>
<tr><td rowspan="11">Speculative Grade</td><td rowspan="3">Speculative</td><td>BB+</td><td rowspan="6">B</td></tr>
<tr><td>BB</td></tr>
<tr><td>BB-</td></tr>
<tr><td rowspan="3">Very Speculative</td><td>B+</td></tr>
<tr><td>B</td></tr>
<tr><td>B-</td></tr>
<tr><td rowspan="5">Vulnerable</td><td>CCC+</td><td rowspan="5">C</td></tr>
<tr><td>CCC</td></tr>
<tr><td>CCC-</td></tr>
<tr><td>CC</td></tr>
<tr><td>C</td></tr>
<tr><td></td><td>Defaulting</td><td>D</td><td>D</td></tr>
</table>

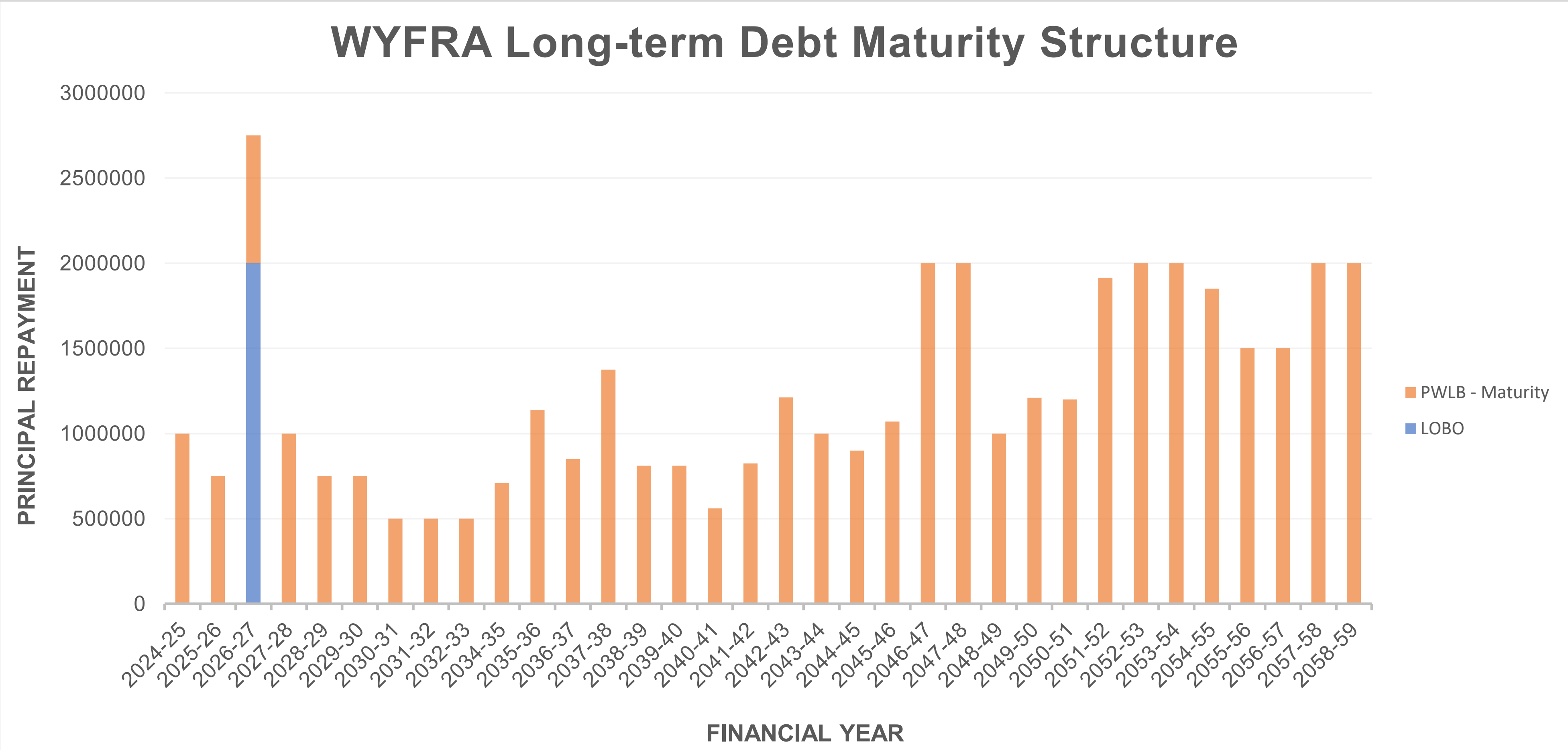
Appendix B

MOVEMENT IN PWLB BORROWING

LOANS REPAID 2024/25

Repayments on PWLB Loans	Rate %	Date Repaid	Amount £m
PWLB (498251)	5.08%	23-Dec-24	1.000
Total			**1.000**

Appendix C – Long Term Debt Structure



Appendix D

PRUDENTIAL INDICATORS ACTUALS 2023/24

Capital Expenditure, Capital Financing Requirement and External Debt

The table below draws together the main elements of the capital plans, highlighting borrowing and other financing arrangements. The table also shows the Capital Financing Requirement (CFR), which is the Authority's underlying external indebtedness for a capital purpose, compared with the expected borrowing position.

	Actual 2023/24 £m	Estimate 2024/25 £m	Actual 2024/25 £m
Capital Expenditure	34.384	35.587	25.457
Financed by -			
Internal Borrowing	15.200	29.647	14.008
Capital Grant	0.033	-	-
Capital Receipts	-	0.200	0.164
Revenue Contributions	2.807	0.950	2.733
Earmarked Reserves	16.344	4.790	8.552
	34.384	35.587	25.457
CFR as at 31 March	**51.312**	**78.016**	**60.452**
External debt as at 31 March			
Borrowing	41.937	40.937	40.937
Total Debt	**41.937**	**40.937**	**40.937**

Limits to Borrowing Activity

The first key control over the Authority's borrowing activity is a Prudential Indicator to ensure that over the medium term, net borrowing will only be for a capital purpose. Net external borrowing should not, except in the short-term, exceed the total CFR. This allows some flexibility for limited early borrowing for future years.

The actual CFR is less than what was previously estimated due to lower capital expenditure in 2024/25 than forecast.

A further two Prudential Indicators control overall level of borrowing. These are the Authorised Limit and the Operational Boundary. The Authorised Limit represents the limit beyond which borrowing is prohibited. It reflects the level of borrowing which, while not desired, could be afforded in the short-term, but is not sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3(1) of the Local Government Act 2003.

The Operational Boundary is based on the probable external debt during the course of the year. It is not a limit and actual borrowing could vary around this boundary for short times during this year.

	2024/25 Estimate £m	**2024/25 Actual £m**
Authorised limit for external debt		
Borrowing	76	76
Other long term liabilities	-	-
Total	**76**	**76**
Operational boundary for external debt		
Borrowing	71	71
Other long term liabilities	-	-
Total	**71**	**71**

The Authority was within its Authorised Limit and its Operational Boundary.

Treasury Management Prudential Indicators

Interest Rate Exposures

While fixed rate borrowing can contribute significantly to reducing the uncertainty surrounding future interest rate scenarios, the pursuit of optimum performance justifies retaining a degree of flexibility through the use of variable interest rates on at least part of the treasury management portfolio. The Prudential Code requires the setting of upper limits for both variable rate and fixed interest rate exposure:

	Limit Set 2024/25	Actual 2024/25
Interest at fixed rates as a percentage of net interest payments	60% - 100%	100.0%
Interest at variable rates as a percentage of net interest payments	0% - 40%	0.0%

The interest payments were within the limits set.

Maturity Structure of Borrowing

This indicator is designed to prevent the Authority having large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate	Limit Set 2024/25	Actual 2024/25
Under 12 months	0% - 20%	1.8%
12 months to 2 years	0% - 20%	6.7%
2 years to 5 years	0% - 60%	6.1%
5 years to 10 years	0% - 80%	5.4%
More than 10 years	20% - 100%	79.9%

The limits on the proportion of fixed rate debt were adhered to.

Total principal sums invested for periods longer than 365 days.

This indicator was set at zero as there was no intention to hold investments for treasury management purposes with maturity dates in excess of a year. There was no change to this position.