Cheshire
Fire Authority

Statement of Accounts
Draft 2024-25

www.cheshirefire.gov.uk

STATEMENT OF ACCOUNTS

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For further information please contact:
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NARRATIVE REPORT

1. Introduction

1.1 Welcome to the 2024-25 Cheshire Fire Authority Statement of Accounts. Cheshire Fire Authority ("the Authority") is the publicly accountable body that manages the Fire and Rescue Service ("the Service") on behalf of local communities. The Authority is responsible for providing an efficient and effective fire and rescue service that protects the communities of Cheshire. The Authority consists of 23 elected Members appointed by Cheshire East Borough Council; Cheshire West and Chester Borough Council; Halton Borough Council; and Warrington Borough Council.

1.2 The Authority is dedicated to providing the communities of Cheshire with a fire and rescue service that is committed to saving lives, changing lives and protecting lives to achieve its vision of a Cheshire where there are no deaths, injuries or damage from fires and other emergencies.

1.3 The Chief Fire Officer and Chief Executive and the Service Leadership Team lead Cheshire Fire and Rescue Service. The Service operates from 28 fire stations across Cheshire, staffed in a few different ways to reflect local risks and demands. The Service also operates three community safety teams; three fire protection offices; a headquarters along with the operational training centre and the fleet workshop at the Sadler Road site; and a safety education centre in Lymm for schools and community groups.

2. Financial Statements

2.1 The accounts include a note called the 'Expenditure and Funding Analysis' which is shown on pages 21 and 22 before the main financial statements. This note shows how annual expenditure is used and funded from Government grants, council tax and business rates by the Authority in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision-making purposes between the Authority's services and departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement on page 23.

2.2 The Movement in Reserves Statement shows the movement from the start to the end of the year on the different reserves held by the Authority. This is analysed into 'usable reserves' (i.e. those that can currently be used to fund expenditure or reduce local taxation) and other 'unusable' reserves (technical accounting adjustment accounts reflecting the difference between the outcome of applying proper accounting practices and the statutory requirements for funding expenditure within the public sector). It shows how the movements in year of the Authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. This Statement has a strong link to the Expenditure and Funding Analysis and Comprehensive Income and Expenditure Statement.

2.3 The Comprehensive Income and Expenditure Statement shows the resources consumed or earned by the Authority in accordance with generally accepted accounting practice.

2.4 The Balance Sheet is a statement showing the Authority's assets and liabilities i.e. what is owned and what is owed as at 31st March.

2.5 The final primary statement is the Cashflow Statement. This shows the changes in cash and cash equivalents of the Authority during the financial year. The statement shows how the Authority generates and uses cash by classifying cash flows as operating, investing and financing activities.

2.6 During 2024-25, the Authority maintained an average cash balance of around £14m (2023-24 £15m) each month with fluctuations dependent on payroll and paying creditors versus when grants, precept, business rates and income were received. The main impact on these balances going forward is the funding of capital expenditure such as estates, vehicles, equipment and technology as agreed by the Authority. As at 31st March 2025, the Authority's PWLB debt stood at £11.1m.

3. Financial Performance 2024-25

3.1 Where does the Authority get its revenue funding from?

3.1.1. The Authority receives almost two thirds of its revenue funding from its share of the council tax (called the precept), which is collected by the four constituent local authorities. The 2024-25 precept approved by the Authority increased by 2.99% to £90.09 for a Band D property (compared to £87.48 in 2023-24).

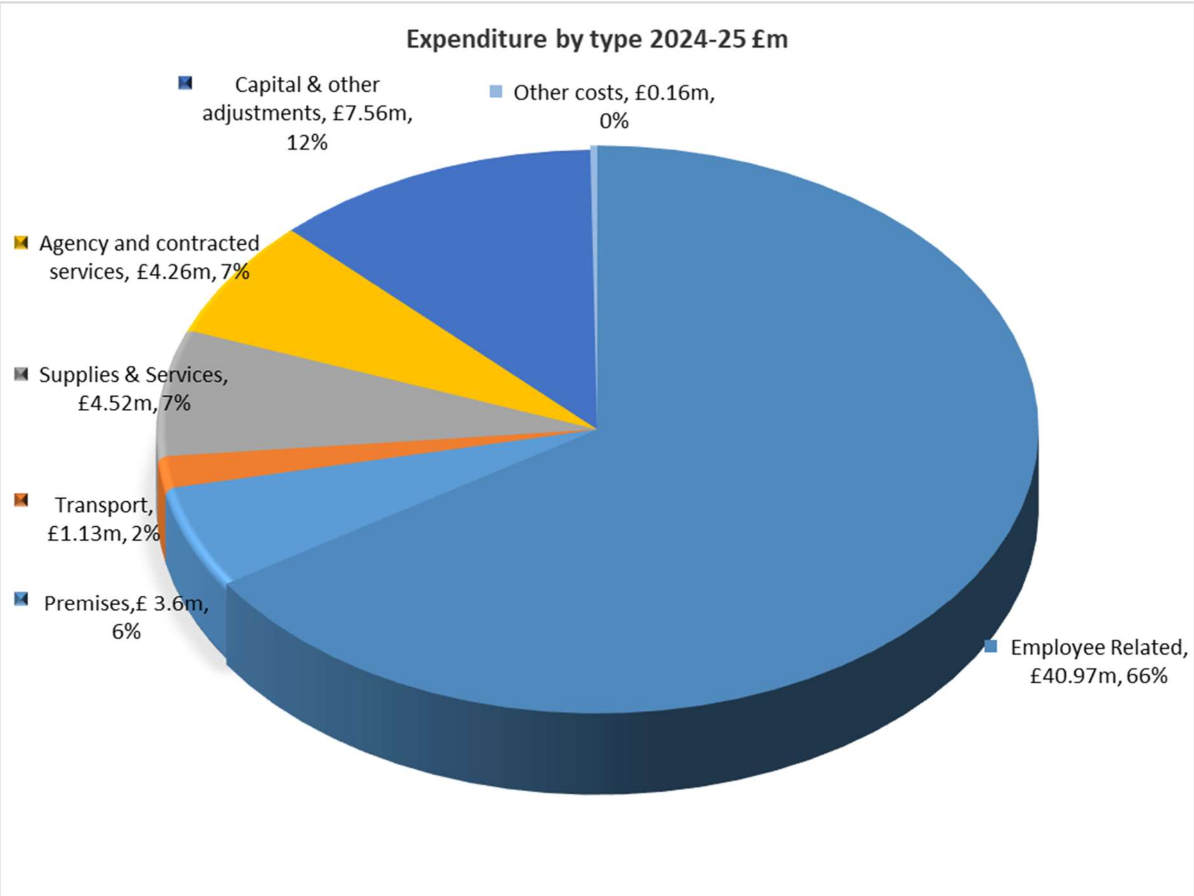
3.1.2. In addition to the precept, the Authority receives its share of any surplus or deficit on the council tax collection funds. For 2024-25, this amounted to a surplus allocation (council tax only) of £0.1m (deficit allocation in 2023-24 of £0.1m).

3.1.3. The majority of the balance of revenue funding comes from the Government and the four local authorities in the form of the Settlement Funding Assessment. This can be broken down into two elements – Revenue Support Grant and Baseline Funding Level. Revenue Support Grant is determined by the Government and allocated based on a formula. Baseline Funding Level is the amount, which the Government determines, should be receivable by the Authority for its share of business rates as collected by the four local authorities. However, the amount of business rates due is not sufficient to meet the Baseline Funding Level so the Government also pays the Authority a 'top-up' grant to meet the shortfall. The 2024-25 funding amounts for the Authority are shown in the next table.

Fire Authority's Funding 2024-25	**£000**	**£000**	**%**
Council Tax		(35,798)	63.16
Council Tax – collection fund surplus		(115)	0.20
Revenue Support Grant	(6,962)		12.28
Business Rates	(4,726)		8.34
'Top-up' Grant	(5,642)		9.96
		(17,330)	
Business Rates – collection fund surplus		(118)	0.21
Business Rates – Section 31 Grant		(2,783)	4.91
Appropriation from Collection Fund Adjustment Account			
- council tax element	196		(0.35)
- business rates element	137		(0.24)
		333	
Service Grant Allocation 2024-25		(66)	0.12
Funding Guarantee Grant 2024-25		(880)	1.55
Transfer to / (from) reserve		82	(0.14)
Total		**(56,675)**	**100.00**

3.2 What does the Authority spend its money on?

3.2.1. The majority of the Authority's expenditure relates to employee costs. The following chart shows a breakdown of what was spent by the Authority in 2024-25 by expenditure type.



3.2.2. On 14th February 2024, the Authority approved the 2024-25 revenue budget of £52.48m together with a capital programme of £5.2m. Budget monitoring reports are presented to the Performance and Overview Committee on a quarterly basis focusing on the forecast outturn position and revisions to the overall budget in response to changes in-year.

3.2.3. At the end of the financial year the Authority's outturn included an underspend of £1,696k which has been transferred to reserves. Details are shown in the table below.

Fire Authority's Service Area	2024-25 Original Budget £000	2024-25 Actual £000	Variance £000
Firefighting & Rescue Operations	36,198	35,059	(1,139)
Protection	2,188	2,281	93
Prevention	2,841	2,529	(312)
Support Services	12,557	12,089	(468)
Unitary Performance Groups	40	67	27
Centrally held costs and contingencies	611	483	(128)
Pay and Pension costs	598	498	(100)
Finance resources – S31 grants	(1,919)	(1,757)	162
Capital Financing (including investment income)	1,704	1,248	(456)
Finance resources - Contribution to capital reserve	1,696	2,707	1,011
Finance resources - Contribution from revenue reserve	(34)	(225)	(191)
Funding	(56,480)	(56,675)	(195)
2024-25 surplus transferred to capital.	-	1,696	1,696
Cheshire Fire Authority Total	-	-	-

3.2.4. The main reasons for variances were reported during the year to the Performance and Overview Committee and a final report for 2024-25 was presented to the Authority at its meeting in June 2025.

3.2.5. Two of the key variances in the year were from staffing underspend and capital financing savings:

- Within Service Delivery there was significant underspend on the overtime budget and on-call under establishment. The savings on overtime were as a result of fewer protracted incidents and better review procedures on sickness and absentee management. The underspend will be addressed in the budget 25-26 with the addition of 4 weekday pumps and a pay pilot project to improve on-call pay. Prevention department also generated an underspend, following a service improvement review that took place in 2024-25, providing a better structure to the department giving more focused Prevention activity.

- Capital financing. The Authority has a substantial capital programme underway, a significant part of which is planned to be funded through loans (nominally from the Public Loans Works Board). Whilst interest payments were budgeted the Authority has avoided taking out long term loans on high interest rates, this has created a significant underspend against budget. In addition, cash held at bank on deposit has generated good yield.

- The underspend and surplus on budget are to be transferred to the capital reserves to continue funding the capital programme.

3.3 Capital

3.3.1. During 2024-25 the Fire Authority spent £7.7m on capital as follows:

	2024-25
	£000
Fire Station Builds & Modernisation Programme	6,273
Fire Houses Modernisation	258
Fire Appliances & Specials	1,075
Equipment - North West Fire Control Project	107
Total	7,713

3.3.2. The Station Modernisation Programme continued through 2024-25 with work being completed at Macclesfield and Wilmslow and work started at Knutsford and Winsford. The programme will extend the life of the buildings by a further 25 years, modernise facilities, provide for better contaminant control, reduce environmental impact with better insulation and where possible utilise PV solar energy systems.

Wilmslow Fire Station


Knutsford Fire Station

3.3.3. Vehicles- 2024-25 year marks the completion of the appliance replacement programme, receiving into service the last 2 appliances in the programme, with the whole fleet now being on Scania chasis. We aim to replace appliances after 15 years, and the replacement cycle will start again in 2026-27.

(in build at Emergency One)

3.3.4. We purchased two Mercedes Sprinter vans to provide a smaller more flexible solution for the Incident Command Support Unit and the Hazardous Material and Environmental Protection Unit.

4. Non-financial performance

4.1 The Service's Performance and Programme Board receives a quarterly review of performance against the Service's Key Performance Indicators (KPIs). The Board is responsible for monitoring and reviewing progress against performance targets and ensuring that action to improve performance is taken wherever possible if targets are not being met. The quarterly reviews are presented to the Performance and Overview Committee.

4.2 The 2024-25 Corporate Performance Scorecard for the year is shown below.

Performance Indicators	2024/25Target	2024/25 Q4 Actual	2023/24 Q4 Actual	Trend year on year
Deaths in Primary Fires	0	1	7	
Injuries in Primary Fires	27	42	14	
Accidental Dwelling Fires	311	317	299	
Deliberate Primary Fires	191	196	171	
Deliberate Secondary Fires	700	603	651	
Safe & Wells Visits	27,500	29,280	25,519	
Safe & Well visits per 1000 population	11.35	26.15	23.5	
% of Safe & Wells in heightened risk addresses	80%	97.53%	92.80%	
Fires in Non-Domestic Premises	149	162	149	
AFA's in Non-Domestic Premises	510	625	610	
% of alarm activations not attended	68%	79.30%	79%	
Business Safety Inspections Completed	2128	2187	1991	
Total Fire Safety Audits per 100 known premises	5.39	6.1	4.81	
Risk Based Inspection Programme Completed	1240	796	100%	
Fire Control - Time Taken to Answer	10s	Unavailable	5.4s	
Fire Control - Time Taken to Mobilise (Primary F	90s	92s	94s	
10-minute Response Standard	10 mins	9mins 40 s	9 mins 27s	
Minimum Fire Cover – Critical Level (100%)	14 Fire Engines	100%	N/A*	
Minimum Fire Cover – Optimum Level (98%)	18 Fire Engines	99.70%	N/A*	
Wholetime Fire Engine Availability	98%	99.69%	99.70%	
On-Call Fire Engine Availability	51%	52%	53%	
% of SSRI's completed within target	95%	100%	98%	

Points to note-
Injuries in Primary fires - any person taken to hospital post fire, no matter the level of seriousness of injury is counted in the figure. It is unusually high this year due to the number of properties where the whole family were taken to hospital for precautionary review, 35 deemed slight and 7 as serious injuries. Nevertheless, we continue to focus our efforts with more Prevention activity.
AFA's and Fires in Non-domestic premises. Both figures are above our benchmark. AFA (automated fire alarms) mainly as a result of issues with the fire alarm system at one of the hospitals in our county, which is being addressed with proactive engagement by our fire Protection team. Fires in Non-domestic premises were driven by a number of instances of fires in cells at a Prison within our county, due to one inmate, whilst Prevention and Protection activity at HM Prisons are outside our statutory powers our teams have worked with the Governor to help reduce these occurrences.

4.3 Community Risk Management Plan 2024-28

4.3.1. Every four years the Fire Authority is required to produce a Community Risk Management Plan (CRMP), previously called the Integrated Risk Management Plan (IRMP), which will shape the Service over the next four years. This is done through an extensive review of the risks within Cheshire, a review of our workforce, training and equipment to meet these risks and consultation with our local community. The Service produced a draft Community Risk Management Plan for 2024-28 in September 2023, which after consultation with the community, staff and the Authority was approved by the Fire Authority in February 2024. This outlines the Service's responses to the risks within Cheshire to provide more Prevention, more Protection and better Response.

4.3.2. There are a number of key responses outlined below:

- Measuring response time to attending Primary fires- 10 minute standard from time of 999 call placed to appliance being at the scene.
- Review of Fire cover, creation of four daytime weekday appliances, offsetting the removal of a 4 on-call fire appliances with low availability. Providing 20 new Wholetime firefighter positions.
- Review of Fire cover, conversion of the Knutsford on-call appliance to a the wholetime DC1 day crewing model, proving guaranteed cover 24 hours a day, all year round.
- Re-organising daytime fire cover between Birchwood and Stockton Heath – within the Warrington borough – 2 of the 5 appliances in the region.
- Strengthen the on-call system, a review to be carried out to improve pay and reward for this vital part of the service.
- Continue to modernise Fire Stations

Full details of the CRMP and response projects can be found in the key information section of the CFRS website (community_risk_management_plan_2024-28.pdf (cheshirefire.gov.uk))

4.3.3. During the first year of the CRMP the following projects were completed:

- Fire cover- Warrington borough cover change started on 18th Nov 2024
- Fire cover – 4 weekday pumps started operations on 6th Jan 2025, operating form base locations of Macclesfield, Winsford, Frodsham and Alsager.
- Fire cover- Knutsford converted to Day crewing on 3rd Feb 2025

The following projects were initiated and are being reviewed through the year

- Fire cover- 10 minute response standard
- On-call pay – pilot project offering uplifted retainer fee for providing cover during hours of peak operational demand.

4.4 Service Activity

4.4.1. The Service responded to a number of large scale and major incidents in the year, some of which are highlighted below.

4.4.2. Industrial Building Fire – Adlington – 6 June 2024
A significant fire at an industrial site in Adlington required the attendance of 12 fire engines and three special appliances. The incident involved both a large industrial building and several lorries. Firefighting operations extended over two days before the fire was fully extinguished.

4.4.3. Disused Building Fire – Crewe – 9 August 2024
A large-scale fire at a disused building in Crewe saw more than 13 fire engines attend, as well as specialist vehicles and equipment. Resources were drawn from Cheshire Fire and Rescue Service and two neighbouring cross-border services. The incident lasted over two days, and significantly impacted nearby residential communities, some of whom faced displacement and medical issues as a result of the fire.

4.4.4. Canal Collapse and Flooding – Little Bollington – 1 January 2025
In response to heavy rainfall, Cheshire Fire and Rescue Service attended over 40 flooding-related incidents, taking significant action at 18 of them. A canal collapse in Little Bollington was one of the most critical events attended in coordination with Cheshire Police and other partner agencies. This also included the evacuation of properties in Warrington on New Year's Day.

4.4.5. Rescue Operation – Thelwall Viaduct – 30 September 2024

A heavy goods vehicle left the carriageway and overturned on an embankment at Thelwall Viaduct, falling more than 60 feet during dark and wet conditions. Technical rescue equipment was used to reach the casualty, who was then transferred to the care of paramedics. Firefighters also applied water to cool the vehicle and successfully contained a leak of approximately 1,000 litres of biodiesel.

4.4.6. The Smoker Pub Fire – Knutsford – 23 October 2024

A major fire broke out at The Smoker public house in Knutsford, prompting a substantial response from both Cheshire and Greater Manchester Fire and Rescue Services. Firefighting operations lasted for 24 hours until the incident was declared closed.

4.5 Community events

4.5.1. During the year the Service undertakes a variety of community events and engagement activities, some of which are highlighted here.

4.5.2. Winsford Fire Station Open Day – July 2024
Winsford Fire Station and headquarters opened their doors to the public, offering guided tours, firefighter interactions, and a live fire suppression demonstration, promoting public awareness and engagement.

4.5.3. Cheshire Safety Day – September 2024
Members of the Service participated in Cheshire Safety Day, delivering safety advice and demonstrations across the county to promote community well-being and fire prevention.

4.5.4. Support to Ukraine – April 2024

Cheshire Fire and Rescue Service contributed to the eighth UK-wide convoy to Ukraine, donating vehicles and essential equipment to support Ukrainian firefighters.

4.6 Long Service and Good Conduct awards

4.6.1. The Service recognised both operational and support staff achieving 20 year, 30 years and more of Long Service and Good Conduct.

5. Pension Liability

5.1 The Authority as a responsible employer encourages its employees to participate in a pension scheme. Firefighters have access to the Firefighter Pension Scheme. For non-firefighters, the Local Government Pension Scheme (LGPS) is available.

5.2 Under the International Accountings Standards (IAS19), the way in which pensions are reported within these accounts must reflect the full liability incurred for future pension costs in the year it is earned. Therefore, each year the value of the liability is calculated by the Authority's actuaries and is shown on the balance sheet as a long-term liability. The large pension liability shows what the Authority would owe if it had to pay all the pensions for all the existing and retired firefighters and staff in the pension schemes on 31st March. This would not happen as the actual payment of such pensions is made over many years and is funded by future contributions from firefighters and staff, together with Government funding.

5.3 Claims of age discrimination were brought in relation to the terms of transitional protection by groups of firefighters and members of the Judiciary in the McCloud/Sargeant legal case (referred herein as "McCloud") and the Court of Appeal handed down its judgment on this claim on 20th December 2018, ruling that the transitional protection arrangements were discriminatory on the basis of age. As a result, the cost control element of the 2016 valuation was paused whilst the Government addressed the need to remedy this discrimination across all public service pension schemes. The cost cap mechanism for the 2016 valuation has since been un-paused and the calculations complete, with the outcome being no changes to benefits or contributions. The treatment of the deferred choice underpin as a member cost for cost cap purposes, along with the four year spreading period, was challenged in a Judicial Review which was heard in early 2023. The claims made in the Judicial Review were dismissed by the High Court, in a judgment handed down on Friday 10th March 2023.

5.4 The McCloud remedy window ran from 1st April 2015 to 31st March 2022. Eligible members will be able to elect which scheme they wish to receive benefits from for this period.

5.5 Final calculations of the remedy available under the McCloud judgement have been produced for all pensioners, following the resolution of issues relating to tax legislation.

6. North West Fire Control / NW Fire Control Limited (NWFC)

6.1 NW Fire Control Limited is a company limited by guarantee, which was incorporated in July 2007 and was established to operate a Regional Control Centre with the responsibility for Fire and Rescue Service call handling and mobilisation for the North West region. It has operated successfully since 2019, dealing with calls for Cheshire, Cumbria, Greater Manchester and Lancashire fire and rescue services.

6.2 During 2018-19, a further detailed assessment for Group Accounting requirements took place in respect of NWFC. This is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards (IFRS 10, 11 & 12). It was determined that the company is governed by Joint Control due to the fact that unanimous consent exists for key decisions and that each

Authority (including Cheshire) has equal voting rights. Based on materiality, i.e. would it significantly change any individual balance within the accounts, the requirement for the Authority to show their share of the joint operation in their accounts became necessary. Further details can be found in the NWFC note on page 76.

Please note the final accounts for North West Fire Control Limited were not available at time of draft publication. The draft will be updated as soon as the accounts are available.

7. Future Developments and Plans

7.1 Community Risk Management Plan 2024-28

7.1.1. The Service will continue to drive the projects and action plans set out in the CRMP 2024-28 to deliver more Prevention, more Protection and better Response. It will monitor these activities to ensure it delivers an efficient and effective Service for the people of Cheshire.

7.2 Funding

7.2.1. The Government is proposing a reset to the Business Rates Scheme as well as consultation towards a fairer funding settlement for all Local Authorities, including Fire Authorities. The Service will engage with the consultation and monitor the outcome as it prepares the Medium Term Financial Plan for 2026-31

7.3 Regional Devolution

7.3.1. Cheshire is one of six regions to be selected for Priority Devolution Programme. The aim of the programme is to have the establishment of Mayoral Strategic Authorities by April 2026. Police and Fire Services may fall into these Authorities dependent on geographical boundary operations between the Authorities.

7.3.2. The Authority is engaged in monitoring the process and will plan appropriately.

STATEMENT OF RESPONSIBILITIES

Responsibilities of Cheshire Fire Authority

Cheshire Fire Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In Cheshire Fire Authority that officer is the Treasurer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts

Statement from Cheshire Fire Authority

I hereby approve the Statement of Accounts for Cheshire Fire Authority for the year ended 31st March 2025.

Councillor Peter Wheeler
Chair of the Audit Committee, Cheshire Fire Authority.
Date:

Responsibilities of the Treasurer to the Cheshire Fire Authority

The Treasurer 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 of Practice').

In preparing this Statement of Accounts, the Treasurer has ensured that:

- Suitable accounting policies have been selected and applied consistently;
- Judgements and estimates made were reasonable and prudent; and
- The Code of Practice was complied with.

The Treasurer has also:

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

The Treasurer's Certificate

I certify that the Statement of Accounts present a true and fair view of the financial position of Cheshire Fire Authority at the reporting date and its income and expenditure for the year ended 31st March 2025 and that events after this date and prior to the formal approval of the Accounts have been properly considered.

James Cunningham
Treasurer, Cheshire Fire Authority.
Date: 30th June 2025.

EXPENDITURE AND FUNDING ANALYSIS NOTE 2024-25

	As reported for Resource Management £000	Adjust for Earmarked Reserve Movements £000	Net Expenditure Chargeable to the General Fund £000	Adjustments between the Funding and Accounting Basis (a) £000	Net Expenditure Comprehensive Income and Expenditure Statement £000
Firefighting and Rescue operations	35,059	(317)	34,742	(10,154)	24,588
Protection	2,277	191	2,468	(691)	1,777
Prevention	2,529	(176)	2,353	(942)	1,411
Support Services	12,021	(545)	11,476	(1,093)	10,383
UPGs	67	-	67	-	67
Corporate / Finance resources	5,161	3,513	8,674	(7,697)	977
Actuarial pension cost - McCloud Judgement	-	-	-	-	-
Net Cost of Services	**57,114**	**2,666**	**59,780**	**(20,577)**	**39,203**
Net cost of service - 25% share of NWFC	-	-	-	-	-
Other Income & Expenditure	(57,114)	(826)	(57,940)	18,788	(39,151)
Other Income & Expenditure -25% share of NWFC	-	-	-	-	-
(Surplus) or Deficit	**-**	**1,840**	**1,840**	**(1,789)**	**52**
Opening General Fund at 31 March 2024			**(26,016)**		
Less/Plus (Surplus) Deficit on General Fund in Year	**Fire**	1,840			
	NWFC (25%)	-			
			1,840		
Closing General Fund at 31 March 2025			**(24,176)**		

(a) See Note 5, for further details on the adjustments between funding and accounting basis.
This analysis is not a Primary Financial Statement and forms part of the Notes to the Accounts.

EXPENDITURE AND FUNDING ANALYSIS NOTE 2023-24

	As reported for Resource Management £000	Adjust for Earmarked Reserve Movements £000	Net Expenditure Chargeable to the General Fund £000	Adjustments between the Funding and Accounting Basis (a) £000	Net Expenditure Comprehensive Income and Expenditure Statement £000
Firefighting and Rescue operations	31,579	(125)	31,454	(5,731)	25,723
Protection	2,036	24	2,060	(375)	1,685
Prevention	2,393	(21)	2,372	(457)	1,915
Support Services	11,238	229	11,467	(621)	10,846
UPGs	32	-	32	-	32
Corporate / Finance resources	5,663	(630)	5,033	(4,087)	946
Actuarial pension cost - McCloud Judgement	-	-	-	-	-
Net Cost of Services	**52,941**	**(523)**	**52,418**	**(11,271)**	**41,147**
Net cost of service - 25% share of NWFC	-	(1)	(1)	(16)	(17)
Other Income & Expenditure	(52,941)	(814)	(53,755)	19,432	(34,323)
Other Income & Expenditure -25% share of NWFC	-	-	-	(4)	(4)
(Surplus) or Deficit	**-**	**(1,338)**	**(1,338)**	**8,141**	**6,803**
Opening General Fund at 31 March 2023			**(24,678)**		
Less/Plus (Surplus) Deficit on General Fund in Year	**Fire**	(1,337)			
	NWFC (25%)	(1)			
			(1,338)		
Closing General Fund at 31 March 2024			**(26,016)**		

(a) See Note 5, for further details on the adjustments between funding and accounting basis.
This analysis is not a Primary Financial Statement and forms part of the Notes to the Accounts.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2023-24 Gross Expenditure	2023-24 Gross Income	2023-24 Net Expenditure		Note	2024-25 Gross Expenditure	2024-25 Gross Income	2024-25 Net Expenditure
£000	£000	£000		Note	£000	£000	£000
26,206	(483)	**25,723**	Firefighting and Rescue operations		25,080	(492)	**24,588**
1,905	(220)	**1,685**	Protection		1,994	(216)	**1,778**
2,542	(627)	**1,915**	Prevention		2,352	(941)	**1,411**
11,508	(662)	**10,846**	Support Services		11,214	(831)	**10,383**
32	-	**32**	UPGs		67	-	**67**
946	-	**946**	Corporate / Finance resources		1,054	(77)	**977**
43,139	**(1,992)**	**41,147**	**Cheshire Fire Authority - Cost of Services**		**41,761**	**(2,557)**	**39,204**
792	(809)	**(17)**	**North West Fire Control – Cost of Services (25%)**		-	-	**-**
			Other operating expenditure:				
-	-	**-**	(Gains)/losses on the disposal of non-current assets		-	-	**-**
20,066	(737)	**19,329**	Financing & investment income & expenditure	9	20,448	(753)	**19,695**
-	(53,656)	**(53,656)**	Taxation & non-specific grant income & expenditure	9	-	(58,847)	**(58,847)**
-	-	**-**	Taxation (NWFC 25%)	9	-	-	**-**
63,997	**(57,194)**	**6,803**	**(Surplus)/Deficit on Provision of Services**		**62,209**	**(62,157)**	**52**
		5,660	Surplus or deficit on revaluation of property, plant & equipment assets	10			(4,336)
		(2,137)	Remeasurement of the net defined benefit liability/(asset)	32			(46,440)
		3,523	**Other comprehensive income & expenditure**				**(50,776)**
		10,326	**Total Comprehensive Income & Expenditure**				**(50,724)**

MOVEMENT IN RESERVES STATEMENT 2024-25

	General Fund	Resource Centre Mgs	Community Risk Reduction	UPGs	Capital Reserve	**Total General Fund**	(Usable) Capital Receipts	**Total Usable Reserves**	Pensions Reserve	Revaluation Reserve	Collection Fund Adjustment	Accumulated Absences	Capital Adjustment Account	**Total Unusable Reserves**	**Total All Reserves**
	£000	£000	£000	£000	£000	£000	£000	**£000**	£000	£000	£000	£000	£000	**£000**	**£000**
Balance at 1 April 2024	**(3,207)**	**(6,969)**	**(157)**	**(318)**	**(15,366)**	**(26,017)**	**-**	**(26,017)**	**444,783**	**(36,936)**	**32**	**752**	**(47,880)**	**360,751**	**334,734**
Surplus/Deficit on provision of services	52	-	-	-	-	**52**	-	**52**	-	-	-	-	-	**-**	**52**
Other Comprehensive income and expenditure	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	(46,439)	(4,336)	-	-	-	**(50,775)**	**(50,775)**
Total Comprehensive Income & Expenditure	**52**	**-**	**-**	**-**	**-**	**52**	**-**	**52**	**(46,439)**	**(4,336)**	**-**	**-**	**-**	**(50,775)**	**(50,723)**
Adjustments between accounting basis & funding basis under regulations:															
• Depreciation etc.	(4,233)	-	-	-	-	**(4,233)**	**-**	**(4,233)**	-	788	-	-	3,445	**4,233**	**-**
• Gain/loss on disposal	-	-	-	-	-	**-**	**-**	**-**	-	-	-	-	-	**-**	**-**
• Revaluation gain/loss	(557)	-	-	-	-	**(557)**	**-**	**(557)**	-	-	-	-	557	**557**	**-**
• Pension costs	(2,530)	-	-	-	-	**(2,530)**	**-**	**(2,530)**	2,530	-	-	-	-	**2,530**	**-**
• Capital expenditure charged to revenue	7,697	-	-	-	-	**7,697**	**-**	**7,697**	-	-	-	-	(7,697)	**(7,697)**	**-**
• Cash sale proceeds	-	-	-	-	-	**-**	-	**-**	-	-	-	-	-	**-**	**-**
• Use of capital receipts	-	-	-	-	-	**-**	-	**-**	-	-	-	-	-	**-**	**-**
• Use of capital grants	-	-	-	-	-	**-**	-	**-**	-	-	-	-	-	**-**	**-**
• Collection Fund	333	-	-	-	-	**333**	**-**	**333**	-	-	(333)		-	**(333)**	**-**
• Accumulated Absences	(3)	-	-	-	-	**(3)**	**-**	**(3)**	-	-	-	3	-	**3**	**-**
• Statutory provision for the repayment of debt (MRP)	1,082	-	-	-	-	**1,082**	**-**	**1,082**	-	-	-	-	(1,082)	**(1,082)**	**-**
Net increase/decrease before earmarked reserve transfers	**1,841**	**-**	**-**	**-**	**-**	**1,841**	**-**	**1,841**	**(43,909)**	**(3,548)**	**(333)**	**3**	**(4,777)**	**(52,564)**	**(50,723)**
Transfers to/from earmarked reserves	(3,537)	(273)	-	218	3,592	**-**	**-**	**-**	-	-	-	-	-	**-**	**-**
(Increase)/Decrease in year	**(1,696)**	**(273)**	**-**	**218**	**(3,592)**	**1,841**	**-**	**1,841**	**(43,909)**	**(3,548)**	**(333)**	**3**	**(4,777)**	**(52,564)**	**(50,723)**
Balances at 31 March 2025	**(4,903)**	**(7,242)**	**(157)**	**(100)**	**(11,774)**	**(24,176)**	**-**	**(24,176)**	**400,874**	**(40,484)**	**(301)**	**755**	**(52,657)**	**308,187**	**284,011**

MOVEMENT IN RESERVES STATEMENT 2023-24

	General Fund	Resource Centre Mgs	Community Risk Reduction	UPGs	Capital Reserve	**Total General Fund**	(Usable) Capital Receipts	**Total Usable Reserves**	Pensions Reserve	Revaluation Reserve	Collection Fund Adjustment	Accumulated Absences	Capital Adjustment Account	**Total Unusable Reserves**	**Total All Reserves**
	£000	£000	£000	£000	£000	£000	£000	**£000**	£000	£000	£000	£000	£000	**£000**	**£000**
Balance at 1 April 2023	**(2,014)**	**(7,778)**	**(366)**	**(286)**	**(14,233)**	**(24,677)**	**-**	**(24,677)**	**442,078**	**(43,514)**	**(308)**	**689**	**(49,858)**	**349,087**	**324,410**
Surplus/Deficit on provision of services	6,803	-	-	-	-	**6,803**	-	**6,803**	-	-	-	-	-	**-**	**6,803**
Other Comprehensive income and expenditure	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	(2,137)	5,660	-	-	-	**3,523**	**3,523**
Total Comprehensive Income & Expenditure	**6,803**	**-**	**-**	**-**	**-**	**6,803**	**-**	**6,803**	**(2,137)**	**5,660**	**-**	**-**	**-**	**3,523**	**10,326**
Adjustments between accounting basis & funding basis under regulations:															
▪ Depreciation etc.	(4,239)	-	-	-	-	**(4,239)**	**-**	**(4,239)**	-	918	-	-	3,321	**4,239**	**-**
▪ Gain/loss on disposal	-	-	-	-	-	**-**	**-**	**-**	-	-	-	-	-	**-**	**-**
▪ Revaluation gain/loss	(3,481)	-	-	-	-	**(3,481)**	**-**	**(3,481)**	-	-	-	-	3,481	**3,481**	**-**
▪ Pension costs	(4,842)	-	-	-	-	**(4,842)**	**-**	**(4,842)**	4,842	-	-	-	-	**4,842**	**-**
▪ Capital expenditure charged to revenue	4,087	-	-	-	-	**4,087**	**-**	**4,087**	-	-	-	-	(4,087)	**(4,087)**	**-**
▪ Cash sale proceeds	-	-	-	-	-	**-**	-	**-**	-	-	-	-	-	**-**	**-**
▪ Use of capital receipts	-	-	-	-	-	**-**	-	**-**	-	-	-	-	-	**-**	**-**
▪ Use of capital grants	-	-	-	-	-	**-**	-	**-**	-	-	-	-	-	**-**	**-**
▪ Collection Fund	(340)	-	-	-	-	**(340)**	**-**	**(340)**	-	-	340		-	**340**	**-**
▪ Accumulated Absences	(63)	-	-	-	-	**(63)**	**-**	**(63)**	-	-	-	63	-	**63**	**-**
▪ Statutory provision for the repayment of debt (MRP)	737	-	-	-	-	**737**	**-**	**737**	-	-	-	-	(737)	**(737)**	**-**
Net increase/decrease before earmarked reserve transfers	**(1,338)**	**-**	**-**	**-**	**-**	**(1,338)**	**-**	**(1,338)**	**2,705**	**6,578**	**340**	**63**	**1,978**	**11,664**	**10,326**
Transfers to/from earmarked reserves	145	811	209	(32)	(1,133)	**-**	**-**	**-**	-	-	-	-	-	**-**	**-**
(Increase)/Decrease in year	**(1,193)**	**811**	**209**	**(32)**	**(1,133)**	**(1,338)**	**-**	**(1,338)**	**2,705**	**6,578**	**340**	**63**	**1,978**	**11,664**	**10,326**
Balances at 31 March 2024	**(3,207)**	**(6,967)**	**(157)**	**(318)**	**(15,366)**	**(26,015)**	**-**	**(26,015)**	**444,783**	**(36,936)**	**32**	**752**	**(47,880)**	**360,751**	**334,736**

BALANCE SHEET

31 Mar 2024				31 Mar 2025	
£000	£000		Note	£000	£000
101,105		Land and Buildings	10	107,538	
7,000		Vehicles and Equipment	10	7,460	
2,023		Assets under Construction	10	2,285	
192		Intangible Assets	11	192	
	110,320	**Total Long-term Assets**			**117,475**
3,006		Short-term investments	12	5,438	
860		Inventories	14	939	
6,118		Short-term debtors	15	5,202	
3,106		Amount due from pension fund	Pension Fund	956	
-		Assets held for sale	13	912	
7,066		Cash and Cash Equivalents	16	8,554	
	20,156	**Total Current Assets**			**22,001**
	130,476	**Total Assets**			**139,476**
(467)		Short-term Borrowing	12	-	
(8,291)		Short-term Creditors	17	(10,551)	
		Right of Use Asset Lease Liability	31	(185)	
(552)		Provisions	18	(572)	
	(9,310)	**Total Current Liabilities**			**(11,308)**
	121,166	**Total Assets less Current Liabilities**			**128,168**
(11,119)		Long-term borrowing	12	(11,119)	
		Right of Use Asset Lease Liability	31	(187)	
(444,783)		Net Pension Liability (IAS 19)	32	(400,873)	
	(455,902)	**Total Long-term Liabilities**			**(412,179)**
	(334,736)	**Net Assets / (Liabilities)**			**(284,011)**
	(26,015)	**Usable reserves**	19		**(24,176)**
	360,751	**Unusable reserves**	20+32		**308,187**
	334,736	**Total Reserves**			**284,011**

*Under the IAS19 actuarial valuation, the Cheshire Fire Authority's LGPS scheme is reporting a net asset for 2024-25 and 2023-24. In this circumstance IFRIC14 applies which limits the recognition of such an asset unless it meets specific criteria. As a result for 2024-25, £400,873,000 calculated under IAS19 is included in these account*s (net liability of £383,429,000); and *for 2023-24, £444,783,000 calculated under IAS19 is included in these account*s (net liability of £433,981,000).

James Cunningham, Treasurer, Cheshire Fire Authority.
Date: 30th June 2025.

CASH FLOW STATEMENT

2023-24 £000		Note	2024-25 £000
6,803	**Net (surplus)/deficit on the provision of services**	CI&E	**52**
(12,564)	Adjustment to the net (surplus)/deficit on the provision of services for non-cash movements	21	(12,645)
-	Adjustment to for items included in the net (surplus)/deficit on the provision of services that are investing and financing activities	21	(218)
(5,761)	**Net cash flows from Operating Activities**		**(12,811)**
5,337	Investing Activities	21	10,638
426	Financing Activities	21	685
2	**Net (increase)/decrease in cash and cash equivalents**		**(1,488)**
7,068	Cash and Cash Equivalents at the beginning of the reporting period	16	7,066
7,066	Cash and Cash Equivalents at the end of the reporting period	16	8,554
2	**Net (increase)/decrease in cash and cash equivalents**		**(1,488)**

FIREFIGHTER PENSION FUND

2023-24 £000	2023-24 £000		2024-25 £000	2024-25 £000
		Contributions receivable		
		Fire Authority contributions:		
-		1992 Firefighter Pension Scheme	-	
-		2006 Firefighter Pension Scheme [1]	2,453	
(5,458)		2015 Firefighter Pension Scheme	(7,432)	
	(5,458)			(4,979)
	-	Pension abatement costs		-
	-	Actuarial charges for early and ill health retirements		-
	(5,458)			(4,979)
		Firefighters' contributions:		
-		1992 Firefighter Pension Scheme	-	
(32)		2006 Firefighter Pension Scheme [1]	(265)	
(2,451)		2015 Firefighter Pension Scheme	(2,569)	
	(2,483)			(2,834)
	(111)	Transfers in from other pension funds		(175)
	(8,052)	**Total amount receivable**		**(7,987)**
		Benefits payable		
16,572		Pensions	18,109	
3,346		Commutation of pensions and lump sum retirement benefits	3,949	
-		Lump sum death benefits	164	
	19,918	**Total benefits payable**		22,222
	-	Transfers out to other schemes		-
	-	Administrative expenses		-
	19,918	**Total amount payable**		**22,222**
	11,866	(Surplus)/Deficit for the year before 'Top-up' Government grant		14,236
	(11,866)	'Top-up' Government grant		(14,236)
	-	**Net amount for the year**		-

NET ASSETS STATEMENT

31 Mar 24 £000		31 Mar 25 £000
	Current Assets	
3,106	'Top-up' Government grant	956
-	Employee arrears	-
	Current Liabilities	
-	Contributions received in advance	-
-	Benefits outstanding	-
(3,106)	Amount due to General Fund	(956)
-	**Net Assets**	-

Note [1] - these rows include the Modified Firefighter Pension Scheme
For further details please see note 32 on page 79

NOTES TO THE ACCOUNTS

NOTES TO THE ACCOUNTS

1. Accounting Policies

1.1 General Principles

The Statement of Accounts summarises the Authority's transactions for the 2024-25 financial year and its position at the year end of 31st March 2025. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations (England) 2015 which state that accounts need to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25, supported by International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS).

These financial statements have been prepared under the historical cost convention, modified by the revaluation of certain categories of non-current assets and where material, financial instruments as determined by the relevant accounting standard.

In addition, this Statement of Accounts assumes the Fire Authority will continue in operational existence for the foreseeable future under the ‘Going Concern’ concept as a statutory body under legislation.

1.2 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:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods are transferred to the service recipient in accordance with the performance obligations in the contract.
- 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.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure 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 revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Exceptions to this principle are immaterial items of income and expenditure such as cash income and some small elements of employee pay, which are recorded on a receipts and payments basis rather than being apportioned between financial years.

1.3 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in one month or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

1.4 Exceptional Items

When items of income and expenditure are material and exceptional, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the Notes to the Accounts, depending on how significant the items are to the understanding of the Authority’s financial performance.

1.5 Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change, and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature and/or size of the omission or misstatement judged in the surrounding circumstances.

1.6 Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service;
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off;
- Amortisation of intangible fixed assets attributable to the service.

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore, replaced by the contribution in the General Fund Balance [Minimum Revenue Provision (MRP)], by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

1.7 Council Tax and Non-domestic Rates

The four local authorities within Cheshire act as agents, collecting council tax and non-domestic rates on behalf of the major preceptors – including the Fire Authority. The authorities are required by statute to maintain a separate fund (called the Collection Fund) for the collection and distribution of amounts due in respect of council tax and non-domestic rates. Under the legislative framework for the Collection Fund, the local authorities, preceptors (including the Fire Authority) and central Government, share proportionately the risks and rewards should the amount collected be more or less than predicted.

The council tax income included in the Comprehensive Income and Expenditure Statement (CIES) is the Authority's share of the accrued income for the year. However, regulations determine the amount of council tax that must be included in the Authority's General Fund. Therefore, 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 (an unusable reserve) and included as a reconciling item in the Movement of Reserves Statement.

The Balance Sheet includes the Authority's share of the end of year balances held by the four local authorities in respect of council tax and non-domestic rates. It takes into account arrears, impairment allowances for doubtful debts, overpayments and prepayments together with appeals.

Where debtor balances for the above are identified as impaired because of likelihood arising from a past event that payments due under the statutory arrangements will not be made (fixed or determinable payments), the asset is written down and a charge made to the Financing and Investment Income and Expenditure in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

1.8 Employee Benefits

1.8.1. Benefits Payable during Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

1.8.2. Termination Benefits

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

Where 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.

1.8.3. Post-Employment Benefits

Employees of the Authority are entitled to be members of the following pension schemes:

- The Local Government Pension Scheme, administered by Cheshire West and Chester Council
- The Firefighter Pension Scheme (2015)

These schemes provide defined benefits to members (retirement lump sums and pensions) earned as employees work for the Authority.

<u>The Local Government Pension Scheme for non-uniformed staff</u>

All non-uniformed staff, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme, which is administered by Cheshire Pension Fund. The scheme, which is a funded, defined benefit statutory scheme, is administered by Cheshire West and Chester Council in accordance with the Public Service Pensions Act 2013 and applicable Local Government Pension Scheme Regulations.

In 2024-25 the Authority paid an employer's primary rate contribution of 20.1% of employees' pensionable pay into the Cheshire Pension Fund. All pension payments to eligible staff are met from this fund. The attributable assets of the scheme are measured at fair value. Assets are valued at bid value.

Employer contribution rates are reviewed every three years. The last review was undertaken in March 2022 with new rates set from 1st April 2024 at 20.1% and 1st April 2025 at 20.6%. Contributions are set at a level intended to balance pension liabilities with the Authority's share of the Fund's investment assets.

The liabilities of the Local Government Pension Scheme attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method - an assessment of the future payments which will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of earnings by current employees.

Liabilities are discounted to their value at current prices, using a discount rate, based on a "Hymans Robertson" corporate bond yield curve based on the constituents of the iBoxx AA corporate bond index.

The Firefighter Pension Schemes (FPS) for uniformed staff

These are unfunded schemes, meaning that there are no investment assets built up to meet their liabilities. These liabilities now reside in a local pensions fund into which pension contributions are made and from which pensions are paid. An original scheme commenced in 1992. An additional scheme commenced in 2006 and a further Modified version of this scheme commenced in 2014. The current scheme commenced in 2015; with the new Regulations (The Firefighter Pension Scheme (England) Regulations 2014) stating that all current active members will move into the new scheme from 1st April 2015 unless they qualify for protections that allow them to remain in their current scheme.

Part of the transitional arrangements was to provide varying degrees of protection for those members who were within 15 years of normal retirement age. This meant that some members went straight into FPS 2015 from 1st April 2015, whilst others with tapered protection stayed in the legacy scheme (FPS 2006 / FPS 1992) for longer or would remain in the legacy scheme until they retired if they were fully protected.

Following a legal challenge by judges and the Fire Brigade Union, known as the McCloud and Sergeant cases respectively, the courts determined that the transitional arrangements were discriminatory on the grounds of age. It is important to note that it was the transitional arrangements that were discriminatory and not the 2015 scheme itself.

To remove discrimination from the scheme there will be a two-phase approach. This is known as the 'remedy'. The first phase will look to remove any future discrimination. The second phase will look to resolve retrospective discrimination for the period 1st April 2015 to 31st March 2022 – known as the 'remedy period'.

The second phase of remedy to remove retrospective discrimination is still in progress and further legislation and consultation will be needed.

To remove future discrimination and ensure equal treatment, all remaining protected members who are not currently members of FPS 2015 transferred into this scheme on 1st April 2022. The FPS 1992 and FPS 2006 are now closed to future accrual for all members.

All firefighter pension schemes are administered through the Authority's separate pension fund. In 2024-25, the Authority paid an employer's contribution of 37.6% in respect of the 2015 scheme. The balance on the Authority's pension fund is funded by Government grant.

Firefighter Injury Scheme

Under the Firefighter Compensation Scheme (England) Order 2006, a firefighter receives an injury award where they have retired and are permanently disabled because of an injury received in the execution of their duty. Under IAS19 the Authority is required to account for contingent future injury benefits. The liability is based on an estimate of future benefits earned by members, and movements in this liability are treated in the same way as for the Firefighter Pension Schemes.

The impact of these four pension schemes and the Firefighter Injury Scheme is identified in the revenue account and balance sheet.

The change in net pension's liability is analysed into the following components:

a) Service cost comprising:

- Current service cost - the increase in liabilities as a result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- Past service cost - the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
- Net interest on the net defined benefit liability (asset) i.e. net interest expense for the Authority - the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement - 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 liability (asset) at the beginning of the period - taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

b) Re-measurements comprising:

- The return on plan assets - excluding amounts included in net interest on the net defined benefit liability (asset) - 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 - charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

c) Contributions paid to the pension funds

- Cash paid as employer's contributions to the pension funds in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant Accounting Standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement 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. The negative balance that arises 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.

Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.9 Events after the Reporting Period

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

- Those that provide evidence of conditions that existed at the end of the reporting period; the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period; the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.10 Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

The Authority's borrowings presented in the Balance Sheet is the outstanding principal repayable (plus any accrued interest). Interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Authority has a policy of charging the full effect of premiums and discounts to the Comprehensive Income and Expenditure Statement in the year in which they are incurred.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. These three main classes of financial assets are measured at:

- Amortised cost;
- Fair value through profit or loss (FVPL); and
- Fair value through other comprehensive income (FVCOI).

The Authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified at amortised cost.

Financial assets measured at amortised cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument. They are initially measured at fair value and subsequently at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For any loan that the Authority makes, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Expected credit loss model

The authority recognises expected credit losses on all of its financial assets held at amortised at cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Authority.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Fair value through Profit or Loss (FVPL)

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Authority becomes a party to a contractual provision of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- Instruments with quoted market prices – the market price
- Other instruments with fixed and determinable payments – discounted cash flow analysis

For measuring assets and liabilities at fair value, the authority categorises the inputs to valuation techniques into 3 values as follows:

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

1.11 Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- The Authority will comply with the conditions attached to the payments and;
- The grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as Creditors. Where conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

1.12 Heritage Assets

Heritage assets are defined as tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. The Authority does not consider that any of its assets fall into the definition of a Heritage Asset.

1.13 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement with charges commencing in the year of acquisition. An asset is tested for impairment whenever there is an indication that the asset might be impaired - any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore posted out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.14 Interests in Companies and Other Entities (Group Accounts)

The Authority has an interest in North West (NW) Fire Control Limited. Cheshire Fire Authority's 25% share is shown in the accounts. This is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards (IFRS 10, 11 & 12). See note 28 for more details.

During 2015-16 a company limited by guarantee, Safer Cheshire Limited, was established. There was no business activity in 2024-25.

1.15 Inventory (Stock)

Inventory (stock) is included in the Balance Sheet at the lower of cost and net realisable value. The cost is assigned using the First in First out (FIFO) costing formula.

1.16 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

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

The Authority as Lessee:

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset.
Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment; applied to write down the lease liability and;
- A finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Authority at the end of the lease period).

The Authority is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating Leases – IFRS16

In 2024-25, the Authority applied IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability), a right-of-use asset and a lease liability are the be brought into the Balance Sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024-25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- Lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the Authority’s incremental borrowing rate at that date
- A single discount rate has been applied to portfolios of leases with reasonably similar characteristics

- The weighted average of the incremental borrowing rates used to discount liabilities was 5.46%
- Right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any direct costs have been excluded

This has resulted in the following additions to the Balance Sheet:
£566k Vehicle Additions (right-of-use assets)
£187k Non-Current Creditors (lease liabilities)
£185k Current Creditors (lease liabilities)

The newly recognised lease liabilities of £372k compare with the opening lease commitments of £425k at 31 March 2024 disclosed in the notes to the 2023-24 financial statements. When these are discounted to their present value of £394k (using the incremental borrowing rate at 1 April 2024), there is a difference of £22k from the newly recognised lease liabilities. This is explained by the fact that the lease liabilities exclude amounts for leases of low value items and leases that will expire before 31 March 2025.

1.17 Overheads and Support Services

The cost of overheads and support services are charged to the service segments in accordance with the Authority's arrangements for accountability and financial performance.

1.18 Property, Plant and Equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense as it is incurred. The Authority does not treat any expenditure under £10,000 as capital expenditure.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price.
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it was located.

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction - depreciated historical cost.
- Surplus assets – fair value.
- All other assets - current value, determined as the amount that would be paid for the asset in its existing use.

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets have short useful lives and/or low values, depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).

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

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

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

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

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives commencing in the year of acquisition. An exception is made for assets without a determinable useful life (e.g. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- Vehicles, plant and equipment - straight-line allocation over the asset's useful life: appliances 13 to 20 years, and other vehicles and equipment 5 to 15 years, as advised in each case by a suitably qualified officer.

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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

Disposals and Non-Current Assets Held for Sale

When it becomes probable that an asset will be sold it is reclassified as an Asset held for Sale. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets held for Sale.

If assets no longer meet the criteria to be classified as Assets held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts and credited to the Capital Receipts Reserve to be used only for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Capital Receipts Reserve from the General Fund Balance in the Movement in Reserves Statement.

All assets with a net present value of £nil (i.e. fully depreciated) will be reviewed annually and any unsubstantiated assets will be recorded as ‘disposed of or scrapped’.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Componentisation

The Authority is required under International Financial Reporting Standards to recognise the individual components of its non-current assets and depreciate them separately where necessary. The Authority can also apply a de minimis level below which assets are not considered to be material, and has set this level at £2m or approximately 5% of the total carrying value of assets in the Balance Sheet.

The Authority will take components to be significant if they represent at least 20% of the total cost of the asset. However, components only need to be recognised when they have different useful lives and/or depreciation methods.

1.19 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year; where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

Provisions for business efficiency exit packages are charged to the appropriate service line in the Comprehensive Income and Expenditure, in the year that the Authority is committed to the new structure.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

1.20 Reserves

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

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement and employee benefits and do not represent usable resources for the Authority. These reserves are explained in the relevant policies.

1.21 VAT

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

2. Accounting Standards that have been issued but have not yet been adopted

The Code of Practice for Local Authority Accounting in the UK (the Code) requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code. The Code requires an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted for the relevant financial year. The additional disclosures that will be required in the 2023-24 financial statements in respect of accounting changes introduced in the 2024-25 Code are:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020. The amendments:
  - specify that an entity's right to defer settlement must exist at the end of the reporting period
  - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement
  - clarify how lending conditions affect classification, and
  - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.

- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover.

- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:

- assess how supplier finance arrangements affect an entity's liabilities and cash flows, and
- understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

The above changes have no impact on these accounts but will be reviewed during 2024-25 and any amendments required will be clearly shown in the 2024-25 Statement of Accounts.

3. 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 because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet at 31st March 2025 for which there is a significant risk of material adjustments in the forthcoming finance year are set out below.

Item	**Uncertainties**	**Effect if actual results differ from assumptions**
Pension Liability (see Note 32)	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement age, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied for firefighter pensions and Cheshire West & Chester Council provide information on the Local Government Pension Scheme.	The effects on the net pension liability of changes in individual assumptions can be measured. Sensitivity analyses in respect of the Firefighter and Local Government Pension schemes are shown in Note 32, together with the monetary value that would result if they came to fruition.

The sensitivities regarding the principal assumptions used to measure the pension scheme liabilities are shown in Note 32.

4. Events after the Balance Sheet date

The Statement of Accounts was authorised for issue by the Treasurer on the 30th June 2025. Events taking place after this date are not reflected within the financial statements or notes. Where events taking place prior to this date provided information about conditions existing at 31st March 2025, the figures in the financial statements and notes have been adjusted in all material respect to reflect the impact of this information.

5. Supporting information for the Expenditure and Funding Analysis note

Adjustments from General Fund (GF) to arrive at the Comprehensive Income & Expenditure Statement	**Adjustments for Capital Purposes [1]**	**Net Change for the Pensions Adjustments**	**Other Differences [2]**	**Total Adjustments 2024-25**
2024-25	£000	£000	£000	£000
Firefighting & rescue operations	3,777	(13,933)	2	(10,154)
Protection	257	(948)	-	(691)
Prevention	350	(1,292.5)	0.5	(942)
Support Services	406	(1,499.5)	0.5	(1,093)
UPGs	-	-	-	-
Corporate/Finance Resources	(7,697)	-	-	(7,697)
Net cost of services	**(2,907)**	**(17,673)**	**3**	**(20,577)**
NWFC 25%	**-**	**-**	**-**	**-**
Other income & expenditure from the funding analysis	(1,082)	20,203	(333)	18,788
NWFC 25%	**-**	**-**	**-**	**-**
Difference between GF surplus/ deficit and CIES surplus/ deficit	**(3,989)**	**2,530**	**(330)**	**(1,789)**

Note [1] – in general this column contains depreciation, impairment and revaluation gains and losses. It also adjusts for profit/loss on asset disposals and capital grants. There are two items, minimum revenue provision and capital expenditure which are not chargeable under generally accepted accounting practices.

Note [2] – these include the timing differences relating to the cost of outstanding employee leave and variations in the amount chargeable for business rates and council tax under statute and the Code of Practice.

Adjustments from General Fund (GF) to arrive at the Comprehensive Income & Expenditure Statement	**Adjustments for Capital Purposes [1]**	**Net Change for the Pensions Adjustments**	**Other Differences [2]**	**Total Adjustments 2023-24**
2023-24	£000	£000	£000	£000
Firefighting & rescue operations	6,158	(11,939)	50	(5,731)
Protection	403	(781)	3	(375)
Prevention	491	(952)	4	(457)
Support Services	668	(1295)	6	(621)
UPGs	-	-	-	-
Corporate/Finance Resources	(4,087)	-	-	(4,087)
Net cost of services	**3,633**	**(14,967)**	**63**	**(11,271)**
NWFC 25%	**-**	**(16)**	**-**	**(16)**
Other income & expenditure from the funding analysis	(737)	19,828	341	19,432
NWFC 25%	**-**	**(4)**	**-**	**(4)**
Difference between GF surplus/ deficit and CIES surplus/ deficit	**2,896**	**4,841**	**404**	**8,141**

6. Expenditure and Income analysed by nature

2023-24 £000		2024-25 £000	£000
	Expenditure:		
36,189	Employee pay	39,865	
627	Other Employee expenses	672	
539	Pensions	436	
3,627	Premises	3,600	
1,181	Transport	1,133	
4,209	Supplies, Services & other expenses	4,518	
3,864	Agency & Contracted Services	4,261	
4,862	Net change for the Pension adjustments	2,530	
7,961	Capital Charges & Finance Resources	5,034	
150	Members' Allowances	159	
63,209	**Total Expenditure**	**62,208**	
788	25% NWFC expenditure		
63,997	**Total Financial reporting entity Expenditure**		**62,208**
	Income:		
(1,949)	Fees & Other Service Income	(2,537)	
(57)	Sales	(19)	
(733)	Interest	(753)	
(53,646)	Government Grants & local taxation	(58,847)	
(56,385)	**Total Income**	**(62,156)**	
(809)	25% NWFC income		
(57,194)	**Total Financial reporting entity Income**		**(62,156)**
6,803	**Net (surplus)/deficit provisions of services**		**52**

7. Adjustment between Accounting Basis and Funding Basis under regulations

Please refer to the Movement in Reserves Statement for details on the adjustments that are made to the total Comprehensive Income and Expenditure Statement. The adjustments reflect items recognised by the Authority in year in accordance with proper accounting practice and are further analysed in the Expenditure and Funding Analysis on page 22.

8. Movement in Earmarked Reserves

For details on all earmarked reserves and any in-year movement, please refer to the Notes 19 and 20.

9. Notes to the Comprehensive Income and Expenditure Statement

Within the Comprehensive Income and Expenditure Statements there are three summary lines which are explained in more detail within the next two tables.

Financing and Investment Income and Expenditure	2024-25 £000	2023-24 £000
Interest and Investment Income	(753)	(737)
Interest Payable and Similar Charges	245	242
Pension Net Interest	20,203	19,824
Total	**19,695**	**19,329**

Taxation and Non-Specific Grant Income	2024-25 £000	2023-24 £000
Council Tax Income	(35,913)	(34,296)
Non-domestic Rates/Business Rates Retention Scheme	(10,486)	(9,888)
Non-specific Government Grants	(12,448)	(9,472)
Capital Grants and Contributions	-	-
	(58,847)	(53,656)
NWFC – taxation (25%)	-	-
Total	**(58,847)**	**(53,656)**

Note that council tax and non-domestic rates income has been adjusted to reflect the surpluses and deficits on Collection Fund accounts, as reflected in the Movement in Reserves Statement.

10. Property, Plant and Equipment

The following table shows the movement of assets classified as property, plant and equipment including work in progress (WIP).

2024-25	Cheshire Fire Authority					NWFC (25%)			**Financial reporting entity**
	Land & Buildings	Vehicles	Plant & Equipment	Assets Under construction	**CFA Total**	Fixtures & Fittings	Computer equipment	**NWFC Total**	**TOTAL**
Cost or Valuation	£000	£000	£000	£000	**£000**	£000	£000	**£000**	**£000**
At 1 April 2024	101,105	16,023	3,447	2,022	**122,597**	62	163	**225**	**122,822**
Additions	5,101	1,197	-	2,223	**8,521**	-	-	**-**	**8,521**
Revaluations: charged to reserve	1,970	-	-	-	**1,970**	-	-	**-**	**1,970**
Revaluations: charged to CIES	(1,301)	-	-	-	**(1,301)**	-	-	**-**	**(1,301)**
Disposals	-	-	-	-	**-**	-	-	**-**	**-**
Reclassifications	745	385	-	(1,960)	**(830)**	-	-	**-**	**(830)**
At 31 March 2025	107,620	17,605	3,447	2,285	**130,957**	62	163	**225**	**131,182**
Depreciation									
At 1 April 2024	-	(9,686)	(2,797)	-	**(12,483)**	(53)	(158)	**(211)**	**(12,694)**
Charge in year	(3,110)	(975)	(148)	-	**(4,233)**	-	-	**-**	**(4,233)**
Written out to reserve	2,366	-	-	-	**2,366**	-	-	**-**	**2,366**
Written out to CIES	744	-	-	-	**744**	-	-	**-**	**744**
Disposals	-	-	-	-	**-**	-	-	**-**	**-**
Reclassifications	(82)	-	-	-	**(82)**	-	-	**-**	**(82)**
At 31 March 2025	(82)	(10,661)	(2,945)	-	**(13,688)**	(53)	(158)	**(219)**	**(13,899)**
Net Book Value at 1 April 2024	101,105	6,337	650	2,022	**110,114**	9	5	**14**	**110,128**
Net Book Value at 31 March 2025	107,538	6,944	502	2,285	**117,269**	9	5	**14**	**117,283**

The following table shows the movement of assets classified as property, plant and equipment including work in progress (WIP).

2023-24	Cheshire Fire Authority					NWFC (25%)			**Financial reporting entity**
	Land & Buildings	Vehicles	Plant & Equipment	Assets Under construction	**CFA Total**	Fixtures & Fittings	Computer equipment	**NWFC Total**	**TOTAL**
Cost or Valuation	£000	£000	£000	£000	**£000**	£000	£000	**£000**	**£000**
At 1 April 2023	104,263	15,543	3,440	3,627	**126,873**	62	163	**225**	**127,098**
Additions	5,972	545	7	1,960	**8,484**	-	-	**-**	**8,484**
Revaluations: charged to reserve	(8,846)	-	-	-	**(8,846)**	-	-	**-**	**(8,846)**
Revaluations: charged to CIES	(3,507)	-	-	-	**(3,507)**	-	-	**-**	**(3,507)**
Disposals	-	(407)	-	-	**(407)**	-	-	**-**	**(407)**
Reclassifications	3,223	342	-	(3,565)	**-**	-	-	**-**	**-**
At 31 March 2024	101,105	16,023	3,447	2,022	**122,597**	62	163	**225**	**122,822**
Depreciation									
At 1 April 2023	-	(9,229)	(2,634)	-	**(11,863)**	(53)	(150)	**(203)**	**(12,066)**
Charge in year	(3,212)	(864)	(163)	-	**(4,239)**	-	(8)	**(8)**	**(4,247)**
Written out to reserve	3,186	-	-	-	**3,186**	-	-	**-**	**3,186**
Written out to CIES	26	-	-	-	**26**	-	-	**-**	**26**
Disposals	-	407	-	-	**407**	-	-	**-**	**407**
Reclassifications	-	-	-	-	**-**	-	-	**-**	**-**
At 31 March 2024	-	(9,686)	(2,797)	-	**(12,483)**	(53)	(158)	**(211)**	**(12,694)**
Net Book Value at 1 April 2023	104,263	6,314	806	3,627	**115,010**	9	13	**22**	**115,032**
Net Book Value at 31 March 2024	101,105	6,337	650	2,022	**110,114**	9	5	**14**	**110,128**

Revaluations
Property (land and buildings) assets included in the Balance Sheet are revalued in detail every five years. The Fire Authority's property portfolio had a full valuation on 31st March 2023, prepared by Martin Wilson BSc (Hons) MRICS who was awarded the Certificate in Asset Valuation by CIPFA in March 2017 with assistance from Hardeep Saini BSc (Hons). The valuation was supervised by Ian S Pitt BSc (Hons) FRICS IRRV (Hons), Partner and Head of the Valuation Faculty within Bruton Knowles.

The valuation for 31st March 2025 has been carried out by a RCIS registered valuer, acting in the capacity of an external valuer, who has the appropriate knowledge and skills and understanding necessary to undertake the valuation competently and is in a position to provide an objective and unbiased valuation.

The responsible valuers were Sarah Nicholas B.Sc. (Hons) PGDIP MRICS, RICS Registered Valuer and Associate and Helen McLeod-Baikie BSc (Hons) MRICS IRRV (Hons) RICS Registered Valuer, who is the Head of Public Sector Valuations and Senior Associate within the Valuation Faculty. The report has been reviewed by Ian Pitt BSc (Hons) FRICS IRRV (Hons), RICS Registered Valuer, Partner and Head of the Valuation Faculty.

The valuations have been made for capital accounting purposes in accordance with International Financial Reporting Standards (IFRS) as applied to the United Kingdom (UK) public sector and interpreted by the current Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Local Authority Accounting.
The valuations have been prepared in accordance with the professional standards of the Royal Institution of Chartered Surveyors (RICS): RICS Valuation — Global Standards and RICS UK National Supplement, commonly known together as the Red Book, in so far as they are consistent with the IFRS standards and CIPFA interpretation. RICS UK VPGA 4 refers and requires that valuations for financial reporting purposes of properties forming part of the estate of a local authority body are undertaken in accordance with the CIPFA Code Of Practice.
Compliance with the RICS professional standards and valuation practice statements gives assurance also of compliance with the International Valuations Standards (IVS).
Unless otherwise stated, the assumption has been made that the properties valued will continue to be in the occupation of the Local Authority for the foreseeable future having regard to the prospect and viability of the continuance of that occupation.

The basis of the valuations is as follows:

- Day Crewed housing/ residential properties – Existing Use Value
- Fire Stations. Training Centre and Safety Centre – Depreciated Replacement Cost
- Surplus Assets – Fair Value

Surplus assets, measured for their economic benefits at fair value under IFRS13 – Fair Value Measurement. The Authority holds just over two acres of land next to Hallwood Link Road, Runcorn that it has deemed as a surplus asset. It is valued at £0.385m at 31st March 2025 (£0.385m March 2024). The Authority is in the process of selling surplus houses at Stockton Heath, currently 3 are listed for sale at the year end.

Other non-current assets are valued at depreciated historical cost in line with the Authority's accounting policies.

Capital Commitments

At 31st March 2025, the Authority had capital commitments of £0.961m (31st March 2024 £3.068m).

There was ongoing station modernisation work at Winsford at 2024-25 year end; as well as preparation work for the next phase of the programme at Frodsham.

The appliance replacement programme had two new specialist pumping appliances in the build phase at 31st March 2025, with delivery anticipated in August 2025.

These commitments are detailed as follows:	**31 March 25**	**31 March 24**
	£000	**£000**
Fire Station Modernisation programme	483	2,691
Appliance replacement programme	259	370
Specialist and support vehicles / equipment	219	7
Total capital commitments	961	3,068

11. Intangible Assets

The Authority accounts for software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item in plant and equipment. The intangible assets reflect the purchased software and licences.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. The useful lives generally assigned to the major software suites used by the Authority is five years. The movement on intangible assets during the year is as follows:

	2024-25			2023-24		
	CFA	NWFC (25%)	Total	CFA	NWFC (25%)	Total
	£000	£000	£000	£000	£000	£000
Carrying Amount						
Balance at start of year	192	1,043	**1,235**	192	1,004	**1,196**
Reclassification	-	-	-	-	-	**-**
Additions	-	-	-	-	39	**39**
Disposals	-	-	**-**	-	-	**-**
Balance at end of year	192	1,043	**1,235**	192	1,043	**1,235**
Amortisation						
Balance at start of year	(192)	(851)	**(1,043)**	(192)	(701)	**(893)**
Charge for the year	-	-	**-**	-	(150)	**(150)**
Disposals	-	-	**-**	-	-	**-**
Balance at end of year	(192)	(851)	**(1,043)**	(192)	(851)	**(1,043)**
Net Book Value at 1 April	-	192	**192**	-	303	**303**
Net Book Value at 31 March	-	192	**192**	-	192	**192**

12. 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”. The term ‘financial instrument’ covers both financial assets and liabilities. These range from straightforward debtors and creditors to more complex investments and borrowings. The following categories of financial instruments are carried in the Balance Sheet; current is deemed to be under one year and long-term over one year.

	Long-term		Current	
	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000
Investments				
- Investments	-	-	5,438	3,006
- Imprest and cash	-	-	8,554	7,066
Total Investments	**-**	**-**	**13,992**	**10,072**
Debtors				
- Debtors at amortised costs	-	-	737	1,017
- Plus items not classed as Financial Instruments	-	-	4,465	5,101
Total Debtors	-	-	**5,202**	**6,118**
Borrowings				
Financial Liabilities at amortised costs				
- PWLB	(11,119)	(11,119)	-	(467)
Total Borrowings	**(11,119)**	**(11,119)**	**-**	**(467)**
Creditors				
- Financial liabilities at amortised costs	-	-	(3,397)	(3,270)
- Plus items not classed as Financial Instruments	-	-	(7,154)	(5,021)
Total Creditors	-	-	**(10,551)**	**(8,291)**

Income, Expense, Gains and Losses

	Financial Liabilities at amortised costs	Financial Assets; Loans and Receivables	TOTAL
2024-25	£000	£000	£000
Interest Expense	(245)	-	(245)
Impairment losses (bad debt provision)	-	3	3
Total expense in Surplus/Deficit on the Provision of Services	**(245)**	**3**	**(242)**
Interest Income	-	753	753
Total income in Surplus/Deficit on the Provision of Services	**-**	**753**	**753**
Net Gain/(Loss) for the year	**(245)**	**756**	**511**
2023-24			
Interest Expense	(242)	-	(242)
Impairment losses (bad debt provision)	-	3	3
Total expense in Surplus/Deficit on the Provision of Services	**(242)**	**3**	**(239)**
Interest Income	-	741	741
Total income in Surplus/Deficit on the Provision of Services	**-**	**741**	**741**
Net Gain/(Loss) for the year	**(242)**	**744**	**502**

Fair Values of Assets and Liabilities

Financial assets and liabilities represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present values of the cash flows that will take place of the remaining term of the instrument, making the following assumptions:

- For PWLB, interest rates prevailing at 31st March 2025;
- No early repayment or impairment is recognised;
- Where an instrument will mature in the next 12 months, the carrying amount is assumed to be an approximate to fair value; and
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

	31 March 2025		31 March 2024	
Financial Liabilities	**Carrying Amount £000**	**Fair Value £000**	**Carrying Amount £000**	**Fair Value £000**
PWLB	(11,119)	(4,054)	(11,586)	(5,127)
TOTAL	**(11,119)**	**(4,054)**	**(11,586)**	**(5,127)**

Short-term debtors and creditors are carried at cost with bank deposits and short-term investments also carried at cost as this is deemed a fair approximation of their value.

The Authority's activities in relation to financial instruments expose it to a variety of financial risks:

- Credit Risk – the possibility that other parties might fail to pay amounts due to the Authority.
- Liquidity Risk – the possibility that the Authority might not have funds available to meet its commitments and payments.
- Re-financing Risk – the possibility that the Authority might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- Market Risk – the possibility that financial loss might arise for the Authority as a result of changes in measures such as interest rates, foreign exchange rates or stock market movements.

The Treasury Management Strategy is approved annually by the Fire Authority when it approves the budget. It includes a section on risks associated with Treasury Management and identifies the Head of Finance and Treasurer as being responsible for managing them. The overarching principle is to seek to maximise financial benefit from Treasury Management activities within a control framework which mitigate against the high risk attached to these activities. The Authority's principal objectives for investments are security first, liquidity next and finally yield.

Credit Risk

Credit Risk arises from deposits with banks and financial institutions as well as credit exposure to the Authority's customers. This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit

Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category. It imposes a maximum sum of £10.0m to be invested at any one time with any single institution or group.

The Fire Authority uses the creditworthiness service provided by MUFG Corporate Markets. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard & Poor's, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- credit watches and credit outlooks from credit rating agencies
- credit Default Swaps to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

This modelling approach combines credit ratings, credit watches and credit overlooks in a weighted scoring system, which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative standing of counterparties. These colour codes are used by the Authority to determine the suggested duration of investments.

As this methodology uses a wide range of information beyond basic credit ratings, it ensures that no one source of information is given undue credence. All ratings and colour codes are monitored weekly via Link's credit listings and in-between via business press.

Customers of goods and services are assessed taking into account their financial position, past experience and other factors to produce an individual credit limit in accordance with the parameters set by the Authority.

The Authority's maximum exposure to credit risk in relation to its investments in banks and building societies of £5.4m (2023-24 £3.0m) cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each institution. Recent experience has shown that it is rare for such organisations to be unable to meet their commitments. A risk of non-recovery applies to all of the Authority's deposits but no evidence exists at 31st March 2025 to indicate any material likelihood of this occurring.

The following analysis summarises the Authority's potential maximum exposure to credit risk on other financial assets based on historic experience of default and non-collection and demonstrates that the risk is clearly not material at 31st March 2025:

	Amount at 31/03/2025 £000 **A**	Historical Risk of Default at 31/03/2025 % **B**	Estimated maximum exposure to default and uncollectability at 31/03/2025 £000 **(A x B)**
Deposits with banks and financial institutions	5,438	0.002	0.109

During 2024-25, there were no breaches of the approved credit limits set within the Annual Investment Strategy. The Authority does not expect any losses from non-performance by any of its counter-parties in relation to deposits but continues to invest in a prudent manner.
The Authority does not generally allow credit for customers.

The level of debt held which is past its due date is analysed by age as follows:

Analysis of the Fire Authority's system debtors	31 March 2025 £000	31 March 2024 £000
Less than three months	164	202
Three to six months	-	-
Six months to one year	5	2
More than one year	9	15
TOTAL	**178**	**219**

Liquidity Risk

The Authority has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected cash demands occur the Authority has ready access to borrowings from the money markets and the Public Works Loan Board (PWLB). There is no significant risk that it will be unable to raise the necessary funding to meet its commitments under financial instruments. Instead the risk is that the Authority will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates.

The Authority set limits on the proportion of it fixed rate borrowing maturing during specified periods. The maturity analysis of the current financial liabilities is as follows:

	31 March 2025 £000	31 March 2024 £000
Less than one year	-	467
Between one and two years	119	-
Between two and five years	-	119
Between five and ten years	-	-
Between ten and fifteen years	-	-
Between fifteen and twenty years	-	-
More than twenty years	11,000	11,000
TOTAL	**11,119**	**11,586**

The analysis above shows PWLB borrowing. The Authority has taken out no new loans in 2024-25. Two new loans with PWLB were taken out during 2021-22, £4m that matures in 2069-70 and £3m maturing in 2071-72. In 2020-21, the Authority took out a new loan with PWLB for £4m which matures in 2070-71.

At the end of 2024-25 a PWLB loan for £467k matured and was repaid. At the end of 2023-24 a PWLB loan for £426k matured and was repaid.

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

Market Risk

If interest rates had been 1% higher (with all other variables held constant), the financial effect would have been as follows:

	2024-25
	£000
Daily average investment balance (average rate of interest 5.16%)	14,416
Additional interest assuming such rates were 1% higher than actual	144
Decrease in fair value of fixed rate borrowing liabilities (no impact on CIES)	919

The Authority aimed to minimise interest rate risk by working with its Treasury Management advisers during 2024-25, MUFG Corporate Markets, to agree a strategy in relation to investment and debt portfolios, which is reflected within the overall Treasury Management Strategy. The Authority's policy is to maximise the percentage of borrowings and investments at fixed rates as this provides cost certainty for budget purposes, especially in the current economic climate. In addition, the Authority has relatively small portfolios of loans and investments, which makes it more difficult to offset risk through a mixed portfolio.

The Authority does not have any investment in equity shares and is therefore, not exposed to price risk. The Authority has very low levels of transactions in foreign currencies and therefore has minimal exposure to exchange rate risk.

13. Assets held for sale (AHFS)

On 31st March 2025, there were three houses at Stockton Heath held as assets held for sale. On 31st March 2024, there was no assets held for sale.

	2024-25		2023-24	
Cost or Valuation	£000	£000	£000	£000
At 1 April		-		-
Newly classified as AHFS:				
• Property, Plant and Equipment	912		-	
• Other Assets	-	-	-	-
		912		-
Revaluations gains/(losses)		-		-
Impairment losses		-		-
Assets sold		-		-
At 31 March 2025		**912**		**-**

14. Inventories

2024-25	Workshops	Uniform	Firefighters & General	**TOTAL**
	£000	£000	£000	£000
Balance at 1 April 2024	75	681	104	860
Purchases in year	45	533	240	818
Distributed in year (expended)	(53)	(470)	(249)	(772)
Write-off in year	-	40	(7)	33
Balance at 31 March 2025	**67**	**784**	**88**	**939**

2023-24	Workshops	Uniform	Firefighters & General	**TOTAL**
	£000	£000	£000	£000
Balance at 1 April 2023	76	687	97	860
Purchases in year	35	486	231	752
Distributed in year (expended)	(36)	(492)	(224)	(752)
Write-off in year	-	-	-	-
Balance at 31 March 2024	**75**	**681**	**104**	**860**

15. Debtors (Amounts due to the Authority)

	31 Mar 25	31 Mar 24
	£000	£000
Central Government bodies	1,097	922
Other Local Authorities	807	686
NHS bodies	8	11
Other Entities and Individuals	847	2,310
Princes Trust related debtors	193	302
Collection Fund – Council Tax payers	1,763	1,394
Collection Fund – Business Rate payers	251	257
Total for Cheshire Fire	**4,966**	**5,882**
Cheshire Fire share of NWFC debtors (25%)*	*236*	236
Financial reporting entity Total	**5,202**	**6,118**

**This figure has not been updated to include the 2024-25 draft accounts as these were not available at the time of publication.*

16. Cash and Cash Equivalents

	31 Mar 25 £000	31 Mar 24 £000
Cash held by the Authority	29	31
Bank Current Accounts	8,466	6,976
Total for Cheshire Fire	**8,495**	**7,007**
Cheshire Fire share of NWFC cash (25%)*	*59*	59
Financial reporting entity Total	**8,554**	**7,066**

**This figure has not been updated to include the 2024-25 draft accounts as these were not available at the time of publication.*

17. Creditors (Amounts payable by the Authority)

	31 Mar 25 £000	31 Mar 24 £000
Central Government bodies	(4,046)	(2,343)
Other Local Authorities	(1,136)	(1,365)
Other Entities and Individuals	(3,837)	(3,292)
Collection Fund – Council Tax payers	(1,000)	(713)
Collection Fund – Business Rate payers	(120)	(166)
Total for Cheshire Fire	**(10,139)**	**(7,879)**
Cheshire Fire share of NWFC creditors (25%)*	*(412)*	(412)
Financial reporting entity Total	**(10,551)**	**(8,291)**

**This figure has not been updated to include the 2024-25 draft accounts as these were not available at the time of publication.*

18. Provisions

The Authority is subject to the fluctuations of the business rates collection funds of the four unitary councils in Cheshire. A provision has been created to reflect the likely costs of a deficit on the funds and the Authority's share of the cost of business rate appeals.

	Collection Fund £000	Total provision £000
Balance as at 1 April 2024	(552)	(552)
Additions to provision in year	(572)	(572)
Amounts used in year	-	-
Reduction to provision in year	552	552
Balance as at 31 March 2025	**(572)**	**(572)**

19. Usable Reserves

Usable reserves are those reserves that can be used to fund general expenditure or reduce local taxation. Usable reserves held by the Authority are set out below.

	31 Mar 25 £000	31 Mar 24 £000	31 Mar 23 £000
General Fund	(4,817)	(3,118)	(1,926)
Capital Receipts	-	-	-
Earmarked Reserves			
- Resource Centre Managers	(7,240)	(6,967)	(7,778)
- Community Risk Reductions	(157)	(157)	(366)
- Unitary Performance Groups	(100)	(318)	(286)
Capital Reserve	(11,773)	(15,366)	(14,233)
TOTAL	**(24,087)**	**(25,926)**	**(24,589)**
NWFC (25%) general fund balance*	*(89)*	(89)	(88)
Financial reporting entity Total	**(24,176)**	**(26,015)**	**(24,677)**

**This figure has not been updated to include the 2024-25 draft accounts as these were not available at the time of publication.*

General Fund: The general fund represents resources available to meet the potential financial consequences of the Authority's risk profile and other unforeseen circumstances. On a separate line, 25% of North West Fire Control Ltd is also shown.

Capital Receipts: Capital receipts holds the proceeds from the sale of fixed assets and can only be used to fund capital expenditure or repay debt.

Resource Centre Managers: This earmarked reserve is set aside to meet future identified commitments within the respective Resource Managers' areas.

Community Risk Reduction: This funding has been earmarked to support the cost of the Authority's home safety assessments and other community safety activities.

Unitary Performance Groups: This earmarked reserve is set aside for facilitating partner engagement in community safety activities.

Capital Reserve: This reserve is earmarked to fund future capital expenditure.

20. Unusable Reserves

The Authority also holds unusable reserves (technical accounting adjustment accounts reflecting the difference between the outcome of applying proper accounting practices and the statutory requirements for funding expenditure within the public sector). This note shows the movements in year.

	31 Mar 25 £000	31 Mar 24 £000	31 Mar 23 £000
Revaluation Reserve	(40,483)	(36,936)	(43,514)
Capital Adjustment Account	(52,657)	(47,880)	(49,858)
Pensions Reserve	400,873	444,783	442,078
Collection Fund Adjustment Account	(301)	32	(308)
Accumulated Absences Account	755	752	689
TOTAL	**308,187**	**360,751**	**349,087**

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its non-current assets. The balance is reduced when assets with accumulated gains are:

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

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

Revaluation Reserve	**2024-25 £000**	**2023-24 £000**
Balance at 1 April	(36,936)	(43,514)
Upward revaluation of assets	(7,465)	(3,074)
Downward revaluation of assets and impairment losses	3,129	8,734
Difference between fair value depreciation & historical cost depreciation	788	918
Balance at 31 March	**(40,484)**	**(36,936)**

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs 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 subsequent costs.

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

Capital Adjustment Account	**2024-25 £000**	**2023-24 £000**
Balance at 1 April	(47,880)	(49,858)
Charges for depreciation and impairment on non-current assets	4,232	4,239
Revaluation gains /(losses) on property, plant and equipment	557	3,481
Amortisation of intangible assets	-	-
Impact of disposal or sale of non-current assets	-	-
Adjusting amounts written out of the revaluation reserve	(788)	(918)
	(43,879)	(43,056)
Capital financing – charged against the General Fund	(7,697)	(4,087)
Capital financing – funding from Capital Grants and Contributions	-	-
Capital financing – charged against Capital Receipts	-	-
Capital financing – charged against Capital Grants – unapplied	-	-
Statutory provision for financing of capital expenditure (MRP)	(1,082)	(737)
Balance at 31 March	**(52,658)**	**(47,880)**

Pensions Reserve

The Pensions 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 pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

Pensions Reserve	**2024-25 £000**	**2023-24 £000**
Balance at 1 April	444,783	442,078
Re-measurement of the net defined benefit liability/(asset)	(46,439)	(2,137)
Reversal of pension accounting entries in the CIES	23,623	23,377
Employer’s pension contributions and payments to pensioners in year	(21,093)	(18,535)
Balance at 31 March	**400,874**	**444,783**

Collection Fund Adjustment Account

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

Collection Fund Adjustment Account	**2024-25 £000**	**2023-24 £000**
Balance at 1 April	32	(308)
Amount by which the council tax and non-domestic rates income credited to the CIES is different to the income calculated under statute.	(333)	340
Balance at 31 March	**(301)**	**32**

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31st March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the Account.

Accumulated Absences Account	**2024-25 £000**	**2023-24 £000**
Balance at 1 April	752	689
Settlement or cancellation of accrual made at the end of the preceding year	(752)	(689)
Amounts accrued at the end of the current year	755	752
Balance at 31 March	**755**	**752**

21. Notes to the Cash Flow Statement

Cash Flow Statement - Operating Activities - adjustment for non-cash movements charged to the net (surplus)/deficit on the provision of services:

	2024-25 £000	**2023-24 £000**
Depreciation	(4,233)	(4,247)
Impairment and downward revaluation	(557)	(3,481)
Amortisation	-	(150)
Movement in impairment provision for bad debts	(3)	(3)
Movement in creditors	(2,315)	(1,157)
Movement in debtors	(917)	125
Movement in amount due from pension fund	(2,150)	1,099
Movement in stock/inventories	80	-
Movement in pension liability	(2,530)	(4,842)
Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	-	-
Other non-cash items charged to the net surplus or deficit on the provision of services	(20)	92
Total adjustment for non-cash movements	**(12,645)**	**(12,564)**

The cash flows for operating activities include the following items:	2024-25 £000	2023-24 £000
Interest received	753	737
Interest paid	(221)	(242)

Cash Flow Statement - Investment Activities

	2024-25 £000	2023-24 £000
Purchase of non-current assets	8,207	8,343
Purchase of short-term and long-term investments	85,741	29,994
Proceeds from sale of non-current assets	-	-
Proceeds from short-term and long-term investments	(83,310)	(33,000)
Other receipts from investing activities	-	-
Net cash flows from investing activities	**10,638**	**5,337**

Cash Flow Statement - Financing Activities

	2024-25 £000	2023-24 £000
Cash receipts of short-term and long-term borrowing	-	-
Cash payments for the reduction of the outstanding liabilities relating to right of use assets	218	-
Repayment of short-term and long-term borrowing	467	426
Net cash flows from financing activities	**685**	**426**

Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities:

	2024-25 £000	2023-24 £000
Reverse - Other receipts from investing activities	-	-
Reverse - Proceeds from sale of non-current assets	-	-
Reverse - Cash payments for the reduction of the outstanding liabilities relating to right of use assets	(218)	-
Total	**(218)**	**-**

22. Members’ Allowances

The Authority paid the following amounts to Members during the year:

	2024-25 £000	2023-24 £000
Members' allowances	162	153
Travel and subsistence, training and conferences	13	13
Total	**175**	**166**

23. Officers' Remuneration

Officers' Remuneration	Dates in Post	*Gross Annual Salary (a)*	Salary and Allowances	Benefits in kind (b)	Compensation for loss of office	Pension Contribution	Total
2024-25		**£**	**£**	**£**	**£**	**£**	**£**
Chief Fire Officer and Chief Executive Alex Waller	Full year	*187,159*	190,419	-	-	68,834	259,253
Deputy Chief Fire Officer Lee Shears	Full year	*149,727*	152,969	1,504	-	55,068	209,541
Assistant Chief Fire Officer Neil Griffiths	Full year	*140,369*	143,376	1,239	-	51,626	196,241
Director of Governance and Commissioning (d)	Full year	*110,217*	55,109	-	-	11,077	66,186
Head of Finance and Treasurer (Section 151 Officer)	Full year	*79,671*	79,231	-	-	15,925	95,156
Total 2024-25			**621,104**	**2,743**	**-**	**202,530**	**826,377**

Notes:
a) Gross annualised salary is not the actual salary paid during 2024-25, it represents the gross full time equivalent salary applicable to the post at 31st March, or when the person left post if earlier.
b) Benefits in kind consist of taxable benefits relating to car lease and car allowance payments.
c) All members of the Leadership Team above are excluded from the remuneration banding figures shown two pages on.
d) Director of Governance and Commissioning post and post holder reduced from 1.0FTE to 0.5FTE on the 1st August 2022.

Officers' Remuneration	**Dates in Post**	***Gross Annual Salary (a)***	**Salary and Allowances**	**Benefits in kind (b)**	**Compensation for loss of office**	**Pension Contribution**	**Total**
2023-24		**£**	**£**	**£**	**£**	**£**	**£**
Former Chief Fire Officer and Chief Executive. Mark Cashin	Retired 30/09/2022	-	5,070	-	-	1,460	6,530
Chief Fire Officer and Chief Executive Alex Waller	Full year	*181,707*	182,312	-	-	52,199	234,511
Deputy Chief Fire Officer	01/05/2023-31/03/2024	*145,366*	126,811	5,304	-	36,521	168,636
Assistant Chief Fire Officer	01/04/2023-30/04/2023	*127,222*	14,540	482	-	2,043	17,065
Former Assistant Chief Fire Officer	Retired 30/11/2022	-	4,647	-	-	973	5,620
Assistant Chief Fire Officer	Full year	*136,281*	132,483	1,239	-	36,282	170,004
Director of Governance and Commissioning (e)	Full year	*107,529*	56,453	-	-	11,078	67,531
Director of Transformation	01/04/2023-23/07/2023	*86,078*	26,842	-	94,426	214,321	335,589
Treasurer (Section 151 Officer)	01/04/2023-28/02/2024	*65,249*	49,855	-	24,777	9,476	84,108
Head of Finance and Treasurer (Section 151 Officer)	02/01/2024-31/03/2024	*76,010*	18,798	-	-	3,684	22,482
Total 2023-24			**617,811**	**7,025**	**119,203**	**368,037**	**1,112,076**

Notes:

a) Gross annualised salary is not the actual salary paid during 2023-24, it represents the gross full time equivalent salary applicable to the post at 31st March, or when the person left post if earlier.

b) Benefits in kind consist of taxable benefits relating to car lease and car allowance payments.

c) All members of the Leadership Team above are excluded from the remuneration banding figures shown two pages on.

d) The Brigade Manager's pay award for January 2022 and January 2023 was agreed in May 2023, back pay went through shortly after including officers who had retired in 2022.

e) Director of Governance and Commissioning post and post holder reduced from 1.0FTE to 0.5FTE on the 1st August 2022.

Of the Authority's remaining employees, the following numbers received more than £50,000 remuneration for the year (excluding employer's pension contributions):

Remuneration Band	No of Employees 2024-25	2023-24
£50,000 - £54,999	37	34
£55,000 - £59,999	32	25
£60,000 - £64,999	17	18
£65,000 - £69,999	10	9
£70,000 - £74,999	8	7
£75,000 - £79,999	8	4
£80,000 - £84,999	3	1
£85,000 - £89,999	1	3
£90,000 - £94,999	2	

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

Exit package cost band (including special payments)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band £
2024-25				
£0 - £20,000		29	29	74,950
£20,000-£40,000				
£300,000-£350,000				
Total		**29**	**29**	**74,950**
Amounts provided for in CI&E in 2024-25 to be released in 2025-26				
Total cost included in 2024-25 CI&E Statement				
2023-24				
£0 - £20,000	-	3	3	7,640
£20,000-£40,000	-	1	1	24,777
£300,000-£350,000	-	1	1	303,486
Total	**-**	**5**	**5**	**335,903**
Amounts provided for in CI&E in 2023-24 to be released in 2024-25			-	-
Total cost included in 2023-24 CI&E Statement				**-**

24. Termination Benefits

During 2024-25 the Community Risk management plan introduced a number of changes to the duty systems, on-call firefighters at Stockton Heath, Runcorn, Northwich, Winsford and Knutsford, were offered the option of migrating to the wholetime duty system, re-locate to another on-call station or accept redundancy.

During 2023-24 three on-call firefighters received small termination benefits following the crewing changes at Wilmslow Fire station in April 2023, meaning no wholly on-call staff are required there anymore.

A further redundancy followed one of the teams coming out of the blue light collaboration arrangement with Cheshire Constabulary. The last redundancy was part of the review of the senior leadership team, following a paper going to and approved by the Fire Authority at the meeting in December 2020.

See Note 23 for the number of exit packages and total cost per band.

25. External Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Authority's external auditors:

		2025-26	**2024-25**	**2023-24**	**2022-23**
		£000	**£000**	**£000**	**£000**
Fees payable to **Grant Thornton** with regard to external audit services carried out by the appointed auditor for the year.	2022-23	-	17	7	28
Total paid/ to be paid in financial year		-	17	7	40
		2025-26	**2024-25**	**2023-24**	**2022-23**
		£000	**£000**	**£000**	**£000**
Fees payable to **Bishop Fleming** with regard to external audit services carried out by the appointed auditor for the year.	2023-24	6	98	-	-
	2024-25	50	50	-	-
Total paid/ to be paid in financial year		56	148	-	-

Shown in the 2024-25 column are additional variation fees of £17,300 for 2022-23 from Grant Thornton but invoiced and paid in 2024-25.

Bishop Fleming fees for 2023-24 are shown in the 2024-25 and 2025-26 as no work or payments were completed during 2023-24.

Bishop Fleming fees for the 23-24 accounts were £104k, and are currently a proposed £100k for 2024-25 work, plus fees for the implementation of IFRS16.

26. Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement during the year:

	2024-25 £000	2023-24 £000
Credited to Taxation and Non-Specific Grant Income and Expenditure		
Revenue Support Grant	(6,962)	(4,556)
Business rates - central government top up grant	(5,562)	(5,288)
Business rates - levy account surplus	(79)	(79)
S31 grant - Business rates / NDR	(2,783)	(2,409)
Local council tax support grant	(66)	(383)
Funding Guarantee grant	(880)	-
Transparency grant	(8)	(8)
Fire Pension grant	(1,623)	(2,104)
Covid-19 emergency funding / NHS support grant	-	-
Tax income guarantee/ compensation scheme	-	-
	(17,963)	**(14,827)**
Credited to Services		
Fire Revenue Grant - New Dimensions Fund	(7)	(7)
Fire Revenue Grant - FireLink	(65)	(98)
Protection Uplift Programme	(145)	(167)
Redmond review – local audit costs	(13)	(12)
Pension Admin Grant	(114)	-
Apprenticeship Levy	(180)	(191)
Donations	-	(8)
Other contributions	-	(40)
	(524)	**(523)**

27. Related Parties

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

Central Government

Central Government has significant influence over the general operations of the Authority - it is responsible for providing the statutory framework within which the Authority operates, provides a substantial part of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties.

Grants received from Government Departments are set out in note 26, Grant Income.

The Authority has utilised the borrowing facilities operated by the Debt Management Office (PWLB loans).

Members

Members of the Authority have direct control over the Authority's financial and operating policies. The total of members' allowances paid in the year is shown in Note 22 (Members' Allowances). There were no transactions during the year in which members were required to declare an interest.

Officers

Alex Waller, the Chief Fire Officer and Chief Executive of Cheshire Fire and Rescue Service, became a Director of Fire and Rescue Indemnity Company (FRIC) on 10th June 2021. This is a mutual set up, and now working on behalf of fourteen organisations. For more information see note 29.

He is also a Trustee for 'Classroom in the Clouds' (Charity no. 1170522). CFO Waller has been integral in supporting the work of the Cheshire Fire Cadets and Fire Apprentices who have been magnificent in raising money to build many classrooms in Nepal.

There were no other transactions during the year in which officers were required to declare an interest.

Entities Controlled or Significantly Influenced by the Authority

The Authority was one of four Fire and Rescue Authorities that together set up NW Fire Control Limited (NWFC). NWFC is a company limited by guarantee, which was incorporated in July 2007 and was established to operate a Regional Control Centre with the responsibility for Fire and Rescue Service mobilisation for the North West region. It has been determined that the company is governed by Joint Control due to the fact that unanimous consent exists for key decisions and that each Authority has equal voting rights. This joint arrangement has been deemed to be a Joint Operation as the parties have rights to the assets, and obligations for the liabilities relating to the arrangement. More details on NWFC can be found in the next note.

Safer Cheshire Limited, a company limited by guarantee, was established by the Authority on 15th December 2015, with the object of reducing accidental death, injury and harm by educating those most at risk about staying safe at home, on the road and in the community. An application to register this company with the Charity Commission has been unsuccessful. There has been no activity since 2022.

Firefighters Pension Fund

The Fire Authority administers the Firefighter Pensions Schemes. The account for the schemes is included in the Statement of Accounts. See note 32 for more details.

Other Public Bodies (subject to common control by central government)

The Fire Authority consists of 23 members, who are nominated by the constituent local authorities (the unitary councils of Cheshire West and Chester, Cheshire East, Halton and Warrington). All transactions between the Authority and these authorities are included in the accounts. The principal transactions between the Authority and the constituent authorities are in respect of precept of council tax and the baseline funding (the Fire Authority's share of Business Rates raised in its four constituent authorities).

These are as follows:

Billing Authority		**2024-25**	**2023-24**
		£000	**£000**
[a] Council Tax			
Cheshire East Council		(14,457)	(13,751)
Cheshire West and Chester Council		(11,686)	(11,192)
Halton Borough Council		(3,331)	(3,171)
Warrington Borough Council		(6,438)	(6,182)
	Total	**(35,912)**	**(34,296)**

Billing Authority		**2024-25**	**2023-24**
		£000	**£000**
[b] Business Rates			
Cheshire East Council		(1,487)	(1,472)
Cheshire West and Chester Council		(1,561)	(1,421)
Halton Borough Council		(660)	(610)
Warrington Borough Council		(1,137)	(1,018)
	Total	**(4,845)**	**(4,521)**

Note that council tax / business rates income above; has been adjusted to reflect the surpluses and deficits on Collection Fund accounts, as reflected in the Movement in Reserves Statement.

As at 31st March the other local authorities net position due to Cheshire Fire was:

		31 Mar 25	**31 Mar 24**
		£000	**£000**
Billing Authority			
Cheshire East Council		63	(253)
Cheshire West and Chester Council		494	(268)
Halton Borough Council		110	79
Warrington Borough Council		73	736
	Total	**740**	**294**

28. NW Fire Control Limited (NWFC)

NW Fire Control Limited is a company limited by guarantee which was incorporated in July 2007 and was established to operate a Regional Control Centre with the responsibility for Fire and Rescue Service mobilisation for the North West region.

During 2011-12, decisions were made about the future of the project following the closure of the National Project announced in December 2011 by the Fire Minister. The Company has four members, which are Cheshire Fire Authority, Cumbria County Council, Greater Manchester Combined Authority and Lancashire Fire and Rescue Authority (FRAs). The liability of each member in the event of the company being wound up is limited and shall not exceed £1. Each member of the company has the right to appoint two directors. All directors have equal voting rights.

During May 2014, all four services transferred their Control Room functions into the regionalised service provided by NWFC. The cost of the service is charged out to the four FRAs on a pro rata basis and provided in accordance with a Service Level Agreement. The implementation phase continued to be funded by a section 31 grant from the Department for Communities and Local Government plus an ongoing grant to fund 66% of the lease costs for the building. The grant is paid to Greater Manchester Combined Authority as lead Authority for the North West region and released to the company as required. From 8th May 2017 Greater Manchester Fire and Rescue Service became the responsibility of the Greater Manchester Combined Authority. There have also been contributions to the project from the FRAs.

It was determined during 2018-19 that the company (NWFC) is governed by Joint Control due to the fact that unanimous consent exists for key decisions and that each Authority has equal voting rights. This joint arrangement has been deemed to be a Joint Operation as the parties have rights to the assets, and obligations for the liabilities relating to the arrangement. This is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards (IFRS 10, 11 & 12).

On the basis of materiality of the 25% share against the balances of Cheshire Fire Authority it has been determined that Cheshire Fire Authority's share of this joint operation are required to be reported, and are therefore included in these accounts.

Below shows the key information from the draft financial statements of NW Fire Control Ltd. *Note that 2024-25 draft accounts for NWFC were not available at the time of publication of these draft accounts and therefore 2024-25 results have not been included:*

	2024-25	**2023-24**
	£000	**£000**
Total Assets less Current Liabilities	-	356
Net Assets *	-	356
Profits/(deficit) before taxation	-	85
Profits/(deficit) after taxation	-	84

*Net assets include £1.267m for the future pension assets under FRS17 reported by the Cheshire Pension Fund actuaries (£0.287m assets 2022-23). All figures are shown net of VAT.

2023-24 transactions between Cheshire Fire Authority and NWFC include invoices (£1.167m 2023-24 and £1.031m 2022-23) raised by NWFC to Cheshire Fire Authority. Invoices for the control room service; additional costs linked to the Manchester Arena inquiry; during 2023-24 there was some use of facilities in the NWFC building, so £1k recharges (£1k 2022-23).

The NWFC's 2023-24 financial statements can be obtained from Companies House, and the 2024-25 financial statements should be available by the 31st December 2025 (standard deadline for submission for the final audited 2024-25 accounts).

29. Fire and Rescue Indemnity Company Limited (FRIC)

The service became a member of a mutual, the Fire and Rescue Indemnity Company Limited (FRIC), on 1st November 2015. At the 31st March 2025, thirteen other Fire Authorities were also members. The mutual provides discretionary protection against claims against the Authority and procures insurance cover on its behalf. Consideration has been given to the nature of the relationship the Authority has with the mutual.

The Authority has no right to appoint directors to the board of the mutual, and the relationship is not therefore one of joint control. This means that under the Code of Practice on Local Authority Accounting in England and International Financial Reporting Standards 10, 11 and 12 no liability to complete group accounts in relation to the Authority and the mutual exists.

Alex Waller, the current Chief Fire Officer and Chief Executive of Cheshire Fire and Rescue Service, became a Director of Fire and Rescue Indemnity Company (FRIC) in June 2021.

30. Capital Expenditure and Financing

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

	2024-25 £000	**2023-24 £000**
Opening Capital Financing Requirement	25,394	21,734
Capital Investment		
Property, plant and equipment	8,521	8,484
Intangible assets	-	39
Revenue Expenditure Funded from Capital under Statute	-	-
Sources of Finance		
Capital receipts	-	-
Government grants and other contributions	-	-
Sums set aside from revenue		
Revenue contributions (Cheshire Fire)	(7,697)	(4,087)
Minimum revenue provision (MRP)	(1,082)	(737)
Revenue contributions (NWFC 25%)	-	(39)
Closing Capital Financing Requirement	25,136	25,394
Explanation of movements in year		
Increase/(decrease) in underlying need for borrowing (Supported)	(1,082)	(737)
Increase/(decrease) in underlying need for borrowing (Unsupported)	824	4,397
Increase/(decrease) in Capital Financing Requirement	(258)	3,660

31. Leases

Authority as a Lessee- as a result of adopting IFRS 16 in 2024-25

This table shows the change in the value of right-of-use assets held under leases by the authority:

	Vehicles £000	Total £000
Balance at 1 April 2024	-	-
Additions	566	566
Revaluations	-	-
Depreciation and Amortisation	(135)	(135)
Disposals	-	-
Balance at 31 March 2025	431	431

Transactions under leases

The authority incurred the following expenses and cash flows in relation to leases in 2024-25:

	Vehicles £000	Equipment £000	Total £000
Comprehensive income and expenditure statement			
Interest expense on lease liabilities	24		24
Expense relating to short-term leases	12		12
Expense relating to exempt leases of low-value items	-	129	129
	36	129	165
Cash flow statement			
Total cash outflow for leases		(218)	(218)

Maturity analysis of lease liabilities

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

	31 March 2025 £000
Less than one year	177
One to five years	213
More than five years	-
Total undiscounted liabilities	390

Operating Leases (2023-24)

Expenditure on operating leases in 2023-24 totalled £262,777. All expenditure on leases relates to vehicles.

The future minimum lease payments due in future years as reported at 31 March 2024 were:

	31 Mar 24 £000
Not later than 1 year	(280)
Later than 1 year and not later than 5 years	(145)
TOTAL	**(425)**

32. Employee Benefits

Defined Benefit Pension Schemes

Participation in Pension Schemes
As part of the terms and conditions of employment of its officers, the Fire Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments (for those benefits) that need to be disclosed at the time that employees earn their full entitlement.

The Fire Authority participates in two post-employment schemes:

- The Local Government Pension Scheme (LGPS) for non-uniformed staff, administered locally by Cheshire West and Chester Council. This is a funded defined benefit scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions' liabilities with investment assets. Up until 31st March 2014 this was a final salary scheme. Since 1st April 2014 this has changed to a LGPS benefit design career average revalued earning (CARE) scheme.

- The Firefighters pension scheme for uniformed staff.

  The original scheme commenced in 1992 with the funding arrangements for uniformed Firefighter pensions changing from 1st April 2006. Until that time, the net cost of pensions (principally on-going payments to pensioners and lump sum commutations) was met by the employer. The main source of income to offset the expenditure was the contribution made by employees.

  With effect from 1st April 2006, a new Firefighter Pension Fund for each English Fire Authority was introduced. Firefighter and employer contributions are paid into a pension fund, from which pension payments are made. The fund is balanced to nil each year by receipt of top-up grant from Central Government if there is a deficit, or by paying over the surplus to Central Government. Details of the pension fund for 2023-24 are shown in the Pension Fund Statement. At this point members of the 1992 Scheme were given the choice of staying with their existing Scheme or transferring to the 2006 Scheme.

  The new arrangements remove the annual volatility for Fire Authorities that resulted from fluctuations in firefighter retirements. However, there are still no investment assets nor do the Fund's financial statements take account of liabilities to pay pensions and other benefits due after the end of the financial year.

  A third scheme was introduced in April 2014 which is a modified version of the 2006 scheme and is available for on-call firefighters now entitled to participate in a pension scheme from 2000 as a result of the decision to backdate part-time workers' rights.

The 1st April 2015 saw the introduction of a new 2015 scheme. The new Regulations (The Firefighter Pension Scheme (England) Regulations 2014) states that all current active members will move into the new scheme from 1st April 2015 unless they qualify for protections that allow them to remain in their current scheme.

The Firefighter Pension Schemes are administered through one fund. These are unfunded schemes, meaning that there are no investment assets built up to meet the liabilities so that cash has to be generated to meet actual pension payments as they become due.

In 2015, when the new career average pension scheme (FPS 2015) was implemented. Along with the main scheme regulations, transitional arrangements were brought in. Part of the transitional arrangements was to provide varying degrees of protection for those members who were within 15 years of normal retirement age. This meant that some members went straight into FPS 2015 from 1st April 2015, whilst others with tapered protection stayed in the legacy scheme (FPS 2006/FPS 1992) for longer, or would remain in the legacy scheme until they retired if they were fully protected.

Following a legal challenge (Judges and the McCloud and Sergeant cases), the courts determined that the transitional arrangements were discriminatory on the grounds of age. It's important to note that it was the transitional arrangements that were discriminatory and not the 2015 scheme itself.

To remove discrimination from the scheme there's a two phase approach. This is known as the 'remedy'. The first phase will look to remove any future discrimination. The second phase will look to resolve retrospective discrimination for the period 1st April 2015 to 31st March 2022 – known as the 'remedy period'.

The second phase of remedy to remove retrospective discrimination for those members who retired before October 2023 is still in progress and will be in place by 31st March 2025.

To remove future discrimination and ensure equal treatment, all remaining protected members who were not members of FPS 2015 transferred into this scheme on 1st April 2022. The FPS 1992 and FPS 2006 are closed to future accrual for all members.

For the 2015 Firefighter pension scheme the pension contribution rate on pensionable pay for the employee is 11% to 14.5% and for the employer is 37.6%. The employer also make a formula-based charges for the cost of ill-health and other early retirements.

Local Government Pension Scheme assets comprised:

Local Government Pension Scheme	**Cheshire Fire Fair value of scheme assets**		**NWFC (25%) Fair value of scheme assets**	
	31 Mar 25 £000	**31 Mar 24 £000**	***31 Mar 25* £000***	**31 Mar 24 £000**
Cash and cash equivalents:				
• All	**476.9**	**609.9**	***71.4***	**71.4**
Equity instruments: *by industry type*				
• Consumer	265.7	257.6		
• Manufacturing	248.3	268.4		
• Energy and utilities	-	-		
• Financial institutions	53.0	55.6		
• Health and care	112.8	98.0		
• Information technology	1,822.3	1,783.6		
• Other	198.1	138.3		
Sub-total equity	**2,700.2**	**2,601.5**	***1,784.8***	**1,784.8**
Bonds: *by sector*				
• Corporate	-	-		
• Government	-	-		
• Other	-	-		
Sub-total bonds	**-**	**-**	***1,285.0***	**1,285.0**
Property: *by type **				
• United Kingdom	4,047.0	3,734.6		
• Overseas	69.6	71.4		
Sub-total property	**4,116.6**	**3,806.0**	***428.3***	**428.3**
Private equity:				
• All	3,605.9	3,619.7		
Sub-total private equity	**3,605.9**	**3,619.7**	**-**	**-**
Other investment funds:				
• Equities	16,041.3	15,372.1		
• Bonds	20,498.0	20,129.0		
• Hedge Fund	3,606.0	3,784.2		
• Infrastructure	1,023.5	868.8		
• Other	2,553.6	2,465.8		
Sub-total other investment funds	**43,722.4**	**42,619.9**	**-**	**-**
Derivatives:				
• All	-	-	-	-
Total Assets	**54,622.0**	**53,257.0**	***3,569.5***	**3,569.5**

**Note that any assets/liabilities for the NWFC scheme are brought forward balances only. 2024-25 movements have not been included in this set of draft accounts.*

Transactions Relating to Post-employment benefits

The Authority recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund balance via the Movement in Reserves Statement during the year. **Note that no movements for the 2024-25 NWFC Pension scheme have been included in this set of draft accounts:*

	Local Government Pension Scheme (NWFC-25%)		Local Government Pension Scheme (CFA)		Firefighter Pension Schemes (CFA)		Total for all Schemes	
	*2024-25**	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
	£000	£000	£000	£000	£000	£000	£000	£000
Comprehensive Income & Expenditure Statement (CIES)								
Cost of Services:								
▪ Current Service Costs	-	112	1,100	1,091	2,320	2,360	3,420	3,563
▪ Past Service Costs	-	-	-	-	-	(10)	-	(10)
▪ (Gain) / loss from Settlement	-	-	-	-	-	-	-	-
Financing & Investment Income & Expenditure:								
▪ Net interest expense	-	(4)	(527)	(392)	20,220	20,220	20,203	19,824
Total post-employment benefit charged to the Surplus or Deficit on the Provision of Services	**-**	**108**	**573**	**699**	**23,050**	**22,570**	**23,623**	**23,377**
Other post-employment benefits charges to the CIES								
Re-measurement of the net defined pension liability comprising:								
▪ Return on plan assets (excluding the amount included in the net interest expense)	-	(50)	1,338	(759)	-	-	1,338	(809)
▪ Actuarial gains and losses arising on changes in demographic assumptions	-	(20)	(75)	(264)	-	-	(75)	(284)
▪ Actuarial gains and losses arising on changes in financial assumptions	-	(254)	(6,808)	(2,493)	(45,950)	(8,420)	(52,758)	(11,167)
▪ Other experience	-	99	(417)	1,450	(1,170)	5,940	(1,587)	7,489

	Local Government Pension Scheme (NWFC-25%)		Local Government Pension Scheme (CFA)		Firefighter Pension Schemes (CFA)		Total for all Schemes	
Total post-employment benefit charged to the Comprehensive Income and Expenditure Statement	**-**	**(117)**	**(5,389)**	**(1,367)**	**(24,070)**	**20,090**	**(29,459)**	**18,606**
	*2024-25**	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
	£000	£000	£000	£000	£000	£000	£000	£000
Movement in Reserves Statement								
▪ Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	-	(108)	(573)	(699)	(23,050)	(22,570)	(23,623)	(23,377)
Actual amount charged against the General Fund Balance for pensions in the year:								
▪ Employers' contributions payable to scheme (gross amount before the Authority's receipt of the Firefighter pension scheme top up grant)	-	128	1,253	1,267	19,840	17,140	21,093	18,535

Pensions Assets and Liabilities Recognised in the Balance Sheet:

The amount included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plans is as follows:

	Local Government Pension Scheme (NWFC-25%)		Local Government Pension Scheme (CFA)		Firefighter Pension Schemes (CFA)		Total for all Schemes	
	2024-25 £000*	2023-24 £000	2024-25 £000	2023-24 £000	2024-25 £000	2023-24 £000	2024-25 £000	2023-24 £000
Present value of the defined benefit obligation	*3,253*	3,253	37,178	42,455	401,190	445,100	441,621	490,808
Fair value of plan assets	*(3,570)*	(3,570)	(54,622)	(53,257)	-	-	(58,192)	(56,827)
Sub-total	*(317)*	(317)	(17,444)	(10,802)	401,190	445,100	383,429	433,981
Other movements in the liability (asset)	-	-	-	-	-	-	-	-
Net Liability arising from defined benefit obligation	***(317)***	**(317)**	**(17,444)**	**(10,802)**	**401,190**	**445,100**	**383,429**	**433,981**

These accounts do contain adjustments for the McCloud remedy as it has a material impact on the value of the liability shown in the balance sheet.

Under the regulations that govern the way in which the accounts are prepared, IAS19 sets out details of how pensions and their actuarial valuation are included within the accounts. Since moving to IFRS regulations, all pension schemes have generally reported a liability. 2024-25, 2023-24 and 2022-23, however, the local government pension scheme was valued with a net asset. As such, IFRIC14 applies which limits the recognition of a net pension asset within the accounts unless strict criteria are met. For the 2024-25 accounts the actuary has calculated that none of the above £17.444m (2023-24 £10.802m) can be recognised in the balance sheet and the accounts have been adjusted accordingly. This is a technical accounting adjustment and does not impact on general reserves, funding or pension paid.

**Note that any assets/liabilities for the NWFC scheme are brought forward balances only. 2024-25 movements have not been included in this set of draft accounts.*

Reconciliation of the Movements in the Fair Value of Scheme (Plan) Assets:

	Local Government Pension Scheme (NWFC-25%)		Local Government Pension Scheme (CFA)		Firefighter Pension Schemes (CFA)		Total for all Schemes	
	2024-25 £000*	2023-24 £000	2024-25 £000	2023-24 £000	2024-25 £000	2023-24 £000	2024-25 £000	2023-24 £000
Opening fair value of scheme assets	*3,570*	3,247	53,257	50,145	-	-	56,827	53,392
Interest income	-	157	2,584	2,381	-	-	2,584	2,538
Remeasurement gain/(loss):								
-The return on plan assets, excluding the amount included in the net interest expense	-	50	(1,338)	759	-	-	(1,338)	809
-Other	-	-	-	-	-	-	-	-
Contributions from employer	-	128	1,253	1,267	19,840	17,140	21,093	18,535
Contributions from employees into the scheme	-	40	402	353	2,600	2,560	3,002	2,953
Benefits paid	-	(52)	(1,536)	(1,648)	(19,700)	(19,700)	(23,976)	(21,400)
Assets extinguished on settlements	-	-	-	-	-	-	-	-
Closing fair value of scheme assets	***3,570***	**3,570**	**54,622**	**53,257**	**-**	**-**	**58,192**	**56,827**

**Note that any assets/liabilities for the NWFC scheme are brought forward balances only. 2024-25 movements have not been included in this set of draft accounts.*

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation):

	Local Government Pension Scheme (NWFC-25%)		Local Government Pension Scheme (CFA)		Firefighter Pension Schemes (CFA)		Total for all Schemes	
	2024-25 £000*	2023-24 £000	2024-25 £000	2023-24 £000	2024-25 £000	2023-24 £000	2024-25 £000	2023-24 £000
Opening balance at 1 April	*3,253*	3,175	42,455	41,977	445,100	442,150	490,808	487,302
Current service cost	-	112	1,100	1,091	2,320	2,360	3,420	3,563
Interest cost	-	153	2,057	1,989	20,730	20,220	22,787	22,362
Contributions by scheme participants	-	40	402	353	2,600	2,560	3,002	2,953
Remeasurement (gains) and losses:								
Actuarial gains/losses arising from changes in demographic assumptions	-	(20)	(75)	(264)	-	-	(75)	(284)
Actuarial gains/losses arising from changes in financial assumptions	-	(254)	(6,808)	(2,493)	(45,950)	(8,420)	(52,758)	(11,167)
other experience	-	99	(417)	1,450	(1,170)	5,940	(1,587)	7,489
Past service cost	-	-	-	-	-	(10)	-	(10)
Benefits paid	-	(52)	(1,536)	(1,648)	(22,440)	(19,700)	(23,976)	(21,400)
Liabilities extinguished on settlements	-	-	-	-	-	-	-	-
Closing balance at 31 March	***3,253***	**3,253**	**37,178**	**42,455**	**401,190**	**445,100**	**441,621**	**490,808**

The Liabilities shown on the Firefighter Pension Schemes include liabilities in respect of injury pensions. Of the £401.1m liability, £4.8m related to injury pensions (2023-24 £445.1m liability, £5.6m related to injury pensions).

**Note that any assets/liabilities for the NWFC scheme are brought forward balances only. 2024-25 movements have not been included in this set of draft accounts.*

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. In 2023-24 and 2024-25 the Firefighter Pension Schemes were assessed by the Government Actuary's Department (GAD) and both of the LGPS schemes were assessed by Hymans. Estimates for the Local Government Pension Schemes are based on the latest full valuation of the scheme as at 31st March 2022. The significant assumptions used by the actuary have been:

	Local Government Pension Scheme (NWFC)		**Local Government Pension Scheme (CFA)**		**Firefighter Pension Schemes**	
	*2024-25**	2023-24	2024-25	2023-24	2024-25	2023-24
	%	%	%	%	%	%
Long-term expected rate of return on assets in the scheme:						
Equity investments	-	4.85	5.80	4.85	-	-
Bonds	-	4.85	5.80	4.85	-	-
Property	-	4.85	5.80	4.85	-	-
Cash	-	4.85	5.80	4.85	-	-
Mortality assumptions:	At age 65		At age 65		At age 65	
Longevity for current pensioners:						
▪ Men	*- years*	19.8 years	20.6 years	20.6 years	21.3 years	21.3 years
▪ Women	*- years*	23.7 years	23.8 years	23.8 years	21.3 years	21.3 years
Longevity for future pensioners:						
▪ Men	*- years*	21.4 years	22.0 years	22.1 years	22.7 years	22.9 years
▪ Women	*- years*	25.3 years	25.4 years	25.5 years	22.7 years	22.9 years
Rate of inflation (CPI)	-	2.75	2.75	2.75	2.70	2.60
Rate of increase in salaries	-	3.45	3.45	3.45	3.50	3.85
Rate of increase in pensions	-	2.75	2.75	2.75	2.70	2.60
Rate for discounting scheme liabilities	-	4.85	5.80	4.85	5.70	4.75

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 the 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.

**Note that any assets/liabilities for the NWFC scheme are brought forward balances only. 2024-25 movements have not been included in this set of draft accounts.*

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.

Impact on the Defined Benefit Obligation in the Scheme

	Local Government Pension Scheme (NWFC)*		**Local Government Pension Scheme (CFA)**		**Firefighter Pension Schemes**	
Change in financial assumptions at year ended 31 March 2025	*Approximate monetary amount (NWFC 25%) £000*	*Approximate increase to Employer Liability %*	Approximate monetary amount £000	Approximate increase to Employer Liability %	Approximate monetary amount £000	Approximate increase to Employer Liability %
Longevity/ increase in member life expectancy (increase of 1 year)	-	-	1,487	4.0	9,000	2.5
Rate of increase in salaries (increase by 0.5%)	-	-	85	-	4,000	1.0
Rate of increase in pensions (increase by 0.5%)	-	-	3,265	10.0	25,000	6.5
Rate for discounting scheme liabilities (decrease by 0.5%)	-	-	3,255	10.0	27,000	6.5

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers’ contributions at as constant a rate as possible. Cheshire West and Chester Council, the administering body, has agreed a strategy with the scheme’s actuary to achieve a funding level of 100% over the forthcoming years. Funding levels are monitored on an annual basis. The next triennial valuation is this year, 2025.

**Note that any assets/liabilities for the NWFC scheme are brought forward balances only. 2024-25 movements have not been included in this set of draft accounts.*

33. Contingent Assets and Liabilities

As a result of the insolvency of a historic insurer, the Authority is aware of the possibility of future insurance claims which may lead to the Authority incurring liabilities which it is not possible to quantify.

GLOSSARY OF TERMS

ACCOUNTING POLICIES
The specific principles, bases, conventions, rules and practices applied by the Authority in preparing and presenting financial statements.

ACCRUALS
The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

APPROPRIATIONS
Amounts transferred to or from revenue or capital reserves.

BALANCE SHEET
The Balance Sheet is fundamental to the understanding of the Authority's financial position at the year-end. It shows the Authority's balances and reserves, its long term indebtedness, and the non-current and current assets employed in the Authority's operations, together with summarised information on the non-current assets held.

BUDGET
A statement defining in financial terms the Authority's plans over a specified period. The budget is prepared as part of the process of setting the precept.

CAPITAL ADJUSTMENT ACCOUNT
Provides a balancing mechanism between the different rates at which assets are depreciated under the IFRS and are financed through the capital control systems.

CAPITAL EXPENDITURE
Expenditure on the acquisition of non-current assets such as land, buildings, vehicles and equipment which are of long term value, or expenditure which adds to and not merely maintains the value of existing assets.

CAPITAL FINANCING COSTS
Each service is charged with an annual capital charge to reflect the cost of non-current assets used in the provision of services.

CAPITAL FINANCING REQUIREMENT
This measures the underlying need to borrow to finance capital expenditure.

CAPITAL RECEIPTS
Money received from the sale of capital assets such as vehicles, which may be used to repay outstanding debt or to finance new assets.

CASH FLOW STATEMENT
Summarises the inflows and outflows of cash transactions and links the opening and closing balance sheet with the Comprehensive Income and Expenditure Statement for the year.

CIPFA (The Chartered Institute of Public Finance and Accountancy)
CIPFA is the leading professional accountancy body for public services.

COLLECTION FUND ADJUSTMENT ACCOUNT
The collection fund adjustment account provides a mechanism for recognising the Authority's share of the Collection Fund surplus/deficits at year end.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CI&E)
The Comprehensive Income and Expenditure Statement reports the net cost of all of the activities of the Authority for the year and demonstrates how the cost has been funded by income from local taxpayers and grants from central government.

COMMUTATION
This is where a member of the pension scheme gives up part of their pension in exchange for an immediate lump sum payment.

CORPORATE AND DEMOCRATIC CORE
The corporate and democratic core is concerned with the costs of corporate policy making and member based activities. Other costs relate to the general running of the Authority including corporate management, public accountability and treasury management.

CORPORATE GOVERNANCE
This is concerned with the Authority's accountability for the stewardship of resources, risk management, and relationship with the community. It also encompasses policies on whistle blowing, fraud and corruption.

COUNCIL TAX
The means of raising money locally which pays for Fire Authority services. This is a property based tax where the amount levied depends on the valuation of each dwelling.

CREDITORS
Amounts owed by the Authority for work done, goods received or services rendered, but for which payment has not been made at the balance sheet date.

CURRENT ASSETS
Items from which the Authority derives a benefit but which will be consumed or realised during the next accounting period, e.g. stocks, debtors, and cash.

CURRENT LIABILITIES
The sum of money owed by the Authority and due for payment during the next accounting period, e.g. short term borrowing and creditors.

DEBTORS
Sums of money due to the Authority for work done, goods sold or services rendered but not received at the balance sheet date.

DEFERRED LIABILITY
Amounts owed by the Authority for work done, goods received or services rendered, to be paid in predetermined instalments over more than one accounting period.

DEFINED BENEFIT SCHEME
A pension or other retirement benefit scheme where the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

DEPRECIATION
The measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset, whether arising from use, passage of time, technological obsolescence or changes in demand for the goods and services produced by the asset.

ESTIMATION TECHNIQUES
The methods adopted by an entity to arrive at estimated monetary amounts, corresponding to the measurement bases selected, for assets, liabilities, gains, losses and changes to reserves.

Estimation techniques implement the measurement aspects of accounting policies. An accounting policy will specify the basis on which an item is to be measured; where there is uncertainty over the monetary amount corresponding to that basis, the amount will be arrived at by using an estimation technique.

Estimation techniques include, for example:
(a) Methods of depreciation, such as straight-line and reducing balance, applied in the context of a particular measurement basis, used to estimate the proportion of the economic benefits of a tangible fixed asset consumed in a period.
(b) Different methods used to estimate the proportion of debts that will not be recovered, particularly where such methods consider a population as a whole, rather than individual balances.

EXPENDITURE AND FUNDING ANALYSIS
This links to the CIES and demonstrates how available funding has been used to provide services. This follows accounting practice and reports in accordance with the management reporting structure used for decision making purposes rather than legislative purposes.

FINANCIAL INSTRUMENTS
This is any contract that gives rise to a financial asset of one entity and a financial liability or equity of another. The term covers both financial assets (e.g. loans receivable) and financial liabilities (e.g. borrowings).

FINANCIAL REPORTING STANDARDS
Documents issued by the Accounting Standards Board, setting out approved accounting treatment.

FINANCE LEASE
A finance lease is one that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee. It should be presumed that such a transfer of risks and rewards occurs if at the inception of a lease the present value of the minimum lease payments including any initial payment amounts to substantially all of the fair value of the leased asset.

FINANCIAL INSTRUMENTS ADJUSTMENT ACCOUNT
Provides a balancing mechanism between the different rates at which discounts on the early repayment of debt are recognised under the SORP (statements of recommended practice) and are required by statute to be met from the general fund. It should be noted this reserve is matched by borrowings and investments within the Balance Sheet. They are not resources available to the Authority.

FUNDED PENSION SCHEME
A funded pension scheme is one in which the future liabilities for pension benefits are provided for by the accumulation of assets held externally to the employer's business.

GOING CONCERN
The concept that the Authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and Balance Sheet assume no intention to curtail significantly the scale of operations.

GOVERNMENT GRANTS
Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority, in return for past or future compliance with certain conditions relating to the activities of the Authority.

GROUP ACCOUNTS
Accounts prepared on a group basis where Local Authorities have interests in other bodies which are material in aggregate.

HERITAGE ASSETS
Heritage Assets are defined as assets preserved in trust for future generations because of their cultural, environmental or historical associations, which have historical, artistic, scientific, geophysical or environmental qualities, and which are held and maintained by the Authority, principally for the contribution to knowledge and culture.

IMPAIRMENT
A reduction in the value of a non-current asset below its carrying amount on the balance sheet.

INTANGIBLE ASSETS
These are assets that have no physical substance, for example, the purchase of computer software licences.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)
These are the accounting standards that were adopted for 2010-11 onwards. IFRS are designed as a common global language for financial reporting so that organisation's accounts are understandable and comparable across international boundaries.

INTEGRATED RISK MANAGEMENT PLAN (IRMP)
This is the Authority's annual plan which is based on the current year of a four year strategy. The Plan is premised on ensuring that the Authority recognises risk and manages its resources to reduce potential impact on the communities which it serves.

INVENTORIES (formerly stocks)
The amount of unused or unconsumed stocks held in expectation for future use. When use will not arise until a later period, it is appropriate to carry forward the amount to be matched to the use or consumption when it arises.

LONG TERM BORROWING
Loans that are raised with external bodies, for periods greater than one year.

MEDIUM TERM FINANCIAL PLAN (MTFP)
Budget plan for the Authority for the next few years.

MINIMUM REVENUE PROVISION (MRP)
This is the amount which should be set aside from revenue as provision for debt repayment.

MOVEMENT IN RESERVES STATEMENT
This statement shows the movement in year on the different reserves held and identifies both usable and unusable. It links in with the Comprehensive Income and Expenditure Statement through the impact of the surplus or deficit on provision of services on the General Fund.

NET BOOK VALUE (NBV)
The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current cost, less the cumulative amounts provided for depreciation and/or impairment.

NET CURRENT REPLACEMENT COST
The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

NON CURRENT ASSETS
Tangible assets yielding benefits to the Authority and its services for a period of more than one year.

NON DISTRIBUTED COSTS
Costs incurred by the Authority which are excluded from service costs. These include past service costs relating to changes in pension regulations, the costs associated with unused shares of ICT facilities, and impairment losses relating to assets under construction.

NON-OPERATIONAL ASSETS
Non-current assets held but not directly occupied, used or consumed in the delivery of services.

OPERATIONAL ASSETS
Non-current assets held and occupied, used or consumed by the Authority in the direct delivery of services for which it has either a statutory or discretionary responsibility or for the service or strategic objectives of the Authority.

OPERATING LEASES
A lease other than a finance lease.

PENSION FUND ACCOUNT
The Fire and Rescue Authority is required to set up a separate fund from the rest of its operation for transactions relating to firefighter pension arrangements. The Authority has a formal responsibility for paying firefighter pensions. The fund is balanced to nil each year by the receipt of a pensions top-up grant from the Department for Communities and Local Government.

PRECEPT
An amount of money levied by one Authority (the precepting authority) which is collected by another Authority (the billing authority) as part of the council tax. The Fire Authority is the precepting Authority and the East Cheshire Borough Council, Cheshire West and Chester Council, Warrington Borough Council and Halton Borough Council are the billing authorities.

PRIOR PERIOD ADJUSTMENTS
Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. A fundamental error is one that is of such significance as to destroy the validity of the financial statements. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PROVISIONS
An amount set aside to provide for a liability, which is likely to be incurred, but the exact amount and date on which the liability is due is uncertain.

PUBLIC WORKS LOAN BOARD (PWLB)
The Public Works Loan Board is an independent and unpaid statutory body. PWLB consider loan applications from local authorities and other prescribed bodies and, where loans are made collect the repayments.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFFCUS)
Expenditure incurred during the year that may be capitalised under statutory provision but that does not result in the creation of a non-current asset that has been charged as expenditure to the CIES.

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.

RESERVES
Amounts set aside to meet future obligations.

RETIREMENT BENEFITS
All forms of consideration given by the Authority in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either:

(a) The Authority’s decision to terminate an employee’s employment before the normal retirement date.
(b) An employee’s decision to accept voluntary redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

REVALUATION RESERVE
This reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation, from holding non-current assets.

REVENUE EXPENDITURE
This is the day to day running costs the Authority incurs in providing the service. It is usually of a constantly recurring nature and produces no permanent asset.

REVENUE SUPPORT GRANT
This is Government grant in aid of the Authority’s services generally. It is based upon the Government’s assessment of how much the Authority needs to spend in order to provide a standard level of service.

RIGHT OF USE ASSET
These are assets which are leased by the Authority who have control over their usage and are represented as the Authority’s asset in the Balance Sheet.

THE HOME OFFICE
The Home Office is a ministerial department of the Her Majesty's Government of the United Kingdom, which, from 5 January 2016 is responsible for Fire and Rescue Policy. This was a role previously undertaken by the Department for Communities and Local Government (DCLG).

UNFUNDED PENSION SCHEME
A pension scheme in which liabilities for pension benefits are charged to the employer's revenue account in the year in which they arise and are not financed from investments held. The Authority operates such a scheme for its firefighters.

ANNUAL GOVERNANCE STATEMENT 2024-25

1. Scope of Responsibilities

1.1 Governance comprises the systems, processes, culture, and values by which the Cheshire Fire Authority (the Authority) and Cheshire Fire and Rescue Service (the Service) direct and manage together, along with the activity through which they account to and engage with the people of Cheshire.

1.2 The Authority covers the four unitary areas of Cheshire East, Cheshire West and Chester, Halton, and Warrington. The Authority is a separate legal body, with the power to set council tax and to set its own policies and procedures, without seeking the approval of these local councils. Each council appoints a number of elected Members to serve on the Authority. As an Authority Member, councillors represent the whole of Cheshire and are not just required to act as the formal representatives of their own council. The Authority as the governing body ensures that the Service operates in a lawful, open, inclusive, and honest manner, making sure public money is safeguarded, properly accounted for, and spent wisely and has effective arrangements in place to manage risk.

1.3 Production of an Annual Governance Statement (AGS) is a requirement under the Accounts and Audit Regulations (England) 2015 and helps to ensure that a reliable system of internal controls can be demonstrated.

1.4 In May 2025, CIPFA published an Addendum covering the annual review of governance and the annual governance statement. One key message relates to the AGS which is a key document for any organisation, and when completed correctly and with rigour, can be used to identify failings of governance and provide an opportunity internally to improve and thereby reduce risk. It should normally be approved at the same time or no later than the Statement of Accounts and should be regarded as a vital tool by those charged with governance and the leadership team.

1.5 The AGS is a key corporate document for the Authority which provides an accurate representation of the corporate governance arrangements and controls in place that have supported the delivery of organisational objectives during the year. The AGS provides information about where arrangements have been effective and notes where any improvements are required.

2. The Governance Framework

2.1 The Authority is responsible for ensuring that business is conducted in accordance with the law, with openness and engagement with stakeholders and that risk is managed through robust internal control and strong public finance management to deliver effective accountability. The Authority's Constitution sets out the governance framework which assists in enabling the Authority and the Service to fulfil their statutory obligations. The Constitution is reviewed on a regular basis to ensure it remains up to date and relevant considering local and national changes in the way fire and rescue services operate.

2.2 The Authority's Constitution

- Explains the Authority's decision-making arrangements.
- Sets out the responsibilities of elected Members and officers; and
- Contains details of rules and controls.

2.3 A copy of the Authority's Constitution is available on the website (www.cheshirefire.gov.uk).

2.4 The Governance Framework focuses on the Authority's strategic aims and objectives and includes:

Corporate

- The Authority's vision and purpose drive the service planning, delivery, risk management arrangements, project, and performance management.
- The Community Risk Management Plan (CRMP)
- Consultation Engagement and Communications Strategies
- A published set of core values

Committee Structure and Member Scrutiny

- The Authority's Constitution
- Established structure of Authority and Committee meetings, each with formal Terms of Reference
- Scrutiny by Members e.g., Performance and Overview Committee responsible for thematic areas such as Finance, Equality & Diversity, Performance Management; Audit Committee providing oversight over the Service's approach to Risk Management and Audit arrangements.
- Crisis Management Plan – owned and scrutinised by Risk Management Board
- Local Code of Corporate Governance Action Plan reviewed by the Governance and Constitution Committee
- Published Anti-Fraud, Corruption, Whistleblowing and Complaints policies and procedures.
- Medium term financial forecasting and budget management processes
- Code of Conduct

Scrutiny and Reporting

- Integrated Corporate and Financial planning processes with regular reporting.
- Treasury Management Strategy
- Risk Management Group – Senior Officer led group with risk management oversight.
- Audit Committee (responsible for championing an effective Risk Management) Policy and Framework and regularly reviewing the Strategic Risk Register
- Performance and Programme Board which is responsible for monitoring and reviewing organisational performance including the Corporate Performance Scorecard, which

sets out the Authority's key indicators, and scrutiny of key projects and programmes.
- Service Leadership Team which provides strategic direction for service delivery
- Information governance arrangements

People

- Dynamic, intelligent training programme which is tailored to the development needs of the Authority's frontline staff.
- Appraisal system and personal development programmes
- Established Health, Safety and Wellbeing policies monitored by the Health, Safety and Wellbeing Committee
- Health, Safety and Wellbeing Committee review of fitness performance

2.5 CIPFA published 'The Financial Management Code' (FM Code) in 2019. It is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code sets the standards of financial management for local authorities. The FM Code is based on a series of principles supported by specific standards which are considered necessary to provide the strong foundation to:

- manage the short, medium, and long-term finances of a local authority.
- manage financial resilience to meet unforeseen demands on services; and
- manage unexpected shocks in their financial circumstances.

2.6 Each organisation designated to apply the FM Code must demonstrate that the requirements of the code are being satisfied. Demonstrating this compliance with the FM Code is a collective responsibility of the Authority, the Treasurer, and colleagues in the leadership team.

2.7 In the External Audit Report for 2021-22, the auditors recommended that the Authority consider the establishment of an audit committee. Their findings noted that the Authority covered the general functions of an audit committee and upheld the Nolan principles. However, they stated that a smaller more focused audit committee, with a membership that had the necessary skills and experience, would enhance the appropriate scrutiny, and further support the principles outlined in the Redmond Review. A report was taken to the Governance & Constitution Committee in early 2022 where approval was granted to create an audit committee. During 2022-23 the audit committee was created, and independent members recruited. Its inaugural meeting took place on 16 November 2022. The Audit Committee is now closely aligned to the requirements of the CIPFA Position Statement: Audit Committees in Local Authorities and Police 2022.

3. Internal Financial Controls

3.1 The objective of the internal financial controls is to: maintain sound and proper financial arrangements; to explain why safeguards and controls are important and necessary; and to profile a framework for financial management, which will enable, wherever possible, managerial, and financial responsibilities to be aligned, safeguarding all Members and officers.

3.2 The key documents that set out the internal financial controls are:

- Financial Regulations as set out in the Constitution.
- Scheme of Delegation as set out in the Constitution.
- Treasury Management Strategy, which is approved by the Authority each year which sets out the Annual Investment Strategy, Borrowing Strategy, and the Minimum Revenue Provision Statement
- Treasury Management Practices which set out the detailed processes and practices to be followed in order to deliver the Treasury Management Strategy

3.3 In addition to the above, there are a series of governance checks and controls carried out through the Finance and Human Resources teams to ensure financial systems are operating effectively. These are supported by periodic Internal and External Audit reviews and with the production of action plans where necessary to provide appropriate assurance to those charged with governance.

4. Further assurance is provided through His Majesty's Inspectorate of Constabularies and Fire & Rescue Services (HMICFRS), which carried out its most recent inspection of Cheshire Fire and Rescue Service (CFRS) in March 2023. HMICFRS examine effectiveness, efficiency and how well a Service looks after its people. The HMICFRS judgement criteria is a five-tier system ranging from 'Inadequate' to 'Outstanding, and a full copy of this criteria can be found on the Inspectorates website. However, the inspection framework and criteria have been updated for the upcoming 2025-2027 programme, and this can be found here. CFRS will be inspected again in 2025/2026. The inspection programme is designed to give the public information about how their local fire and rescue service is performing in several key areas, in a way that is comparable to other services across England. The high-level ratings of CFRS are discussed below and the full 2023 inspection report is available on the HMICFRS website here.

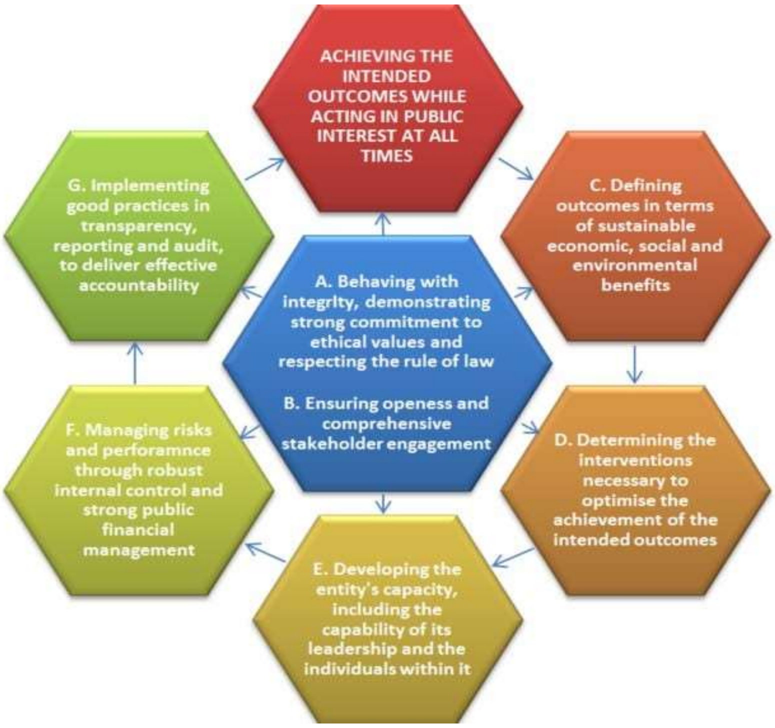
Outstanding	Good	Adequate	Requires improvement	Inadequate
	Public safety through fire regulation	Understanding fire and risk		
	Future affordability	Preventing fire and risk		
	Promoting values and culture	Responding to fires and emergencies		
	Right people, right skills	Responding to major incidents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

5. HMICFRS assess services against the characteristics of good performance found within the inspection framework and link their judgement to any causes of concern and areas of improvement. As in the ratings above, CFRS received five 'adequate' gradings and six

'good' gradings across the eleven diagnostics. Five 'areas for improvement' were suggested within the report. For CFRS, the report summarised that: prevention is effectively targeted and improvements have been made to how safe and well visits are targeted to at risk individuals; protection activity is clearly linked to local risk but targeted buildings are not consistently audited within the set time frame; the service uses a thorough community risk management planning process; there is sound understanding of future financial challenges with staff feeling 'empowered and willing to challenge poor behaviours'.

6. **Good Governance in the Fire Service**

6.1 In 2016, CIPFA, in association with various groups including representation of fire and rescue services, issued best practice guidance on Delivering Good Governance. It sets out seven principles of good governance which are illustrated below:



6.2 The ethos of the above is for principles A and B to permeate the implementation of principles C to G. It also illustrates that good governance is dynamic and that an organisation as a whole should be committed to continually improving through a process of evaluation and review. Each of the principles is considered from the Authority and Service's perspectives.

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

7.1 Core Values inspire and guide how teams behave. They set out a platform to guide our current and future activities and help achieve our organisational priorities. Staff were at the heart of the development of the Core Values through conferences, the staff engagement forum, and staff survey. This engagement was vital to ensure the Core Values remain relevant so that the Service and individuals are able to identify with them.

7.2 As a result, the Core Values are:

- **Be inclusive** – by acting fairly, with integrity, respect and without prejudice.
- **Do the right thing** – by holding each other to account for ensuring high standards of professionalism in everything we do.
- **Act with compassion** – by being understanding and offering help to each other and to our communities with warmth, patience, and kindness.
- **Make a difference** – by making an impact in our organisation and in our communities in whatever ways we can, for as many people as we can.

7.3 For 2024-25 The Director of Governance was the Authority's Monitoring Officer as set out in section 5 of the Local Government and Housing Act 1989, whose role is to advise on the rule of law and ensure decision making is legally sound. The Monitoring Officer is a qualified solicitor and is supported by the Joint Legal Services Team that includes a number of professionally qualified legal officers.

7.4 The Treasurer is the Authority's "Chief Financial Officer," as defined by CIPFA and as set out in section 151 of the Local Government Act 1972, whose role is to ensure the proper administration of the Authority's financial affairs. The Treasurer is a qualified accountant and by the Finance Team that includes a number of professionally qualified finance officers.

7.5 The two Statutory Officers have collective meetings on a regular basis with the Chief Fire Officer and Chief Executive to ensure that robust governance arrangements are maintained and to consider potential future policy decisions, ensuring that these are consistent with available resources. These Statutory Officers, or their representatives, review all proposals that are to be submitted to meetings of the Authority and its various committees and these officers, or their representatives, attend such meetings.

8. **Principle B: Ensuring openness and comprehensive stakeholder engagement.**

8.1 The Authority has a clear Consultation Strategy that sets out how and when it will consult with communities and other stakeholders. The Community Engagement Strategy includes guiding principles and explains how the Service will engage with its communities.

8.2 The Community Risk Management Plan (CRMP) sets out how the Authority intends to deliver the services over the period of 2024-28 which is supported by the Communications & Engagement Strategy and is widely consulted on before it is finalised and approved by the Authority. The CRMP sets out the rationale behind planned activity including current performance and forecasts. The CRMP essentially reviews the effectiveness of previous activity and highlights any areas of focus for the future. An annual action plan is created.

8.3 Consultation with stakeholders includes both staff and public events at various venues, a web-based questionnaire and consultation with stakeholders during which the proposed plans are put forward and feedback is requested, plans are adjusted after consultation if required. The results of consultation are published on the website and reported to Members before the CRMP is finalised and approved.

8.4 Working in partnership with others is a key part of the Authority's ethos. The Blue Light Collaboration arrangement brought together some of the back office and professional services, which support the Service and Cheshire Constabulary in a single, shared headquarters site at Clemonds Hey, Winsford. In 2023 Police & Fire commissioned a full review of the partnership resulting in a number of the functions returning to Fire. The Service Leadership Team (SLT) relocated back to Sadler Road in February 2024 as a result Sadler Road is now CFRS Headquarters. A decision has been made to relocate the Estates and Stores functions in Autumn of 2026. A decision on the IT function will be made in November 2025 with Legal; Procurement and Commercial Unit currently remaining as part of the Collaboration.

8.5 The Police and Crime Commissioner for Cheshire has the right to attend Authority meetings.

9. **Principle C: Defining outcomes in terms of sustainable economic, social & environmental benefits.**

9.1 The Service's vision is a Cheshire where there are no deaths, injuries or damage from fires and other emergencies. The Community Risk Management Plan (CRMP) explains the approach the Authority will take to support this vision, given the context in which the Service operates, and sets out the planned activity to deliver and achieve the intended outcomes.

9.2 The CRMP specifies which activity will take place in each year, what the result will be and when there may be an impact. Performance indicators are agreed, setting out the projected performance and reported to Members and the public in line with the approved corporate planning and reporting timelines. The Service approach to risk is explained in its risk management policy and framework, which is reviewed at least every three years, and risks to key projects are outlined and managed through the project management framework.

9.3 A Medium-Term Financial Plan (MTFP) is produced annually, reviewed regularly, and updated as necessary setting out the financial assumptions and demands upon the Service to highlight budgetary pressures and set out options to address any funding shortfalls to ensure sustainability. The MTFP is supplemented by a Capital Strategy and Reserves Strategy.

9.4 The financial sustainability of the Authority has largely remained unchanged because of the Pandemic but the long-term impact on funding is unknown and the MTFP will continue to link vision and intent to funding scenarios, ensuring value for money is achieved within a balanced and sustainable budget.

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

10.1 The Constitution sets out a decision-making framework which ensures that all decisions are supported by all relevant information, including financial, legal, and other appropriate professional advice, that available options are considered and that internal and external stakeholders are consulted. Decisions are formally recorded and published subject to confidentiality requirements.

10.2 Progress against planned activity and projects is monitored and are reviewed regularly and reported quarterly to Performance and Overview Committee. Quarterly reports also include performance against targets for Key Performance Indicators (KPIs) as well as financial and project delivery performance. If the circumstances in which the Service operates change, activity can be adapted accordingly. Decisions affecting service delivery are delegated to officers in order to ensure they are able to react to changing circumstances quickly. Risks are monitored and reviewed through our risk management arrangements overseen by the Risk Management Group and the Strategic Risk Register is reported to Audit Committee quarterly.

10.3 KPIs are set as part of the planning process and reported on every quarter. A Corporate Scorecard is produced showing performance against each of the KPIs. The corporate scorecard is published on the public website and the annual report is produced detailing the activity and performance of the Service. The following is an extract from the scorecard based on fourth quarter results.

Performance Scorecard

Performance Indicators	2024/25Target	2024/25 Q4 Actual	2023/24 Q4 Actual	Trend year on year
Deaths in Primary Fires	0	1	7	
Injuries in Primary Fires	27	42	14	
Accidental Dwelling Fires	311	317	299	
Deliberate Primary Fires	191	196	171	
Deliberate Secondary Fires	700	603	651	
Safe & Wells Visits	27,500	29,280	25,519	
Safe & Well visits per 1000 population	11.35	26.15	23.5	
% of Safe & Wells in heightened risk addresses	80%	97.53%	92.80%	
Fires in Non-Domestic Premises	149	162	149	
AFA's in Non-Domestic Premises	510	625	610	
% of alarm activations not attended	68%	79.30%	79%	
Business Safety Inspections Completed	2128	2187	1991	
Total Fire Safety Audits per 100 known premises	5.39	6.1	4.81	
Risk Based Inspection Programme Completed	1240	796	100%	
Fire Control - Time Taken to Answer	10s	Unavailable	5.4s	
Fire Control - Time Taken to Mobilise (Primary F	90s	92s	94s	
10-minute Response Standard	10 mins	9mins 40 s	9 mins 27s	
Minimum Fire Cover – Critical Level (100%)	14 Fire Engines	100%	N/A*	
Minimum Fire Cover – Optimum Level (98%)	18 Fire Engines	99.70%	N/A*	
Wholetime Fire Engine Availability	98%	99.69%	99.70%	
On-Call Fire Engine Availability	51%	52%	53%	
% of SSRI's completed within target	95%	100%	98%	

10.4 KPI data is generated from various internal systems and analysed by the Business Intelligence Team. The Team works closely with the Prevention, Protection and Service Delivery teams to provide data and analysis that highlights any current issues or emerging trends so that activity can be targeted, and resources deployed effectively.

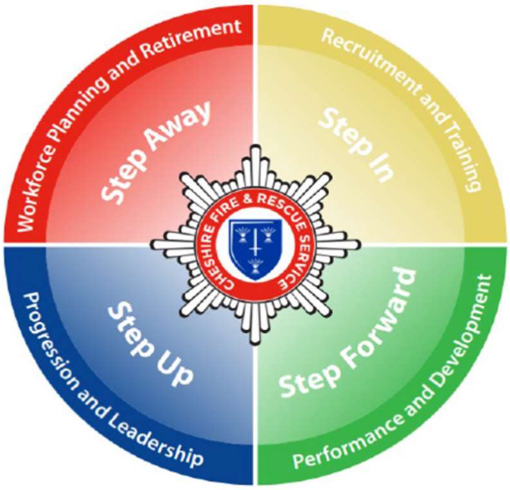
10.5 Budgets are prepared in accordance with the priorities set out in the CRMP and Medium-Term Financial Plan, which integrates and balances priorities, affordability, and resources. This ensures the budget process is all-inclusive, considering all costs of operations over the medium and long term.

10.6 Performance against budgets is monitored by the Performance and Programme and Budget Management Boards within the Service, which examine the progress against planned activity and spend against set budgets.

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

11.1 Workforce planning has a crucial role in ensuring the Service has the capacity to meet its obligations and fulfil its aims and objectives. Regular reviews, planning updates and analysis are reported to the Staffing Committee and action taken when issues are identified.

11.2 The Service has developed a framework that encompasses and structures the Service's strategic people priorities and objectives. This is referred to as the 'Steps' Framework and aligns the aims and activities to the employee lifecycle under four key stages:



12. **Principle F: Managing risks & performance through robust internal control and strong public financial management.**

12.1 CFRS has a Risk Management Policy and Practitioner (how to) Guide that defines roles and responsibilities for managing risk and also includes a dynamic risk on a page which is embedded throughout the Service, and is also applied to projects, programmes, some planned departmental activity. Risks are assessed on their likelihood of occurrence and their potential impact.

12.2 All strategic and departmental risks are reviewed at least quarterly by the risk owners and Risk Management Group (RMG) and the strategic risk register is reported quarterly to Audit Committee.

12.3 There is a well-established network of Risk Champions who promote good practice and ensure that risk is considered locally as part of regular departmental/team meetings. This network gains some real value in sharing of best practice and acting as a 'peer group' and critical friend in the management and maintenance of risk.

12.4 Members and officers at all levels of the Authority recognise that risk management is part of their day-to-day job. An owner is allocated to risks on the risk register and they are responsible for regularly reviewing and managing the risks to which they are assigned. A programme of risk management training is in place and delivered annually as part of the Member development and induction programmes.

12.5 Health and Safety risks are robustly managed in accordance with the Health and Safety Policies and Procedures and by the application of Standard Operating Procedures that are regularly reviewed and updated, as necessary. risks are scored based on both the probability and level of impact, the combined outcome (the risk score) is rated using a Red, Amber and Green (RAG) basis.

12.6 The Service's Performance and Programme Board (members of the Service Leadership Team) receives a quarterly review of performance against KPIs. The Board is responsible for monitoring and reviewing progress against performance targets and ensuring that action is taken wherever possible if targets are not being met. The performance reviews are also reported to the Performance and Overview Committee.

12.7 Financial performance is also reported to the Performance and Overview Committee on a quarterly basis. Budget Managers are provided with detailed information monthly, and all financial activity is subject to audit. The Head of Internal Audit provides an annual assurance statement together with the External Auditor's Annual Audit Letter both of which are published together with the Statement of Accounts on the website.

12.8 The use and disclosure of personal data is governed in the United Kingdom by the Data Protection Act 2018 (the Act) and the General Data Protection Regulation (GDPR). The Service ensures that all personal data is handled in accordance with the Act.

13. Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

13.1 The Corporate Communications Strategy sets out the approach the Service will take to communicating with the public and other stakeholders. It recognises the need for different approaches for different audiences and the increased use of social media as a communications tool.

13.2 The Service's website includes details of performance, strategies, plans, financial statements, and the Annual Report. The Annual Report highlights key challenges and achievements from the year and includes performance and financial information set out in a simple but informative way. Members and Service Leadership Team agree the report before it is published.

13.3 The process for assessing the Authority against this framework is agreed by the Governance and Constitution Committee. Evidence is reviewed annually, and an action plan is maintained highlighting areas for improvement. Progress against the action plan is reported to the Service Leadership Team and to Governance and Constitution Committee. The framework and the evidence supporting the assessment is included in the annual Statement of Assurance. Internal Audit review the assessment and evidence against at least two of the sections of the Code of Corporate Governance Framework each year and make recommendations for improvement accordingly.

13.4 As a public service organisation, the Fire Authority will use public funds prudently and apply the highest standards of conduct throughout the organisation. Under the remit of the Governance and Constitution Committee, the Authority has an Anti-Fraud Policy and Whistleblowing Policy and Procedure (confidential reporting) in support of this aim.

13.5 External assurance in terms of accountability is provided by both Internal and External Audit, HMICFRS reviews and partner reviews of collaborations. The Head of Internal Audit carries out their role in accordance with guidance issued in the CIPFA Statement on the role of the head of internal audit (2010). The Head of Internal Audit's Opinion and the overall opinion for the period 1 April 2024 to 31 March 2025 provides Substantial Assurance, that that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently.

The 2024-25 Internal Audit Plan has been delivered with the focus on the provision of the Head of Internal Audit Opinion. This position has been reported within the progress reports across the financial year. Review coverage has been focused on:

- The organisation's assurance framework.
- Core and mandated reviews, including follow up; and
- A range of individual risk-based assurance reviews.

14. Review of Effectiveness

14.1 As part of the on-going governance roles, each of the above principles is reviewed and evidence sourced to show effectiveness in terms of communications, actions, policies, and procedures. This evidence is scrutinised and challenged by the Treasurer together with the Director of Governance and Commissioning.

14.2 These statutory roles have the responsibility to ensure the Authority has a sound system of governance (incorporating the system of internal control) and as such maintain the Authority's Code of Governance including financial regulations.

14.3 A review was commissioned to look at the remaining services delivered by the Blue Light Collaboration of Police and Fire. A decision was made to return the Estates and Stores functions by October 2026, with a decision on IT expected later in 2025.

15. Areas for Action in 2024-25

15.1 The following areas were reviewed:

- Internal Governance and Assurance Fire Standard
- Overarching Asset Management Arrangements
- Cyber security

An update on these areas can be found in Appendix 1

16. Areas for Action in 2025-26

16.1 The following topics are being considered as Areas for Action:

- Overarching Asset Management Arrangements – continuation from 24-25
- Review remaining Areas for Improvement prior to next HMICFRS inspection
- Review impact of Cheshire being part of the Devolution Priority Programme

These topics will be determined at the Audit Committee meeting in July 2025.

17. **Summary**

17.1 We propose over the coming year to take steps to address the issues identified above to further enhance the governance arrangements. We are satisfied that these steps will address the need for improvement as identified in the review of effectiveness and will monitor their implementation and operation as part of the next annual review.

Signed

Cllr Stef Nelson	Alex Waller
Chair of Fire Authority	Chief Fire Officer and Chief Executive

Melissa Andrews	James Cunningham
Monitoring Officer	Section 151 Officer

On behalf of the Members of Cheshire Fire Authority and officers of Cheshire Fire and Rescue Service.

Independent auditor's report to the members of Cheshire Fire Authority

To be included in the final copy of Statement of Accounts

Cheshire Fire and Rescue Service, Sadler Road, Winsford, Cheshire, CW7 2FQ
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