



Awdurdod Tan ac Achub
Canolbarth a Gorllewin Cymru
Mid and West Wales
Fire and Rescue Authority

STATEMENT OF ACCOUNTS 2024/25



Gwasanaeth Tân ac Achub
Canolbarth a Gorllewin Cymru
Mid and West Wales
Fire and Rescue Service

STATEMENT OF ACCOUNTS

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The maintenance and integrity of the Authority's website is the responsibility of the Authority; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Narrative Report

Introduction

The purpose of this narrative is to explain the structure of the accounts, briefly describe the activity and structure of the Mid and West Wales Fire and Rescue Authority and consider the overall financial position of the Authority in the current economic context.

Organisational Overview

Mid and West Wales Fire and Rescue Authority (the Authority) was created in 1996 by the Local Government (Wales) Act 1994, following the merger of Dyfed, Powys and West Glamorgan Brigades. The Authority is responsible for providing an efficient and effective fire and rescue service to the communities of Mid and West Wales. The Authority covers 6 unitary authority areas and is made up of 25 elected members drawn from those authorities, representative to the number of registered electors.

The Authority appoints a Chief Fire Officer with delegated authority to lead the Mid and West Wales Fire and Rescue Service (the Service). The Service makes up almost two-thirds of Wales, covering a predominantly rural area of 4,500 square miles, comprising 58 fire stations, and employing around 1,300 staff. It is the third largest Fire and Rescue Service in the United Kingdom, in terms of land mass, behind the Scottish and Northern Ireland Fire Services.

There are a variety of risks found within the Service area, ranging from the petrochemical industries in Milford Haven, to the risks associated with heavily populated areas such as Swansea and Neath Port Talbot. There is also a large farming community and many other light industries throughout the area. These, together with an extensive coastline and inland waterways, form some of the specialised risks found within the Service.

The communities we serve are at the heart of everything we do and recognising the need to plan for the longer-term, on 1 April 2024 the Service introduced a Community Risk Management Plan (CRMP) 2040. The CRMP highlights how we intend on addressing the risks, threats, and challenges facing our communities and how we propose to meet and reduce them, whilst ensuring our assets and resources are used successfully, providing the best possible service to the communities we serve.

The Service is actively engaged in working with the communities it serves, an example of which is carrying out Home Safety checks. The Service works in partnership with South Wales Fire and Rescue Service, North Wales Fire and Rescue Service and other emergency services, for example, Dyfed Powys Police and South Wales Police with some of their resources being located at several of our properties; also the Welsh Ambulance Service Trust (WAST) through the Co-Responder scheme which enables On-Call firefighters to respond to certain medically related calls as agents of WAST. Other initiatives include our participation in the community through fire cadets operated by Service staff and volunteers with branches across Mid and West Wales, the Phoenix project has proved very successful with youth groups in the area, and community volunteers.

The Service is committed to the Well-being of Future Generations (Wales) Act 2015, and we have embraced our duties and our role as a statutory partner across our six Public Services Boards. We understand the purpose and aim of the Act and are committed to ensuring we consider the long-term impact of our decisions on the communities we serve.

The Authority's Statement of Accounts is a publication required by law; the prime purpose of which is to provide clear information about the financial position and financial performance of Mid and West Wales Fire and Rescue Authority for the financial year 2024/25.

The statements and their purposes are as follows:

Statement of Responsibilities for the Statement of Accounts

This sets out the respective responsibilities of the Authority and its Officers for the preparation and approval of the Statement of Accounts.

Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in both Expenditure and Funding Analysis and the Movement in Reserves Statement.

Fire and Rescue Authorities are considered to be "one service" entities and the "provision of Fire Services" is presented as one-line in the CIES.

Movement in Reserves Statement (MiRS)

The MiRS shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' and other 'unusable reserves'. The (Surplus) or Deficit on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the General Fund Balance, and the Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves are undertaken by the Fire and Rescue Authority.

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Authority is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Cash Flow Statement (CFS)

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

Firefighters' Pension Fund Account

This shows the financial position of the Firefighters' pension fund account, indicating whether the Authority owes, or is owed money by the Welsh Government to balance the account, together with details of its net assets.

Expenditure and Funding Analysis (EFA)

The EFA is a disclosure note, it brings together Authority performance reported on the basis of expenditure measured under proper accounting practices with statutorily defined charges to the General Fund.

Notes to the Accounting Statements

The notes present information about the basis of preparation of the financial statements and the specific accounting policies used. They disclose information not presented elsewhere in the financial statements but is relevant to an understanding of them.

Annual Governance Statement (AGS)

This statement provides a continuous review of the effectiveness of the Authority's governance framework including the system of internal control and risk management systems, to give assurance on their effectiveness and/or to produce a management action plan to address identified weaknesses.

The Annual Governance Statement accompanies the Statement of Accounts but is not part of the Statement.

Summary of the Financial Year

The Revenue Budget and Capital Programme for 2024/25 were approved by Fire Authority on 12 February 2024.

The Revenue Budget approved for 2024/25 was £68.555m. As can be seen in the table below, expenditure was £1.943m underspent (3%), of which £969k related to lower expenditure within supplies and services which includes a saving of £614k in relation to the Firelink Control Charge. For operational staff, additional costs of £365k for the new On-Call pay banding from 1 January 2025, were offset by £500k savings within wholetime which includes basic salary costs and overtime. Also support staff vacancy management realised an underspend of £695k. Other savings of £109k were achieved for transport related costs. The Capital Financing Charges budget and actual outturn both include an appropriation to the Capital Fund of £949k and is overspent due to

higher borrowing costs. Additional income of £769k was received in year relating to site-sharing, investment income and a Welsh Government pay pressures grant of £320k.

The contributions received from Unitary Authorities totalled £68.555m, in line with the approved budget.

Net transfers to reserves totalled £2.324m comprising £550k for ongoing workstreams and commitments, £100k for risk mitigation, £614k relating to the saving on Firelink appropriated to the Software and Communication reserve, £1,060k appropriated to the Service Reconfiguration reserve to address the Improvement and Well-being Objectives set out in the CRMP 2040 and recommendations of the Crest Independent Culture review.

Revenue for the year compared to budget is detailed in the following table:

Outturn for the year 2024/25	Budget £000	Actual £000	Variance £000
Revenue			
Expenditure including grants	65,714	63,771	(1,943)
Capital Financing Charges	5,237	5,441	204
Recharge of Costs / Investment Interest including grants	(2,396)	(3,165)	(769)
Net Expenditure including grants	68,555	66,047	(2,508)
Unitary Authority contributions	(68,555)	(68,555)	0
Transfer to / (from) Reserves	0	2,324	2,324
(Surplus) / Deficit	0	(184)	(184)

The Authority incurs revenue spending on items, which are generally consumed within the year, and this is financed by contributions from the six constituent local authorities in proportion to population. For 2024/25, the Levies and proportions were as follows:

Constituent Local Authorities	Levy £000	Proportion %
Carmarthenshire County Council	14,367	21
Ceredigion County Council	5,440	8
Neath and Port Talbot County Borough Council	10,799	16
Pembrokeshire County Council	9,448	14
Powys County Council	10,171	14
City and County of Swansea Council	18,330	27
Total	68,555	100

Revenue Sources of Funding

The Authority receives revenue from the following sources:

2023/24 £000	Revenue Sources of Funding	2024/25 £000
1,686	Revenue Grants	1,647
321	Interest	269
903	Fees & Charges / Cost Recovery / Reimbursements*	929
2,910	Sub Total	2,845
0	WG funding – Pay Pressures	320
62,665	Unitary Authority Contributions	68,555
65,575	Total Revenue Funding	71,720

* Includes business rates revaluation refund relating to prior years: 2023/24 £85k and 2024/25 Nil.

Capital Expenditure

Capital expenditure in the year totalled £1.443m. The following table sets out expenditure by category and financing for 2024/25.

Capital Expenditure and Financing	Estimate 2024/25 £000	Revised Estimate 2024/25 £000	Actual 2024/25 £000	Estimate 2025/26 £000
Expenditure:				
Property – Refurbishments, adaptations, new buildings	3,640	2,593	980	2,530
Infrastructure	40	311	136	40
Vehicles, Plant & Equipment	4,513	1,054	327	4,479
Intangible Assets	140	68	0	300
Total Capital Expenditure	8,333	4,026	1,443	7,349
Financed by:				
Capital Grants & Contributions	1,540	208	174	540
Capital Receipts	0	0	78	0
Earmarked Reserves	516	389	0	640
Borrowing	6,277	3,429	1,191	6,169
Total Financing	8,333	4,026	1,443	7,349

The original Capital Programme of £8.333m was approved by Fire Authority in February 2024 and subsequently revised for slippage, rephasing and reprofiling of projects to £4.026m as approved by Fire Authority in February 2025. The Capital Programme was prepared having regard to the CRMP 2040, recognising that capital investment must be aligned to delivery against the 8 Improvement and Well-being Objectives. The CRMP 2040 consultation is expected to take 12 to 18 months and therefore it was determined capital investment in the short-term would be essential only.

The approved Capital Programme reflects the year in which a project will commence and not necessarily the year in which the expenditure will be incurred as this will depend on the life span of the project. The variance between the revised budget and actual outturn of £2.58m is attributable, in part, to the following: Estates Minor Works £0.681m, Swansea West and Swansea Central Fire Stations £0.598m; ICT equipment and software £0.373m; and Vehicles £0.375m.

The approved Capital Programme for 2025/26 will be amended to reflect the following: where projects in 2024/25 have not been completed as at 31 March 2025, the resource may be rolled over to 2025/26, changes to grant assumptions, rephasing and reprofiling of projects, deletion of projects no longer required and inclusion of new projects where additional resources have been secured.

Capital Borrowing

The Prudential Code allows the Authority to determine its own borrowing limits subject to the Responsible Financial Officer (Treasurer/Section 151 Officer) deeming it to be prudent, sustainable and affordable. There were three new external loans totalling £3.0m raised in the year with the Public Works Loan Board (PWLb) and two loans from Constituent Local Authorities totalling £6.0m. Loans repaid during the year totalled £11.065m. The total principal outstanding as at 31 March 2025 is £30.965m.

Treasury Management

The Authority's Treasury Management Strategy Statement (TMSS) 2024/25 was approved by Fire Authority on 12 February 2024.

The TMSS sets out the Capital Prudential Indicators including Minimum Revenue Provision Policy, Borrowing, and Annual Investment Strategy. Included within the TMSS are the Prudential Indicators and Treasury Management Indicators.

At the year-end 31 March 2025 borrowing transactions were within approved limits; and all investments met the creditworthiness criteria at the date of deposit.

The table below details the Capital Financing Requirement (CFR) compared to External Debt.



Capital Financing Requirement and External Debt	Estimate 2024/25 £000	Actual 2024/25 £000
Capital Financing Requirement		
Closing 31 March 2024	43,110	39,243
Recognition of Right-of-Use Assets at 1 April 2024	0	745
Opening 1 April 2024	43,110	39,988
Movement in CFR represented by:		
Net financing need for the year	6,277	1,443
Direct Revenue Contributions / Capital Receipts / Grants & Contributions	0	(252)
Less Minimum Revenue Provision / Voluntary Revenue Provision	(3,190)	(3,260)
Movement in CFR	3,087	(2,069)
Closing 31 March 2025	46,197	37,919
External Debt		
External Borrowing	38,964	30,965
Finance Lease Liabilities	1,485	1,485
Right-of-Use Asset Liabilities	1,000	491
Total External Debt	41,449	32,941
Under / (Over) Borrowed	4,748	4,978

Pensions

In 2024/25, thirty-six members of the Firefighters' Pension Scheme (FFPS) retired. The net cost of the FFPS to the revenue budget has slightly increased in year, and the liability in terms of future pension commitments has reduced due to adjustments made by the Actuaries to their assumptions. The actuarially assessed liability as at 31 March 2025 for the Firefighters' Pension Fund was £347.127m.

In 2024/25, five members of the Local Government Pension Scheme (LGPS) retired. The net cost of the LGPS to the revenue budget has increased in year, due to actuarial adjustments arising from changes in demographic and financial assumptions. Additionally, due to technical accounting requirements per IAS19 and IFRIC14, the asset ceiling restriction has been included in the LGPS disclosure calculations and unfunded benefits have also been included. Taking into account all these adjustments, the LGPS fund is reporting a liability at 31 March 2025 of £627k.

Under International Accounting Standard 19 (Employee Benefits) the Authority is required to provide details of assets and future liabilities for pensions payable to employees, both past and present. This is outlined in greater detail in the disclosures to the accounts, note 29.

Reserve Accounting

At the end of the financial year, the Statement of Accounts shows financial reserves carried forward into 2025/26. This is consistent with the accounting treatment of previous years, with the maintenance and utilisation of reserves forming a cornerstone of corporate financial stability and operational service planning in the short and medium term.

Capital Financing Costs

The charge made to the Service revenue accounts to reflect the cost of non-current assets used in the provision of services was £4.291m. This is a notional charge for depreciation and amortisation, and an adjustment is made to the year-end balance, so the contributions required to fund the Service are not affected. The actual cost to the Service for financing capital is £1.165m for loan and finance lease interest, and £3.260m Minimum Revenue Provision.

Impact of the Current Economic Climate

The financial implications of the current economic climate were reflected in the updated Medium-Term Financial Strategy which was reported to the Fire Authority in September 2024. In theory, the Authority has the power to request the resources it requires to fund its services regardless of Local Authority settlements. However, the Authority recognises its responsibility in ensuring that it doesn't exacerbate the financial challenges faced by Local Authorities and therefore systematically reviews its budget for opportunities to create savings and budget reductions through, for example, value for money exercise, review of budget assumptions, vacancy management, and treasury management practices while also ensuring the financial sustainability of the Service.

Whilst inflation (Consumer Price index CPI) has fallen over the last 12 months from 3.2% in March 2024 to 2.6% in March 2025, there remains uncertainty around the pace at which CPI inflation will return sustainably to the Bank of England Monetary Policy Committee 2% target. Economists predict that inflation is likely to increase temporarily in 2025, and it will be towards the end of 2026 before inflation is reduced to the target. The Bank of England has reduced interest rates from a high of 5.25% in August 2023, with steady decreases from August 2024 to February 2025 with the base rate of interest set at 4.50% at the year end. It is forecasted that the base rate of interest will reduce further during 2025/26.

Since the formation of a new UK Government in July 2024, and the Autumn Budget the economic and fiscal outlook has become more challenging. The outlook has also become more uncertain with two geopolitical risks highlighted by the Office for Budget Responsibility in their 2022 *Fiscal risks and sustainability report* beginning to crystallise: upward pressure on defence spending and a tightening of global trade restrictions. Also, recent UK population, labour force, and output data do not provide a clear signal about domestic economic prospects.

The Authority, along with all other public and private sector organisations, is faced with revenue pressures arising from pay awards and prices inflation, and borrowing costs remaining higher than predicted impacting the affordability of capital investment. The Authority has robust budget monitoring processes in place, recognising that pressures on both revenue and capital are likely to materialise over the coming years with continued pressure on Local Authority settlements from Welsh Government.

Strategy and Resource Allocation

Our Medium-Term Financial Strategy (MTFS) pulls together in one place all known factors affecting the financial position and financial sustainability of the organisation over the medium term. The MTFS balances the financial implications of objectives and policies against constraints in resources and provides the basis for decision making.

The Capital Programme and Revenue Budgets are prepared to support the delivery of the Authority's strategies and plans.

The Community Risk Management Plan (CRMP) 2040 highlights how we intend on addressing the risks, threats and challenges facing our communities and how we propose to meet and reduce them, whilst ensuring our assets and resources are used successfully providing the best possible service to the communities we serve.

The CRMP 2040 is designed to deliver the Service's vision: "to deliver the best possible service for the communities of Mid and West Wales" through eight Improvement and Well-being Objectives. The achievement of the priorities and objectives outlined in the CRMP 2040 is dependent upon a range of enabling functions, which play a critical role in the day-to-day function of the organisation including: Our People, Leadership and Management, Financial Resilience, Corporate Social Responsibility, Digital and Information Communications Technology Strategy, and Partnerships and Collaboration. The enablers will not only assist with the achievement of the objectives but ensure we have the provisions in place to support continuous and meaningful improvement.

The Annual Performance Assessment informs our staff, communities and stakeholders what outcomes and benefits have been delivered against the previous year's Improvement Objectives. It also identifies how we have contributed to the Well-being goals, set out within the Well-being of Future Generations (Wales) Act 2015.

The Sustainability and Environment Plan sets out the main principles, proposals and required actions to reduce the environmental impacts of the Service's activities and operations.

The Strategic Equality Plan conveys the continued commitment of the Authority and the Chief Fire Officer to promote equality of opportunity across Mid and West Wales Fire and Rescue Service's functions, policies, practices and procedures and sets out how the Service will seek to fulfil this commitment.

The Authority's Plans are available on its website.

We have continued to maintain a level of service which has ensured the communities of Mid and West Wales remain safe places to live, work and visit. Our overall financial standing has been maintained at a prudent level with an increase in the level of Usable Reserves at the year end. The majority of our reserves are earmarked for specific purposes, whether this is to address liabilities now or in the future e.g. Employee and Pensions reserve, or for financing specific capital schemes.

Additional Information

Additional information about these accounts is available from the Treasurer/Section 151 Officer to the Authority and the Head of Finance. Interested members of the public also have a statutory right to inspect the accounts before the audit is completed; availability of the accounts for inspection is advertised on the Mid and West Wales Fire and Rescue Authority website.

Acknowledgements

Finally, I wish to thank all Finance staff within the Resources Directorate, and their colleagues throughout the Authority, who have worked on the preparation of these statements. I also wish to thank the Chief Fire Officer and the Executive Leadership Team for their assistance and co-operation throughout this process.

Sarah Mansbridge FCCA – Treasurer / Section 151 Officer



Statement of Responsibilities

The Authority's Responsibilities

The Authority is required:

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

PERFORMANCE, AUDIT & SCRUTINY COMMITTEE APPROVAL

Approval of Statement of Accounts post audit.

Signature:

Chair of Performance, Audit & Scrutiny Committee

Date: 30 July 2025

The Chief Financial Officer's Responsibilities

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

In preparing this statement of accounts, the Chief Financial Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Local Authority Code.

The Chief Financial Officer has also:

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

CERTIFICATE OF THE CHIEF FINANCIAL OFFICER

I certify that the accounts provide a true and fair view of the financial position of the Authority as at the 31 March 2025 and its income and expenditure for the year then ended.

Signature:

Chief Financial Officer (Treasurer/Section 151 Officer)

Date: 30 July 2025

The independent auditor's report of the Auditor General for Wales to the members of Mid and West Wales Fire and Rescue Authority

Opinion on financial statements

I have audited the financial statements of:

- Mid and West Wales Fire and Rescue Authority;
- Mid and West Wales Fire and Rescue Authority Firefighters' Pension Fund

for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

Mid and West Wales Fire and Rescue Authority's financial statements comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Movement in Reserves Statement, the Cash Flow Statement and the related notes, including the material accounting policies.

The Firefighters' Pension Fund Accounts comprise the Fund Account and Net Assets Statement and related notes including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of Mid and West Wales Fire and Rescue Authority and the Mid and West Wales Fire and Rescue Authority Firefighters' Pension Fund as at 31 March 2025 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the Mid and West Wales Fire and Rescue Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority Firefighters Pension Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report or accompanying it. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25;
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority Firefighters' Pension Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;



- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error; and
- assessing the Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority Firefighters' Pension Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority Firefighters' Pension Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with section 13(2) of the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority Firefighters' Pension Fund's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals;
- Obtaining an understanding of Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority Firefighters' Pension Fund's framework of authority as well as other legal and regulatory frameworks that Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority Firefighters' Pension Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority Firefighters' Pension Fund; and
- Obtaining an understanding of related party relationships.



In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, those charged with governance and legal advisors about actual and potential litigation and claims.
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority Firefighters' Pension Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Mid and West Wales Fire and Rescue Authority and Mid and West Wales Fire and Rescue Authority Firefighters' Pension Fund in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
Date: 31 July 2025

1 Capital Quarter
Tyndall Street
Cardiff CF10 4BZ

Expenditure and Funding Analysis (EFA)

The Expenditure and Funding Analysis demonstrates how funding available to the Authority (contributions from constituent authorities, government grants, other income etc.) for the year has been used in providing services in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The EFA is a note to the financial statements not a primary statement. However, it has been positioned with the primary statements to aid the readers understanding.

2023/24			2024/25		
Net Expenditure Chargeable to the General Fund Balance	Adjustments between the Funding & Accounting Basis	Net Expenditure in Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund Balance	Adjustments between the Funding & Accounting Basis	Net Expenditure in Comprehensive Income and Expenditure Statement
£000	£000	£000	£000	£000	£000
58,363	(4,462)	53,901	60,945	(8,867)	52,078
(57,658)	11,516	(46,142)	(64,402)	15,017	(49,385)
705	7,054	7,759	(3,457)	6,150	2,693
			(Surplus) or Deficit on Provision of Services		

2023/24			2024/25		
General Fund Balance	Earmarked General Fund Reserves	Total General Fund Balance	General Fund Balance	Earmarked General Fund Reserves	Total General Fund Balance
£000	£000	£000	£000	£000	£000
(1,880)	(4,941)	(6,821)	(2,000)	(4,116)	(6,116)
705	0	705	(3,457)	0	(3,457)
(825)	825	0	3,273	(3,273)	0
			Closing Balance		
(2,000)	(4,116)	(6,116)	(2,184)	(7,389)	(9,573)

Core Financial Statements

Comprehensive Income and Expenditure Statement (CIES)

2023/24				2024/25		
Expenditure	Income	Net		Expenditure	Income	Net
£000	£000	£000		£000	£000	£000
56,490	(2,589)	53,901	Provision of Fire Services	54,974	(2,896)	52,078
56,490	(2,589)	53,901	Cost of Services	54,974	(2,896)	52,078
		(85)	Other Operating Income and Expenditure			462
		17,630	Financing and Investment Income and Expenditure (Note 10)			18,882
		(63,687)	Taxation and Non-Specific Grant Income (Note 11)			(68,729)
		7,759	(Surplus) or Deficit on Provision of Services			2,693
		(2,464)	(Surplus) or deficit on revaluation of Property, Plant and Equipment (Note 18a)			(5,202)
		9,602	Remeasurement of the net defined benefit liability / (asset) (Note 18c)			(42,895)
		7,138	Other Comprehensive (Income) and Expenditure			(48,097)
		14,897	Total Comprehensive (Income) and Expenditure			(45,404)

Movement in Reserves Statement (MiRS)

Movement in Reserve Statement 2024/25	General Fund Balance £000	General Fund Reserves £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Fire Authority Reserves £000
Balance 31 March 2024	(2,000)	(4,116)	0	(6,116)	327,615	321,499
Movements:						
(Surplus) / Deficit on provision of services	2,693	0	0	2,693	0	2,693
Other CIES	0	0	0	0	(48,097)	(48,097)
Total CIES	2,693	0	0	2,693	(48,097)	(45,404)
Adjustments accounting & funding (Note 8)	(6,150)	0	0	(6,150)	6,150	0
Net (Increase) / Decrease before transfer	(3,457)	0	0	(3,457)	(41,947)	(45,404)
Transfers To / (From) Reserves (Note 9)	3,273	(3,273)	0	0	0	0
(Increase) / Decrease in 2024/25	(184)	(3,273)	0	(3,457)	(41,947)	(45,404)
Balance 31 March 2025	(2,184)	(7,389)	0	(9,573)	285,668	276,095

Movement in Reserve Statement 2023/24	General Fund Balance £000	General Fund Reserves £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Fire Authority Reserves £000
Balance 31 March 2023	(1,880)	(4,941)	0	(6,821)	313,423	306,602
Movements:						
(Surplus) / Deficit on provision of services	7,759	0	0	7,759	0	7,759
Other CIES	0	0	0	0	7,138	7,138
Total CIES	7,759	0	0	7,759	7,138	14,897
Adjustments accounting & funding (Note 8)	(7,054)	0	0	(7,054)	7,054	0
Net (Increase) / Decrease before transfer	705	0	0	705	14,192	14,897
Transfers To / (From) Reserves (Note 9)	(825)	825	0	0	0	0
(Increase) / Decrease in 2023/24	(120)	825	0	705	14,192	14,897
Balance 31 March 2024	(2,000)	(4,116)	0	(6,116)	327,615	321,499

Balance Sheet

31 March 2024 £000	Balance Sheet	Note	31 March 2025 £000
93,786	Property, Plant & Equipment	12	97,927
4,924	Assets Under Construction	12	2,730
323	Intangible Assets	13	254
26	Long Term Debtors	15	25
99,059	Long Term Assets		100,936
712	Inventories		655
5,018	Short Term Debtors	15	5,342
1,225	Cash and Cash Equivalents	16	3,378
6,955	Current Assets		9,375
(8,327)	Short Term Borrowing	14	(5,730)
(5,755)	Short Term Creditors	17	(5,410)
(83)	Revenue Grants Receipts in Advance	25	(71)
(311)	Other Short Term Liabilities	28	(599)
(14,476)	Current Liabilities		(11,810)
(24,965)	Long Term Borrowing	14	(25,465)
(1,485)	Other Long Term Liabilities	28	(1,377)
(386,587)	Liability related to defined benefit pension scheme	29	(347,754)
(413,037)	Long Term Liabilities		(374,596)
(321,499)	Net Liabilities		(276,095)
(6,116)	Usable Reserves	9	(9,573)
327,615	Unusable Reserves	18	285,668
321,499	Total Reserves		276,095

Cash Flow Statement

2023/24		2024/25
£000		£000
7,759	Net (surplus) or deficit on the provision of services	2,693
(11,746)	Adjustment to surplus or deficit on the provision of services for noncash movements	(8,950)
1,134	Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	252
(2,853)	Net cash (inflow) / outflow from operating activities	(6,005)
9,073	Net cash (inflow) / outflow from investing activities	2,109
(6,267)	Net cash (inflow) / outflow from financing activities	1,743
(47)	Net (increase) or decrease in cash and cash equivalents	(2,153)
1,178	Cash and cash equivalents at the beginning of the reporting period	1,225
1,225	Cash and cash equivalents at the end of the reporting period	3,378

A detailed breakdown of the Cash Flow is provided in Notes 19 to 21.

Notes to the Core Financial Statements

Note 1 - Accounting Policies

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 31 March 2025. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 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).

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

2. 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 the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser, and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- 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.

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 no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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.

4. 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.

5. Charges to Revenue for Non-current Assets

Services 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 assets attributable to the Service.

The Authority is not required to raise a levy 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) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

6. Employee Benefits

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 Surplus or Deficit on the Provision of Services but then reversed out through the Movement in Reserves Statement to the Accumulated Absences Account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

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 segment or, where applicable, to a corporate service segment 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.

Post-employment Benefits

Employees of the Authority are members of two separate pension schemes:

- the Local Government Pension Scheme, administered by the Dyfed Pension Fund, Carmarthenshire County Council
- the Firefighters' Pension Scheme, administered by the Dyfed Pension Fund, Carmarthenshire County Council

Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Authority. However, the Local Government Pension Scheme is funded through the ownership of assets, the Firefighters' Pension Scheme is unfunded.

The Local Government Pension Scheme (LGPS)

The LGPS is accounted for as a defined benefits scheme:

- The liabilities of the Dyfed Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 5.9% (based on the indicative rate of return on high quality corporate bonds).
- The assets of Dyfed Pension Fund attributable to the Authority are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property – market value

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

- 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.

- 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 benefit 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.
- Remeasurements 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.
 - Contributions paid to the Dyfed Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

The Firefighters' Pension Scheme (FFPS)

The FFPS is accounted for as an unfunded defined benefits scheme, the scheme has no assets and no investment income:

- The liabilities of the Fund are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 5.65% (based on Government bond yields of appropriate duration plus an additional margin).

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

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.
- Net interest on the net defined benefit liability, i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability 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 benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- 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.
- Contributions paid to the Fund – cash paid as employer's contributions to the pension fund 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 funds 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 LGPS and FFPS.

7. Events After the Reporting Period

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

- 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.

8. 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 (CIES) 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.

For most of the borrowings that the authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

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 cashflow characteristics.

There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI)

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

Any gains and losses that arise on the derecognition of a financial asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The authority has adopted a simple approach to impairment and measures the loss of Trade Debtors and Loans to Third Party at an amount equal to expected lifetime loss using a provision based on a combination of age of debt and historic collection rates. This method ensures early recognition of the impairment of financial assets.

9. 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 in the form of 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. When 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 and Expenditure (non-ringfenced 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.

10. 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.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

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 in the Comprehensive Income and Expenditure Statement over a range of 3 to 15 years.

11. Inventories and Long-term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the First in, First Out (FIFO) costing formula.

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

12. Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the authority in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the authority as a joint operator recognises:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its revenue from the sale of its share of the output arising from the joint operation
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

13. Leases

IFRS 16 Leases, which is mandatory from 1 April 2024, requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset.

Leases previously classified, as at 31 March 2024, 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, will be reported as right of use assets. All other leases previously classified, as at 31 March 2024, as operating leases will be recategorised, subject to any exemptions, to a right-of-use asset on the balance sheet together with a lease liability.

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

Operating Leases

The Authority has adopted IFRS 16 from 1 April 2024. Property, Plant and Equipment that fall under the scope of IFRS 16 are now classified as right-of-use assets on the balance sheet.

In line with IFRS16, where leases previously classified as operating leases under IAS17 are considered as low value (below £10k asset original cost) or the lease has less than 12 months to run, then these will not be recognised on the balance sheet and considered 'out of scope'. In these 'out of scope' instances, rentals paid are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

IFRS16 Right of Use Assets

The Authority has adopted IFRS 16 Leases with effect from 1 April 2024. The adoption of the new standard resulted in the balance sheet recognition of a right-of-use asset and related lease liability in relation to former operating leases. The Authority has elected to apply recognition exemptions to low value assets (below £10,000 when new) and to short-term leases i.e. existing leases that expire on or before 31 March 2025, and new leases with a duration of less than 12 months. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time.

Property, plant and equipment previously held under finance leases are from 1 April 2024 recognised on the Balance Sheet as Right of use assets. 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 IFRS16 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).

14. Property, Plant and Equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an 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 when it is incurred.

Property, Plant and Equipment are capitalised where:

- it is held for use in delivering services,
- it is probable that future economic benefits will flow to, or service potentially be provided to, the Authority,
- it is expected to be used for more than one financial year,
- the cost of the item can be measured reliably,
- the cost of the individual asset is at least £10,000,
- the collective cost of a full asset refresh of personal protective equipment is at least £40,000,
- the items form a group of assets which:
 - individually have a cost of at least £500 and collectively have a cost of at least £40,000,
 - the assets are functionally interdependent,
 - have broadly simultaneous purchase dates,
 - are anticipated to have simultaneous disposal dates,
 - are under single managerial control,
- the items form part of the initial equipping and setting-up cost of a new building or refurbishment of a station or offices, irrespective of their individual or collective cost. Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.
- the items form part of the initial equipping and setting-up cost of a new appliances or vehicle, irrespective of their individual or collective cost.

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 Authority does not capitalise borrowing costs incurred while 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 and Expenditure 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 – depreciated historical cost
- Assets under construction – historical cost
- Authority offices – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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 that have short useful lives or low values (or both), 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.

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 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 not insignificant, 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 in the Comprehensive Income and Expenditure Statement.

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

Depreciation

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

Depreciation on assets is calculated as at 1 April. The impact of the introduction of IFRS 16 will mean that assets reclassified as right-of-use assets as at 1 April 2024 will have a depreciation charge in 2024/25.

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, furniture and equipment – straight-line allocation as advised by a suitably qualified officer
- infrastructure – straight-line allocation (5-40 years)

Where an item of property, plant and equipment asset 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 the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued 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 losses previously 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 are categorised as capital receipts. The balance of receipts remains within the Capital Receipts Reserve and can then only be used 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 Reserve from the General Fund Balance in the Movement in Reserves Statement. Receipts under £10,000 and miscellaneous receipts not related to disposal of assets cannot be treated as capital items and shall be credited to the CIES.

15. 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.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Authority has an 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.

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.

16. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance. These reserves are explained in the relevant notes to the Balance Sheet.

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

17. Value Added Tax (VAT)

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

Note 2 - Accounting Standards that have been issued but have not yet been adopted

Where a new Standard has been published but has not yet been adopted by the Code, the Authority is required to disclose information relating to the impact of the accounting change. The changes that are introduced by the 2025/26 Code are:

- a) IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023.
- b) IFRS 17 Insurance Contracts issued in May 2017.
- c) The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach.

It is not anticipated that the above amendments will have a material impact on the information provided in the Authority's financial statements.

Note 3 - Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are as follows:

- There is a high degree of uncertainty about future levels of funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the authority might be impaired as a result of a need to reduce levels of service provision.
- As required under the Authority's accounting policy for "Property, Plant and Equipment", 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. A five-year revaluation of all property assets was undertaken as at 1 April 2020. Since this date there has been a significant uplift in Building Cost Information Service (BCIS) construction data, therefore, as at 31 March 2025, and for the previous three financial years, a desktop revaluation exercise of operational properties measured on depreciated replacement costs (DRC) was completed by Carmarthenshire County Council Valuers. It was agreed that the Valuer would not undertake any site inspections in regard of this exercise.

Note 4 - 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 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

- Property, Plant and Equipment – Non-current Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. If the useful life of the asset is reduced depreciation increases and the carrying amount of the asset falls.
- Pensions liability - Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and, for the Local Government pension scheme, the expected returns on pension fund assets. Consulting Actuaries are engaged to provide the Authority with expert advice about the assumptions to be applied. Please refer to Note 29 for Pension liability sensitivity analysis.

Note 5 - Events After the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Chief Financial Officer (Treasurer / Section 151 Officer) as per date noted on page 12. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There have been no material events after the balance sheet date.



Note 6 - Note to the Expenditure and Funding Analysis

2024/25				
	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000
Provision of Fire Services	4,972	(13,927)	88	(8,867)
Net Cost of Services	4,972	(13,927)	88	(8,867)
Other Income and Expenditure	(2,972)	17,989	0	15,017
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	2,000	4,062	88	6,150

2023/24				
	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000
Provision of Fire Services	5,077	(9,599)	60	(4,462)
Net Cost of Services	5,077	(9,599)	60	(4,462)
Other Income and Expenditure	(5,402)	16,918	0	11,516
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	(325)	7,319	60	7,054

Net Capital Statutory Adjustments – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Pensions Statutory Adjustments - Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- For Services this represents the removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs.
- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

Other Differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For Financing and investment income and expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

Note 7 - Expenditure and Income Analysed by Nature

2023/24 £000		2024/25 £000
	Expenditure	
43,952	Employee Costs	43,022
13,735	Other Operating Costs	13,436
10,643	Support Services	11,526
5,077	Depreciation, Amortisation, Impairment & Revaluation	4,971
1,035	Interest Paid	1,170
(86)	Loss / (Gain) on the disposal of assets	462
74,356	Total Expenditure	74,587
	Income	
(903)	Fees, Charges, & Other Service Income	(929)
(321)	Interest & Investment Income	(269)
(62,665)	Levies from Unitary Authorities	(68,555)
(2,708)	Government Grants, Contributions & Donations	(2,141)
(66,597)	Total Income	(71,894)
7,759	(Surplus) or Deficit on Provision of Services	2,693

Revenue from Contracts with Service Recipients

The Authority has undertaken a review of its income streams that meet the requirements for IFRS 15 Revenue Contracts. Due to the value as at 31 March 2025 it was deemed immaterial to include in the accounts and Note 7 provides sufficient information.

Note 8 - Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

- General Fund Balance - the General Fund is the statutory fund into which all the receipts of an Authority are required to be paid and out of which all liabilities of the Authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Authority is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Authority is required to recover) at the end of the financial year.
- Capital Receipts Reserve – holds the proceeds from the disposal of land and other non-current assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year end.

2023/24				Adjustments between Accounting Basis and Funding Basis under Regulations	2024/25			
General Fund & Earmarked Reserves	Capital Receipts	Usable Reserves	Unusable Reserves		General Fund & Earmarked Reserves	Capital Receipts	Usable Reserves	Unusable Reserves
£000	£000	£000	£000		£000	£000	£000	£000
(4,194)	0	(4,194)	4,194	Depreciation	(4,642)	0	(4,642)	4,642
(839)	0	(839)	839	Impairment & Non-enhancing	(489)	0	(489)	489
26	0	26	(26)	Revaluation Gains / Losses on Property	228	0	228	(228)
(69)	0	(69)	69	Intangible Amortisation	(69)	0	(69)	69
85	(112)	(27)	27	Disposal of non-current assets	(462)	(78)	(540)	540
1,697	0	1,697	(1,697)	Capital Expenditure Funded Earmarked Reserves CERA	0	0	0	0
1,022	0	1,022	(1,022)	Capital Expenditure Funded Grants	174	0	174	(174)
0	112	112	(112)	Capital Expenditure Funded Receipts	0	78	78	(78)
2,597	0	2,597	(2,597)	Financing Capital MRP	3,260	0	3,260	(3,260)
325	0	325	(325)		(2,000)	0	(2,000)	2,000
(25,112)	0	(25,112)	25,112	Reversal of retirements benefits in CIES	(26,343)	0	(26,343)	26,343
17,793	0	17,793	(17,793)	Employer's Pension Contributions & payments to pensioners	22,281	0	22,281	(22,281)
(7,319)	0	(7,319)	7,319		(4,062)	0	(4,062)	4,062
(60)	0	(60)	60	Movement in Accumulated Absence accrual	(88)	0	(88)	88
(7,054)	0	(7,054)	7,054	Adjustments between accounting basis & funding basis under regulation	(6,150)	0	(6,150)	6,150

Note 9 – Usable Reserves

	Balance at 1 April 2023	Transfers In 2023/24	Transfers Out 2023/24	Inter Reserve Transfers	Appropri- ation to Capital	Balance at 1 April 2024	Transfers In 2024/25	Transfers Out 2024/25	Inter Reserve Transfers	Appropri- ation to Capital	Balance at 31 March 2025
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
General Fund Balance	(1,880)	0	21	(141)	0	(2,000)	(184)	0	0	0	(2,184)
Earmarked Reserves:											
Invest to Save Fund	0	0	0	0	0	0	0	0	0	0	0
Capital Fund	(367)	(1,451)	0	0	1,635	(183)	(1,210)	0	0	0	(1,393)
Major Incidents	(400)	0	0	0	0	(400)	0	0	0	0	(400)
Fundraising & Miscellaneous Ring-Fenced	(558)	(16)	60	0	0	(514)	(275)	0	0	0	(789)
Levy Equalisation Reserve	(594)	0	592	2	0	0	0	0	0	0	0
Software & Communication	(1,018)	(374)	0	(2)	0	(1,394)	(614)	0	0	0	(2,008)
Risk Management	(345)	0	261	(15)	0	(99)	(100)	0	0	0	(199)
Managing Change - Employees & Pensions	(1,000)	0	0	0	0	(1,000)	0	0	0	0	(1,000)
Employee Safety	(484)	0	0	0	62	(422)	(14)	0	0	0	(436)
Service Reconfiguration	(175)	(85)	0	156	0	(104)	(1,060)	0	0	0	(1,164)
Earmarked Reserves	(4,941)	(1,926)	913	141	1,697	(4,116)	(3,273)	0	0	0	(7,389)
Capital Receipts	0	(112)	0	0	112	0	(78)	0	0	78	0
Total Usable Reserves	(6,821)	(2,038)	934	0	1,809	(6,116)	(3,535)	0	0	78	(9,573)

An overview of the purpose of the Usable Reserves held by the Authority is detailed in the following table:

Name	Purpose
General Fund Balance	Non-Earmarked Reserve maintained to cushion the impact of emergencies, to offset the impact of unforeseen events.
Levy Equalisation	To be used to "smooth" the changes in the levy charged each year to the constituent Unitary Authorities.
Invest to Save	Maintained to provide resources to allow the Authority to invest in the transformation of its services and to realise future cost reductions/efficiencies.
Capital Fund	Maintained to provide additional resources for the capital programme, providing flexibility to the financing of capital investment.
Major Incidents	Funding set aside for one-off incidents outside routine service delivery activity. Replenished through base budget in future years to maintain the level required to manage major incidents.
Fundraising & Miscellaneous Ring-fenced	Surpluses generated by various schemes e.g. car salary sacrifice scheme and money raising events to be used for specific purposes.
Software & Communication	Maintained to provide resources to fund one-off ICT infrastructure investment, and future emergency services network.
Risk Management	Maintained to meet the Authority's exposure to claims under its insurance arrangements; to provide flexibility to meet the volatility of the insurance market and to provide resources to take any measures to improve the Authority's risk exposure position.
Employees & Pension	Maintained to meet one off costs associated with employees: e.g. pensions ombudsman, employment tribunals, redundancy.
Employee Safety	Maintained to meet demands for ensuring and improving Firefighter safety including both equipment and training requirements.
Service Reconfiguration	Maintained to support the Authority in addressing future pressures arising from regulatory and legislative requirements and invest in service transformation.
Capital Receipts	Holds the receipts from the sale of assets and are available to finance capital expenditure in future years.

Note 10 - Financing and Investment Income and Expenditure

2023/24		2024/25
£000		£000
1,031	Interest payable and similar charges	1,165
16,918	Net interest on the net defined benefit liability (asset)	17,989
0	Movement in Bad Debt Provision	(6)
2	Bad Debts Written Off	2
(321)	Interest receivable and similar income	(269)
17,630	Total	18,881

Note 11 - Taxation and Non-Specific Grant Income

2023/24		2024/25
£000		£000
(62,665)	Levies from constituent authorities	(68,555)
(1,022)	Capital grants and contributions	(174)
(63,687)	Total	(68,729)

Note 12 – Property, Plant and Equipment

IFRS 16 – Leases

With the adoption of IFRS 16 for the first time in 2024/25, the opening balance for the Property, Plant and Equipment has been adjusted for the right-of-use assets. The recognition of right-of-use assets of £745k reflects the net present value of lease liabilities as at 1 April 2024.

All right-of-use assets are included in the “Vehicles, Plant, Furniture & Equipment” category. As at 31 March 2025 the following has been included, in the table below, for right-of-use assets and leases previously classified as finance leases:

Balance at 1 April 2024	£9,466k
Recognition of Right-of-use Assets	£745k
Additions	£196k
Total (included within Cost or Valuation)	£10,407k
Accumulated Depreciation	(£8,584k)
Net Book Value	£1,823k

Movements to 31 March 2025	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation: Gross Book Value as at 31 March 2024	65,949	46,800	344	4,925	118,018
Recognition of Right of Use Assets	0	745	0	0	745
Cost or Valuation: Gross Book Value as at 1 April 2024	65,949	47,545	344	4,925	118,763
Additions	869	450	0	124	1,443
Non-Enhancing Expenditure	(489)	0	0	0	(489)
Accumulated Depreciation & Impairment written off to Gross Book Value	(1,937)	0	0	0	(1,937)
Revaluation increases / (decreases) recognised in the revaluation reserve	5,202	0	0	0	5,202
Revaluation increases / (decreases) recognised in the surplus / deficit on provision of services	228	0	0	0	228
Derecognition – disposals	0	(2,215)	0	0	(2,215)
Reclassifications and transfer	0	2,318	0	(2,318)	0
Cost or Valuation: Gross Book Value as at 31 March 2025	69,822	48,098	344	2,731	120,995
Accumulated Depreciation and Impairment as at 31 March 2024	(313)	(18,844)	(150)	0	(19,307)
Depreciation written out to the Surplus / Deficit on the Provision of Services	(2,036)	(2,597)	(9)	0	(4,642)
Accumulated Depreciation & Impairment written off to Gross Book Value	1,937	0	0	0	1,937
Impairment losses / (reversals) recognised in the Revaluation Reserve	0	0	0	0	0
Impairment losses / (reversals) recognised in the surplus / deficit on the provision of services	0	0	0	0	0
Derecognition – disposals	0	1,675	0	0	1,675
Accumulated Depreciation and Impairment as at 31 March 2025	(412)	(19,766)	(159)	0	(20,337)
Net Book Value at 31 March 2024	65,636	27,956	194	4,925	98,711
Net Book Value at 31 March 2025	69,410	28,332	185	2,731	100,658

Movements to 31 March 2024	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Infrastructure Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
Cost or Valuation: Gross Book Value as at 31 March 2023	65,378	42,254	344	2,849	110,825
Additions	839	4,207	0	4,128	9,174
Non-Enhancing Expenditure	(839)	0	0	0	(839)
Accumulated Depreciation & Impairment written off to Gross Book Value	(1,919)	0	0	0	(1,919)
Revaluation increases / (decreases) recognised in the revaluation reserve	2,464	0	0	0	2,464
Revaluation increases / (decreases) recognised in the surplus / deficit on provision of services	26	0	0	0	26
Derecognition – disposals	0	(1,713)	0	0	(1,713)
Reclassifications and transfer	0	2,052	0	(2,052)	0
Cost or Valuation: Gross Book Value as at 31 March 2024	65,949	46,800	344	4,925	118,018
Accumulated Depreciation and Impairment as at 31 March 2023	(215)	(18,363)	(141)	0	(18,719)
Depreciation written out to the Surplus/Deficit on the Provision of Services	(2,017)	(2,168)	(9)	0	(4,194)
Accumulated Depreciation & Impairment written off to Gross Book Value	1,919	0	0	0	1,919
Impairment losses / (reversals) recognised in the Revaluation reserve	0	0	0	0	0
Impairment losses / (reversals) recognised in the surplus / deficit on the provision of services	0	0	0	0	0
Derecognition – disposals	0	1,687	0	0	1,687
Accumulated Depreciation and Impairment as at 31 March 2024	(313)	(18,844)	(150)	0	(19,307)
Net Book Value at 31 March 2023	65,163	23,891	203	2,849	92,106
Net Book Value at 31 March 2024	65,636	27,956	194	4,925	98,711

Capital Commitments

At 31 March 2025, the Authority has entered into a number of contracts for the construction or enhancement of property, plant and equipment in 2025/26 and future years budgeted to cost £1.181m. Similar commitments at 31 March 2024 were £558k.

At 31 March 2025, the Authority had no major individual capital commitments.

Revaluations & Impairments

In accordance with accounting policy, assets included in the Balance Sheet at current value must be revalued sufficiently regularly to ensure their carrying amount is not materially different from their current value at the year-end, but as a minimum every 5 years. The last 5-year revaluation was carried out on 1 April 2020. In 2021/22, 2022/23 and 2023/24, an assessment of the implications of changes in Building Cost Information Service (BCIS) data determined that there was a material change in building cost information and a consequential impact on assets valued in the accounts on a Depreciated Replacement Cost (DRC) basis. In 2024/25 a similar assessment of BCIS data from quarter 1 2024 to quarter 1 2025 again determined there was a change. Carrying values of DRC assets have been amended for changes in BCIS data with application of relevant obsolescence amendments since the last desktop valuation on 1 April 2024.

With regard to the existing use valuations (EUV), as of 1 April 2025 there was no market evidence available in the areas concerned to indicate a material change in value had occurred since the valuation date of 1 April 2024.

The revaluation and impairment review were carried out by a member of the Royal Institution of Chartered Surveyors employed by Carmarthenshire County Council.

Non-operational Property, Plant and Equipment (Surplus Assets)

The Authority does not have surplus assets.

Note 13 - Intangible Assets

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets include both purchased licenses and internally generated software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. The useful lives assigned to the major software suites used by the Authority is 10 years.

The movement on Intangible Asset balances during the year is as follows:

2023/24		2024/25
£000		£000
	Gross Book Value	
873	Opening Balance at 1 April	882
15	Additions	0
0	Impairment	0
(6)	Derecognition	0
882	Closing Balance at 31 March	882
	Accumulated Amortisation	
(496)	At 1 April	(559)
(69)	Amortisation	(69)
0	Impairment	0
6	Derecognition	0
(559)	Closing Balance at 31 March	(628)
	Net Book Value	
377	Opening Balance at 1 April	323
323	Closing Balance 31 March	254

Note 14 - Financial Instruments

The following categories of Financial Instruments are carried in the Balance Sheet:

	Long-term 31 March 2024 £000	Long-term 31 March 2025 £000	Current 31 March 2024 £000	Current 31 March 2025 £000
Financial Assets at Amortised Cost:				
Cash & Cash Equivalents	0	0	1,225	3,378
Debtors	26	25	5,018	5,342

Financial Liabilities at Amortised Cost:

Borrowing	(24,965)	(25,465)	(8,065)	(5,500)
Accrued Interest	0	0	(262)	(230)
Total Borrowing	(24,965)	(25,465)	(8,327)	(5,730)
Lease liabilities	(1,485)	(1,377)	(311)	(599)
Creditors	0	0	(5,755)	(5,410)

	2023/24		2024/25	
Income, Expense, Gains and Losses	Financial Liabilities measured at amortised cost £000	Financial Assets measured at amortised cost £000	Financial Liabilities measured at amortised cost £000	Financial Assets measured at amortised cost £000
Interest expense	1,031	0	1,166	0
Total expense in Surplus or Deficit on the Provision of Services	1,031	0	1,166	0
Interest income	0	(321)	0	(269)
Total income in Surplus or Deficit on the Provision of Services	0	(321)	0	(269)
Net (gain)/loss for the year	1,031	(321)	1,166	(269)

Financial Instruments - Fair Value

Financial liabilities and financial assets represented by loans and receivables are carried on the Balance Sheet at amortised cost (in long-term assets/liabilities with accrued interest in current assets/liabilities). Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the Public Works Loan Board (PWLB) and other loans payable, borrowing from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures
- No early repayment or impairment is recognised
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

	31 March 2024		31 March 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000
PWLB	25,530	22,968	27,965	24,949
Non-PWLB Debt	7,500	7,611	3,000	3,044
Total	33,030	30,579	30,965	27,993

As at 31 March 2025 and 31 March 2024 the fair value, at new loan rate, is lower than the carrying amount because early repayment of all PWLB debt would incur a net early repayment discount, which is linked to higher current loan interest rates. Due to the differing loan periods and loan interest rates, there are loans in the portfolio with an early repayment discount and others with an early repayment premium.

Loans are at level 2 in the Fair Value Hierarchy, that is, they are valued at prices that are observable either directly or indirectly.

Note 15 – Debtors

31 March 2024		31 March 2025
£000	Short Term Debtors	£000
4,237	Central Government Bodies	4,545
133	Other Local Authorities	142
70	NHS Bodies	124
182	Other Entities and Individuals	107
409	Payments in Advance	432
(13)	Provision for Irrecoverable debts	(8)
5,018	Total Short Term Debtors	5,342

31 March 2024		31 March 2025
£000	Long Term Debtors	£000
26	Other Entities and Individuals	25
26	Total Long Term Debtors	25

Note 16 - Cash and Cash Equivalents

31 March 2024		31 March 2025
£000		£000
1,225	Cash and Bank balances	2,378
0	Short-term Deposits	1,000
1,225	Total Cash and Cash Equivalents	3,378

Note 17 – Creditors

31 March 2024		31 March 2025
£000		£000
(1,286)	Central Government Bodies	(1,624)
(747)	Other Local Authorities	(763)
(3,702)	Other Entities and Individuals	(3,006)
(20)	Receipts in Advance	(17)
(5,755)	Total Creditors	(5,410)

Note 18 - Unusable Reserves

31 March 2024		31 March 2025
£000		£000
(33,793)	Revaluation Reserve	(37,923)
(25,992)	Capital Adjustment Account	(25,065)
386,587	Pension Reserve	347,754
813	Accumulated Absences Account	902
327,615	Total	285,668

Note 18a - Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its property, plant and equipment and intangible assets.

The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 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.

2023/24		2024/25
£000		£000
(32,353)	Balance 1 April	(33,793)
(2,705)	Upward revaluation of assets	(5,202)
241	Downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	0
(2,464)	Surplus or deficit on revaluation of non-current assets not charged to the Surplus or Deficit on the Provision of Services	(5,202)
1,024	Difference between fair value depreciation and historical cost depreciation	1,072
0	Accumulated gains on assets sold or scrapped	0
1,024	Amount written off to the Capital Adjustment Account	1,072
(33,793)	Balance 31 March	(37,923)

Note 18b - 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 current and 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 expenditure.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority.

The Account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

2023/24		2024/25
£000		£000
(24,643)	Balance 1 April	(25,992)
5,033	Charges for depreciation and impairment of non-current assets	5,130
69	Amortisation & Impairment of intangible assets	69
(26)	Revaluation losses / (gains) on property, plant & equipment	(228)
27	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	540
5,103	Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	5,511
(1,024)	Adjusting Amounts written out of the Revaluation Reserve	(1,072)
4,079	Net written out amount of the cost of non-current assets consumed in the year	4,439
(112)	Use of Capital Receipts Reserve to finance new capital expenditure	(78)
(1,022)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(174)
(2,597)	Statutory provision for the financing of capital investment charged against the General Fund	(3,260)
(1,697)	Capital Expenditure charged against the General Fund	0
(5,428)	Capital financing applied in year:	(3,512)
(25,992)	Balance 31 March	(25,065)

Note 18c - Pension 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.

2023/24		2024/25
£000		£000
369,666	Balance 1 April	386,587
9,602	Remeasurements of the net defined benefit (liability) / asset	(42,895)
25,112	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	26,343
(17,793)	Employer's pensions contributions and direct payments to pensioners payable in the year	(22,281)
386,587	Balance 31 March	347,754

Note 18d - 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 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2023/24		2024/25
£000		£000
753	Balance 1 April	813
60	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in year in accordance with statutory requirements	89
813	Balance 31 March	902

Note 19 - Cash Flow from Operating Activities

The cash flows for operating activities include the following items:

2023/24		2024/25
£000		£000
(309)	Interest received	(290)
896	Interest paid	1,199

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2023/24		2024/25
£000		£000
(4,194)	Depreciation	(4,642)
(839)	Impairment	(489)
26	Revaluation Gains & Losses	228
(69)	Amortisation	(69)
(172)	(Increase)/decrease in creditors	357
890	Increase/(decrease) in debtors	324
(42)	Increase/(decrease) in inventories	(57)
(7,319)	Movement in pension liability	(4,062)
(27)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(540)
(11,746)	Total	(8,950)

The surplus or deficit on the provision of services has been adjusted for the following items which are investing and financing activities:

2023/24		2024/25
£000		£000
1,022	Capital Grant / Contributions / Donations Applied	174
122	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	78
1,144	Total	252

Note 20 - Cash Flow from Investing Activities

2023/24		2024/25
£000		£000
9,189	Purchase of property, plant and equipment, investment property and intangible assets	1,443
0	Right of Use Assets	745
(112)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(78)
(4)	Other receipts for investing activities	(1)
9,073	Net cash flows from investing activities	2,109

Note 21 - Cash Flow from Financing Activities

2023/24		2024/25
£000		£000
(8,500)	Cash receipts of short-term and long-term borrowing	(9,000)
(1,022)	Other receipts from financing activities	(174)
299	Cash payments for the reduction of outstanding liabilities relating to leases	(180)
2,956	Repayments of short-term and long-term borrowing	11,097
(6,267)	Net cash flows from financing activities	1,743

Note 22 - Members' Allowances

The Authority paid the following amounts to elected members during the year:

2023/24		2024/25
£000		£000
78	Salaries	80
2	Expenses	2
80	Total Members' Allowances	82

Note 23 - Officers' Remuneration

The remuneration paid to the Authority's senior employees is detailed in the following table. Senior Officers whose salary is £150,000 or more are named:

	Note Ref	Year	Salary, Fees and Allowances £	Salary Arrears Prior Years £	Expenses Allowances £	Benefit in Kind £	Employers' Pension Contribution £	Total £
Chief Fire Officer 1	2	2024/25	0	0	0	0	0	0
		2023/24	0	1,667	0	0	0	1,667
Chief Fire Officer 2 - Roger Thomas	3	2024/25	178,794	0	329	0	55,426	234,549
		2023/24	174,888	7,829	469	0	49,882	233,068
Deputy Chief Fire Officer 1	4	2024/25	0	0	0	0	0	0
		2023/24	0	1,367	0	0	373	1,740
Deputy Chief Fire Officer 2	3	2024/25	146,801	0	193	0	45,508	192,502
		2023/24	143,594	6,428	752	0	40,956	191,730
Assistant Chief Fire Officer 1	5	2024/25	0	0	0	0	0	0
		2023/24	0	1,164	0	0	318	1,482
Assistant Chief Fire Officer 2	3	2024/25	125,486	0	252	0	38,901	164,639
		2023/24	122,745	5,494	180	0	35,009	163,428
Assistant Chief Officer (Director of Resources)	1, 3	2024/25	123,907	0	704	1,098	18,710	144,419
		2023/24	121,200	6,580	958	1,098	19,295	149,131
Clerk / Monitoring Officer		2024/25	41,858	0	328	0	6,320	48,506
		2023/24	40,837	0	465	0	6,166	47,468
Treasurer / Section 151 Officer		2024/25	62,458	0	1,017	0	9,431	72,906
		2023/24	60,439	0	759	0	9,126	70,324

Note - There were no changes to the senior officer post holders during 2024/25.

Notes

1. Unlike the other Senior Officers, the Assistant Chief Officer (Director of Resources) is required to purchase electric for business mileage and then claim back expenses. Also, tax on benefit in kind is calculated on a company car basis which is different to other Senior Officers, and results in higher expenses and benefit in kind figures.
2. The Chief Fire Officer 1 retired from the Service on 5 April 2022. His salary upon resignation was £157,749. A pay award backdated to January 2022 was applied in June 2023 and arrears were paid accordingly.
3. A Pay award backdated to January 2022 was applied in June 2023 and arrears were paid accordingly the same month.
4. The Deputy Chief Fire Officer 1 was promoted to Chief Fire Officer 2 on 6 April 2022 and a pay award backdated to January 2022 was applied in June 2023 and arrears were paid accordingly.
5. The Assistant Chief Fire Officer 1 was promoted to Deputy Chief Fire Officer 2 on 6 April 2022 and a pay award backdated to January 2022 was applied in June 2023 and arrears were paid accordingly.

Officers Remuneration

The Authority's other employees receiving more than £60,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

	Number of Employees	
	2023/24	2024/25
£60,001 to £65,000	32	41
£65,001 to £70,000	6	18
£70,001 to £75,000	10	6
£75,001 to £80,000	1	6
£80,001 to £85,000	2	3
£85,001 to £90,000	2	3
£90,001 to £95,000	3	2
£95,001 to £100,000	0	1
Total	56	80

In 2024/25 the ratio of the Chief Fire Officer to the median remuneration of all employees' full time equivalent salary of £37,680 is 4.75:1 (In 2023/24 the median full time equivalent salary was £36,230 and the ratio was 4.93:1).

Exit Packages

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in 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 (£000)	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
£0 - £20,000	1	0	0	2	1	2	16	10
Total included in CIES							16	10

Note 24 - External Audit Costs

The following fees are payable in relation to the audit of the Statement of Accounts, statutory inspections and other non-audit services provided by the Authority's external auditors:

2023/24		2024/25
£000		£000
	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year for:	
61	Financial Audit Work	63
16	Performance Audit Work	17
77	Total	80

Note 25 - Grant Income

Grant Income Credited to Taxation and non-specific Grant Income and Expenditure

2023/24		2024/25
£000		£000
(1,022)	Capital Grants, Contributions and Donations	(174)
(1,022)	Total	(174)

Credited to Services

2023/24 £000		2024/25 £000
	Welsh Government:	
(102)	Arson Reduction	0
(330)	Home Safety Equipment	(365)
(121)	Other Community Safety	(115)
(462)	New Dimensions, USAR and MTFA	(579)
(276)	Joint Emergency Services Group	(280)
0	Pay Pressures	(320)
(52)	Covid-19 Hardship Fund	(11)
(343)	Other *	(297)
(1,686)	Total	(1,967)

* Other Grants (external funding) comprise funding for small, non-recurring projects.

In 2024/25 Mid and West Wales Fire and Rescue Authority ceased co-ordinating the Home Safety grant on behalf of Welsh Government (WG). Additionally in 2024/25 the Arson Reduction grant was withdrawn entirely. In 2023/24 WG allocated £1.246m to the three Fire Services in Wales.

Up until 2023/24 the Authority acted as an agent on behalf of Welsh Government in administering the Arson and Home Safety Equipment grant schemes for all of the Fire Services in Wales. The approved grants were paid to Mid and West Wales Fire and Rescue Authority, who were then responsible for distributing the grants to the other two Welsh Fire Services. The grant values paid out to the other two Welsh Fire Services for the two schemes were as follows:

Grants Administered on behalf of other Fire and Rescue Services

2023/24 £000		2024/25 £000
	Welsh Government:	
(244)	Arson Reduction	(0)
(570)	Home Safety Equipment	(0)
(814)	Total	(0)

The Authority has received the following revenue grants that have yet to be recognised as income as they have conditions attached to them that will require the monies to be returned to the funding body if the conditions are not satisfied. The balances at the year-end are as follows:

Current Liabilities – Revenue Grants Receipts in Advance

2023/24		2024/25
£000		£000
(19)	GovTech (Welsh Government)	(19)
(64)	Covid-19 Hardship Fund (Welsh Government)	(52)
(83)	Total	(71)

Note 26 - 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.

Welsh Government (WG)

Welsh Government has significant influence over the general operations of the Authority - it is responsible for providing the statutory framework within which the Authority operates and provides some funding in the form of grants. The grants received from government departments are set out in note 25.

Members

Members of the Fire and Rescue Authority have direct control over the Authority's financial and operating policies. The total of members' allowances paid in 2024/25 is shown in note 22.

The Authority has arrangements in place requesting Members and Officers to identify and disclose related party transactions.

Senior Officers

The Senior Officers completed a declaration of interest with related parties for the year 2024/25.

No Officer declared a pecuniary interest in accordance with section 117 of the Local Government Act 1972.

Other Public Bodies

The Authority receives the majority of its revenue funding by charging a levy, based on population, to the six Unitary County Authorities in its area. Details of the amounts received by way of levy are shown within the narrative of the Statement of Accounts.

The Authority has a Service Level Agreement (SLA) with Carmarthenshire County Council for Financial Services.

The Authority is the Administering Authority for the Firefighters' Pension Fund. Details of the Firefighters' Pension Fund are shown in note 29 and the Firefighters' Pension Fund Accounts which are on pages 71 to 76 and 82 to 84.

The following tables details transactions and balances with Related Parties as at 31 March 2025:

Related Party	In Year Transactions		Balance 31 March 2025	
	Income £000	Expenditure £000	Owed to Authority (Debtor) £000	Owed by Authority (Creditor) £000
			£000	£000
Welsh Government	(11,130)	1	2,946	0
Carmarthenshire County Council	(14,367)	578	0	(373)
Ceredigion County Council	(5,440)	75	0	0
Neath Port Talbot County Borough Council	(10,799)	144	0	0
Pembrokeshire County Council	(9,448)	116	0	0
Powys County Council	(10,171)	234	0	(2)
City and County of Swansea Council	(18,335)	156	7	(12)
Total	(79,690)	1,304	2,953	(387)

The Authority also has the following loan repayable during 2025/26 which is not included in the above creditor balances.

- Carmarthenshire County Council £3.0m

Joint Operations

In April 2014 Mid and West Wales Fire and Rescue Service (MAWWFRS) entered into a Memorandum of Understanding with South Wales Police and South Wales Fire and Rescue Service (SWFRS) to work together to establish a Joint Public Service Centre (JPSC). In October 2017 the JPSC went “live”. MAWWFRS and SWFRS have shared responsibility of the operational delivery and the agreed approach from both FRSs is set out in a Service Level Agreement (SLA). The SLA outlines a set of agreed high-level principles in relation to the day-to-day management of the team. It is the expectation of both Chief Fire Officers of the FRSs that the FRSs will work in collaboration to achieve the aims and objectives set out within the SLA.

The SLA provided that as from the point of the team becoming operational (October 2017) the staff budget (direct and indirect costs) for the JPSC would be shared on a 50% basis between the two FRSs. For 2018/19 onwards the SLA was renegotiated resulting in a revised basis – direct staff costs 40% MAWWFRS and 60% SWFRS, and 50% each for indirect staff costs.

In accordance with accounting policy 12, the main financial statements of the Authority have been consolidated with the relevant entries. The Authority’s share of the Joint Arrangement Income and Expenditure Account and Balance Sheet are shown in the table below:

Joint Public Service Centre	2023/24		2024/25	
	Joint Operation Total £000	MAWWFRS Share £000	Joint Operation Total £000	MAWWFRS Share £000
Revenue				
Staff Expenditure	2,783	1,113	2,939	1,176
Non-Staff Expenditure	196	98	149	74
Total Expenditure	2,979	1,211	3,088	1,250
Property, Plant and Equipment				
Gross Book Value	374	187	406	203
Accumulated Amortisation	0	0	(74)	(37)
Net Book Value	374	187	332	166
Intangible Asset				
Command & Control System:				
Gross Book Value	680	340	680	340
Accumulated Amortisation	(464)	(232)	(536)	(268)
Net Book Value	216	108	144	72



Note 27 - Capital Expenditure and Capital 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 in the second part of this note.

2023/24		2024/25
£000		£000
35,482	Opening Capital Financing Requirement	39,243
0	Recognition of Right of Use Assets	745
35,482	Opening Capital Financing Requirement – Adjusted for Right of Use Assets	39,988
	<i>Capital Investment:</i>	
9,174	Plant and Equipment	1,443
15	Intangible Assets	0
9,189	Total Capital Spending	1,443
	<i>Sources of Finance:</i>	
(112)	Capital receipts	(78)
(1,022)	Government Grants and other contributions / donations	(174)
	<i>Sums set aside from revenue:</i>	
(1,697)	Direct Revenue Contributions	(0)
	<i>Minimum revenue provision:</i>	
(186)	Option 1 – expenditure pre 31 March 2009	(179)
(2,112)	Option 3 – expenditure post 1 April 2009	(2,320)
(299)	Leases	(761)
(5,428)	Total Sources of Finance	(3,512)
39,243	Closing Capital Financing Requirement	37,919

Explanation of movements in year

2023/24		2024/25
£000		£000
3,761	Increase in underlying need to borrow (unsupported by government financial assistance)	(1,324)
3,761	Increase / (decrease) in Capital Financing Requirement	(1,324)

Note 28 – Leases

Authority as Lessee - Operating Leases

The Authority has adopted IFRS 16 from 1 April 2024. Property, Plant and Equipment that fall under the scope of IFRS 16 have now been reclassified as right-of-use assets on the balance sheet.

Pre 1 April 2024, the Authority had acquired a number of light vehicles by entering into operating leases, with typical lives of 5 to 7 years, which in accordance with IFRS 16 will now be treated as right-of-use assets.

The future minimum lease payments due under non-cancellable operating leases in future years for are:

31 March 2024		31 March 2025*
£000		£000
88	Not later than one year	0
151	Later than one year and not later than five years	0
0	Later than five years	0
239	Total	0

*The future minimum lease payments as at 31 March 2025 are £Nil as the operating leases have been re-categorised as right-of-use assets.

Authority as Lessee – Right of Use Assets

The Authority adopted IFRS 16 from 1 April 2024, to recognise all right-of-use assets. IFRS 16 will mean that the majority of leases where the Authority acts as lessee will come onto the balance sheet and lessor accounting is effectively unchanged. Right-of-use assets and lease liabilities will have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures.

A weighted average incremental borrowing rate of 5.023% has been applied to lease liabilities as at 1 April 2024.

The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset and future rents as a liability), a right-of-use asset and a lease liability are now on 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. As a lessee, the Authority has previously classified leases as operating, or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Authority. Under IFRS 16, the Authority recognises right-of-use assets and lease liabilities for most leases. The Authority has decided to apply recognition exemptions to short-term leases and has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less and leases of low value assets. The Authority recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

This table shows the change in the value of right-of-use assets held under leases by the Authority, all of which are classified as Vehicles, Plant, Furniture & Equipment.

2023/24		2024/25
£000		£000
1,766	Balance at 1 April	1,488
0	Recognition of Right of Use Assets as at 1 April	745
0	Additions during the year	196
(278)	Depreciation and amortisation	(606)
0	Disposals	0
1,488	Balance at 31 March	1,823

Transactions under leases

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

2023/24	Comprehensive income and expenditure statement	2024/25
£000		£000
N/A	Interest expense on lease liabilities	39
N/A	Expense relating to short-term leases	26
N/A	Expense relating to exempt leases of low-value items	0

Maturity analysis of lease liabilities

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

31 March 2024	Right-of-use lease liabilities (net present value of minimum lease payments)	31 March 2025
£000		£000
311	Current	599
1,485	Non-current	1,377
138	Finance costs payable in future years	123
1,934	Minimum lease payments	2,099

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

Minimum Lease Payments			Lease Liabilities		
31 March 2024	31 March 2025		31 March 2024	31 March 2025	
£000	£000		£000	£000	
363	663	Not later than one year	311	599	
1,452	1,436	Later than one year and not later than five years	1,365	1,377	
119	0	Later than five years	120	0	
1,934	2,099	Total	1,796	1,976	

Note 29 - Defined Benefit Pension Scheme

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the 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) and to disclose them at the time that the employees earn their future entitlement.

The Local Government Pension Scheme (LGPS) is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Dyfed Pension Fund, Carmarthenshire County Council. Policy is determined in accordance with the Pensions Fund Regulations. The investment managers of the fund are appointed by the pensions committee of Carmarthenshire County Council. The principal risks to the authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and the amounts required by statute as described in the accounting policies note. We recognise 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 the levy 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.

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

The Firefighters' Pension Scheme (FFPS) is an unfunded defined benefit scheme meaning that no investments are held to fund the liabilities. Contributions, at a rate set by the Welsh Government, made by the employer and employees are held in a pension fund account, benefits paid are charged to the account with any balance on the account being received from, or paid to, the Welsh Government.

The information that follows has been extracted from the disclosure reports provided by Mercer for the LGPS, and the Government Actuary's Department (GAD) for the FFPS. The most relevant details affecting the Pension funds are detailed below:

Guaranteed Minimum Pension (GMP) equalisation and indexation

The Government published a consultation (7 October 2020) on indexation and equalisation of Guaranteed Minimum Pension (GMP), which proposed to extend the 'interim solution' to those members who reached State Pension Age after 5 April 2021. A past service cost was included in the 2019/20 disclosures for extending the equalisation to all future retirees.

There was also a further court ruling on 20 November 2020 regarding GMP equalisation. The court ruled that scheme trustees are required to revisit past Cash Equivalent Transfer Values (CETV's) to ensure GMP equalisation. This may result in additional top-ups where GMP equalisation means that members did not receive their full entitlement. For public service pension schemes, GAD expect that this ruling will be taken forward on a cross-scheme basis and will need legal input. This may require revisiting past CETV cases for members with State Pension age after 5 April 2016 and who took a CETV from the scheme before CETV was equalised. The scope of any costs are yet to be determined and GAD does not have data on historic CETV's to estimate the potential impact, but they expect it will be a relatively small uplift for a relatively small subset of members (i.e. those who took a CETV and are in scope for a top up).

No additional costs were recognised for GMP equalisation and indexation in 2021/22 to 2023/24, nor are they expected to for 2024/25. In the absence of any further developments, GAD propose no additional costs are recognised for 2025/26.

GMP Overpayments

GAD are aware that schemes have undertaken GMP reconciliation work with HMRC, and in some cases this work will result in identifying members who have been overpaid or underpaid. GAD have assumed that any overpayments or underpayments, to the extent that they are not already reflected in underlying data, are not significant to the disclosures that GAD prepares for the balance sheet and the profit and loss accounts.

Part-year inflation

GAD have allowed for known inflation between September 2024 and 31 March 2025.

Survivor benefit legal challenges (Goodwin)

In 2020 a legal challenge was brought against the Teachers' Pension Scheme regarding the provision of survivor benefits to a male spouse of a female member. In that scheme, dependant benefits for a male spouse of a female member are based on service from 1988 and do not include service before 1988.

Welsh Government have advised GAD that due to the historic equal benefit structure in the 1992 FFPS they do not believe there is a similar situation in the FFPS in Wales and therefore there is no requirement to allow for this legal challenge in our 2024/25 accounting disclosures.

Pensionable Pay legal case (Booth)

In March 2019 the high court ruled in favour of a member challenging the definition in pensionable salary used by the Service (Booth). In particular, the ruling was regarding the pensionable status

of allowances received by some firefighters. Following this ruling some FRA's may have had to adjust the pensionable salaries for some firefighters.

No adjustment has been made in the 2024/25 accounting disclosures in relation to this case.

Section 37 legal case

GAD are aware of the case of Virgin Media Ltd vs NTL Pension Trustees II Limited (and others) relating to actuarial certifications under section 37 of the Pension Schemes Act 1993. This case potentially has implications for the validity of amendments made by schemes which were contracted-out on a salary related basis between 6 April 1997 and the abolition of contracting-out in 2016. There is considerable uncertainty around this case including potential read across to public service pension schemes. However, for affected schemes, the Government announced on 5 June 2025 that it will introduce legislation to give the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. We understand that schemes continue to administer benefits and recognise liabilities in accordance with scheme regulations currently in force. No additional costs have been recognised in the 2024/25 accounting disclosures.

Covid-19 and climate change

Covid-19 and climate change are areas where there remains significant uncertainty, which could affect both future economic and demographic experience. In line with previous years, the assumptions used in the preparation of the 2024/25 accounts allow for the current impacts of Covid-19 and climate change to the extent that they are reflected in the market data used to set or derive assumptions.

The 2020-based population mortality projections allow for the short-term impacts of Covid-19 for 2019 to 2024 in line with the average views of an expert independent panel. The 2022-based population projections consider Covid-19 as a mortality shock event, applying an appropriate short-term adjustment rather than projecting its effects forward. Death rates from Covid-19 in excess of that already allowed for in the mortality assumptions and reflected in the membership data would emerge as an experience gain in future years' accounts.

McCloud Remedy

The McCloud remedy (claims around age discrimination) window ran from 1 April 2015 to 31 March 2022. Eligible members will be able to elect which scheme they wish to receive benefits from for this period. Due to the differing benefits structures GAD expect the majority of eligible fire employees to elect to take legacy scheme (1992 Scheme or 2007 Scheme) benefits for the remedy period.

An allowance for McCloud remedy was first included in the 2018/19 disclosures as a past service cost for four years remedy service from 2015-2019. This past service cost was attributed proportionally to the 1992 and 2007 schemes. For subsequent years to 2021/22 an allowance was made in the 2015 service costs for the annual accrual of additional remedy service.

Now that the remedy window is closed GAD have moved all McCloud related liabilities for eligible members for the period 2019-2022 to the associated legacy schemes. This means all McCloud liability are held within the legacy scheme GAD expects benefits to be paid from.

In the 2022/23 disclosures, this led to a past service cost in the 1992 Scheme and the 2007 Scheme and a past service gain in the 2015 Scheme.

Now that all the McCloud related liabilities have moved into the legacy schemes, contribution adjustments are being carried out by administrators to ensure affected members have paid the correct 'legacy rate' contributions for this portion of service.

At the time when the 2023/24 accounting disclosures were being prepared, only a small amount of time had passed from the McCloud implementation date on 1 October 2023 which meant that the contributions adjustments made by administrators during that period were immaterial.

However, since then, GAD have refined the accounting treatment of the contribution adjustments in the 2024/25 disclosures, so they are shown as net cashflows. It is GAD's understanding that the treatment of these contributions is correct, but should the Service wish to use an alternative approach we should consult further with GAD.

Special retained members (Matthews)

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

This options exercise will increase the pension entitlement for some current special retained members and also allow access to the scheme for additional historic retained firefighters. GAD include below an estimate, on the 2025 accounting assumptions for the potential additional liability which could arise following this options exercise.

Although the options exercise is underway there is very significant data uncertainty in the calculation of this liability and significant assumptions have had to be made. Additionally, the options exercise has been extended by 12 months to 31 March 2026 and therefore at this time, we do not have enough information to calculate an accurate estimate. Therefore, in line with the methodology applied for the 2022/23 and 2023/24 accounts, we have estimated the impact of the second exercise using most significant assumptions outlined below:

Numbers eligible – There is uncertainty as to the number of firefighters who were retained firefighters within the eligibility window. Where possible GAD have used information provided for each authority as well as the 2020 valuation membership data for the modified scheme. This has given an overall best estimate of the eligible population of 1,700 nationally.

Eligible service period – Eligible firefighters are able to purchase benefits for service from the start of their eligible employment. Accurate information on service is not yet available for all eligible members. Allowance also needs to be made for any service already purchased during the first options exercise. Based on available retained firefighter member data, GAD have assumed that employment started at age 30 on average.

Actual to reference pay ratio – The level of benefits accrued during eligible service depends on a firefighters' actual pay during this period, relative to the full-time reference pay for their role. This is not known in great detail for all eligible members, in particular records may no longer exist for periods before 2000. It is assumed that actual pay is 25% of reference pay in such instances. GAD have used this ratio as a best estimate of the ratio of actual to reference pay for calculating the potential liability.

Take up – Not all firefighters who are eligible will take up the option. The eligibility rules for the second exercise are different from the first and it also covers a significantly wider service period.

The passage of time also means that the age of members eligible will be older than under the first exercise. This means the profile of eligible firefighters will be different to that of the first exercise. Therefore, the take up rate may be very different between the first and second option exercises and is very difficult to estimate in advance.

GAD have estimated take-up by estimating the proportion of the eligible population covered by different distinct groups, and have considered possible take up for each:

- Members who purchased benefits under the first exercise. These individuals are on average older than other groups, and previously chose to purchase benefits, so GAD have assumed that they will also purchase benefits under the second exercise.
- Other firefighters who are over modified scheme benefit age. GAD have assumed that the proportion of other members purchasing benefits will reflect that for members who were eligible for the first exercise, were over modified scheme benefit age, and who are also eligible for the second exercise.
- Other firefighters who are under modified scheme benefit age. Again, assuming rates in line with those for the comparable first exercise group.

In combination, this results in an assumed uptake rate of 30%. While there are a wide range of possible outcomes for take up, GAD view that this approach utilises the limited information currently available to derive an appropriate best estimate.

Based on the data available and the assumptions that GAD are required to make at this time, they estimate the potential increase in liability from the second Matthew's exercise to be £8m.

As outlined above there is very significant uncertainty in this additional liability estimate and it is very likely that actual experience for the authority will be different to the assumptions that GAD have made. The estimated liability set out above may be very different from the actual impact of the options exercise once it has concluded.

Considering the areas of data uncertainty outlined above, GAD set out sensitivity of their estimate to alternative assumptions:

Numbers eligible: If the eventual eligible population is 10% higher (or lower), then the liabilities could increase (or reduce) by around 10%.

Eligible service period: If eligible members in fact commenced employment 5 years earlier (or later), the liabilities may be understated (or overstated) by around 25%.

Actual to reference pay ratio: A 10% change in this assumption would alter the liabilities by around 10%.

Take up: If take-up is 10% higher (or lower) then the cashflow liabilities may be understated (or overstated) by around 10%.

Alongside the unique assumptions required for the option exercise, the additional liability estimate above has been calculated using demographic and financial assumptions consistent with the information in the GAD 2024/25 Pension Disclosures.



2023/24		General Fund Transactions		2024/25	
Firefighters LGPS	Pension Scheme	Comprehensive Income and Expenditure Statement - Cost of Services		Firefighters LGPS	Pension Scheme
£000	£000			£000	£000
Service cost comprising:					
1,560	6,570	Current service cost		1,722	6,570
0	(30)	Past service cost		0	0
0	50	Transfers In		0	20
35	0	Administration expenses		42	0
9	0	(Gain) / loss from curtailments		0	0
Financing and Investment Income and Expenditure:					
0	0	Interest on surplus above asset ceiling		496	0
(222)	17,140	Net interest expense		(537)	18,030
1,382	23,730	Total charged to (Surplus) and Deficit on Provision of Services		1,723	24,620
Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement					
Re-measurement of the net defined benefit liability comprising:					
(3,682)	0	Return on plan assets (excluding the amount included in the net interest expense)		1,700	0
289	12,890	Actuarial (gains) and losses – experience		45	(40)
(762)	0	Actuarial (gains) and losses arising on changes in demographic assumptions		(141)	(960)
(2,041)	(7,220)	Actuarial (gains) and losses arising on changes in financial assumptions		(9,260)	(42,450)
10,128	0	Effect of IAS19/IFRIC14 - Asset Ceiling Restriction *		8,211	0
3,932	5,670	Total charged to Other Comprehensive Income and Expenditure Statement		555	(43,450)
5,314	29,400	Total charged to the Comprehensive Income and Expenditure Statement		2,278	(18,830)
Movement in Reserves Statement					
(1,382)	(23,730)	Reversal of net charges made to the Surplus or (Deficit) on the Provision of Services		(1,723)	(24,620)
Actual amount charged against the general fund balance for pensions in the year:					
1,393		Employers' contributions payable to scheme		1,651	
	16,400	Retirement Benefits payable to pensioners			20,630



2023/24			2024/25		
LGPS	Firefighters Pension Scheme	Pensions Assets and Liabilities Recognised in the Balance Sheet	LGPS	Firefighters Pension Scheme	
£000	£000		£000	£000	
(57,290)	(386,587)	Present value of the defined obligation	(51,213)	(347,127)	
67,418	0	Fair value of plan assets	69,421	0	
(10,128)	0	Effect of IAS19/IFRIC14 - Asset Ceiling Restriction *	(18,835)	0	
0	(386,587)	Net (liability) / asset arising from the defined benefit obligation	(627)	(347,127)	

* Due to a technical accounting issue, the net asset on the LGPS has been restricted. In 2023/24 the surplus was reduced to nil, but the unfunded benefits were not recognised, as per actuary advice available at the time. In 2024/25 the surplus has again been reduced to nil, but the deficit of the unfunded benefits of £627k has also been recognised, per the changes in actuary advice provided in 2024/25.

2023/24			2024/25		
LGPS	Firefighters Pension Scheme	Movement in the Value of Scheme Assets	LGPS	Firefighters Pension Scheme	
£000	£000		£000	£000	
60,263	0	Opening fair value of scheme assets:	67,418	0	
2,907	0	Interest income	3,314	0	
		Remeasurement gain / (loss):			
3,682	0	- The return on plan assets, excluding the amount included in the net interest expense	(1,700)	0	
1,393	16,400	Contributions from employer	1,651	20,630	
591	0	Contributions from employees into the Scheme	693	0	
(1,383)	(16,400)	Benefits / transfers paid	(1,913)	(20,630)	
(35)	0	Administration expenses	(42)	0	
67,418	0	Closing value of scheme assets	69,421	0	



2023/24			2024/25		
LGPS	Firefighters Pension Scheme	Movements in the Fair Value of Scheme Liabilities	LGPS	Firefighters Pension Scheme	
£000	£000		£000	£000	
(56,342)	(373,587)	Opening balance at 1 April:	(57,290)	(386,587)	
(1,560)	(6,570)	Current service cost	(1,722)	(6,570)	
0	(50)	Transfers In	0	(20)	
(2,685)	(17,140)	Interest cost	(2,777)	(18,030)	
(591)	0	Contributions from scheme participants	(693)	0	
		Remeasurement gains and losses:			
(289)	(12,890)	- Actuarial gains / (losses) - experience *	(45)	40	
2,041	7,220	- Actuarial gains / (losses) from changes in financial assumptions	9,260	42,450	
762	0	- Actuarial gains / (losses) from changes in demographic assumptions **	141	960	
0	30	Past service cost	0	0	
(9)	0	Gains / (losses) on curtailments	0	0	
1,383	16,400	Benefits / transfers paid	1,913	20,630	
(57,290)	(386,587)	Balance as at 31 March	(51,213)	(347,127)	

LGPS - Pension Scheme - Assets comprised of:

2023/24				2024/25		
Quoted	Unquoted	Total	Fair value of scheme assets	Quoted	Unquoted	Total
£000	£000	£000		£000	£000	£000
Cash and cash equivalents:						
337	0	337	Cash accounts	625	0	625
337	0	337	Subtotal Cash and cash equivalents	625	0	625
Equities:						
8,263	0	8,263	UK Quoted	7,824	0	7,824
32,745	0	32,745	Global Quoted	34,787	0	34,787
2,704	0	2,704	Japan	2,707	0	2,707
3,849	0	3,849	Emerging markets	4,054	0	4,054
1,488	0	1,488	European ex UK	930	0	930
49,049	0	49,049	Subtotal Equities	50,302	0	50,302
Bonds:						
0	0	0	UK Government indexed	0	0	0
6,344	0	6,344	WPP Global Credit Fund	6,373	0	6,373
6,344	0	6,344	Subtotal Bonds	6,373	0	6,373
Property:						
0	8,304	8,304	Property Funds	0	7,248	7,248
0	8,304	8,304	Subtotal Property	0	7,248	7,248
Alternatives:						
0	2,576	2,576	BlackRock UK SAIF (Class 1)	0	2,562	2,562
0	468	468	Infrastructure WPP GCM Grosvener	0	958	958
0	53	53	Infrastructure WPP Capital Dynamics	0	69	69
0	287	287	WPP Global Private Credit	0	1,284	1,284
0	3,384	3,384	Subtotal Alternatives	0	4,873	4,873
55,730	11,688	67,418	Total Assets	57,300	12,121	69,421

Basis for Estimating Assets and Liabilities

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.

The LGPS has been estimated by Mercer an independent firm of actuaries and the FFPS has been valued by the Government Actuary's Department (GAD). Estimates for the Dyfed Pension Fund (the LGPS) are based on the latest full valuation of the scheme as at 1 April 2022.

The significant assumptions used by the actuary have been:

2023/24	LGPS	2024/25
	Mortality assumptions	
	<i>Longevity at retirement for current pensioners</i>	
21.5	Men	21.5
23.8	Women	23.9
	<i>Longevity at retirement for future pensioners</i>	
22.9	Men	22.9
25.6	Women	25.7
	<i>Other assumptions</i>	
2.60%	Rate of inflation	2.60%
4.10%	Rate of increase in salaries	4.10%
2.70%	Rate of increase in pensions	2.70%
4.90%	Rate for discounting scheme liabilities	5.90%
2.60%	Career Average Revalued Earnings (CARE) revaluation rate	2.60%
2023/24	FFPS	2024/25
	Mortality assumptions	
	<i>Longevity at retirement for current pensioners</i>	
21.3	Men	21.3
21.3	Women	21.3
	<i>Longevity at retirement for future pensioners</i>	
22.9	Men	22.7
22.9	Women	22.7
	<i>Other assumptions</i>	
2.60%	Rate of inflation	2.70%
3.85%	Rate of increase in salaries	3.45%
2.60%	Rate of increase in pensions	2.70%
4.75%	Rate for discounting scheme liabilities	5.65%
3.85%	CARE revaluation rate	3.45%

The estimated weighted duration of the defined benefit obligation is 15 years for the FFPS and 19 years for the LGPS.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above.

Alternative forms of remedy may have different levels of sensitivity to these assumptions; therefore, the sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated.

The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Impact of assumptions on the obligation – LGPS

	As Reported	Discount Rate 0.5% Increase	Inflation 0.25% Increase	Pay Growth 0.25% Increase	Life Expectancy 1 Year Increase	+/-1% change in 2024/25 investment returns	
	£000	£000	£000	£000	£000	+1% £000	-1% £000
Liabilities	(51,213)	(47,393)	(53,237)	(51,699)	(52,247)	(51,213)	(51,213)
Assets	69,421	69,421	69,421	69,421	69,421	70,117	68,725
(Deficit) / Surplus	18,208	22,028	16,184	17,722	17,174	18,904	17,512
Projected Service Cost for Next Year	1,231	1,036	1,338	1,231	1,263	1,231	1,231
Projected Net Interest Cost for Next Year	(1,123)	(1,463)	(1,002)	(1,093)	(1,060)	(1,164)	(1,081)

Impact of assumptions on the obligation – FFPS

	As Reported	Discount Rate on Liabilities 0.5% Increase	Increase in Salaries 0.5% Increase	Life Expectancy 1-year Increase	Increase in Pensions 0.5% Increase
	£000	£000	£000	£000	£000
FFPS	(347,127)	(323,127)	(351,127)	(355,127)	(369,127)

Impact on the Authority's Cash Flows

We recognise 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 the levy 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 transactions in the preceding table have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

The table above shows the amount included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plans.

Note 30 - Nature & Extent of Risks arising from Financial Instruments

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

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

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Financial risk management is carried out under policies approved by the Authority in the Annual Treasury Management Strategy. The Authority provides written principles to overall risk management, as well as written guidance covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, the value of credit exposure to the Authority's customers is low and considered not to pose a risk.

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. The amounts invested are restricted to prudent and affordable amounts as set out in the approved strategy.

The current strategy is to invest internally as far as possible, thus reducing the need to borrow and reducing the cash surplus available for investment and the period those surpluses are available.

The Authority's maximum exposure to credit risk is in relation to its investments with its bank. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of non-recovery applies to all of the Authority's deposits, but there was no evidence at the 31 March 2025 that this was likely to crystallise.

Liquidity Risk

The Authority monitors its cash balance to ensure that cash is available as needed. If unexpected movements happen, the Authority has ready access to borrowings from the UK Debt Management Office. There is no significant risk that it will be unable to raise finance 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 strategy is to ensure that loans mature within the approved limits shown in the table below through a combination of careful planning of new loans taken out and (where it is economic to do so) making early repayments.

The maturity analysis of financial liabilities is as follows:

			Actual	
	Approved minimum limits	Approved maximum limits	31 March 2025 £000	31 March 2025 %
Less than 1 year	0%	35%	5,500	18%
Between 1 and 2 years	0%	35%	3,000	10%
Between 2 and 5 years	0%	50%	8,000	26%
Between 5 and 10 years	0%	75%	6,000	19%
More than 10 years	25%	90%	8,465	27%
Total			30,965	100%

			Actual	
	Approved minimum limits	Approved maximum limits	31 March 2024 £000	31 March 2024 %
Less than 1 year	0%	30%	8,065	24%
Between 1 and 2 years	0%	30%	2,500	7%
Between 2 and 5 years	0%	50%	6,500	20%
Between 5 and 10 years	0%	75%	6,500	20%
More than 10 years	25%	90%	9,465	29%
Total			33,030	100%

Market Risk

Interest Rate Risk

The Authority is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority. For instance, a rise in interest rates would have the following effects:

- Borrowings at fixed rates – the fair value of the liabilities borrowings will fall.
- Borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise.
- Investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Service will rise.
- Investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest receivable on variable rate investments will be posted to the surplus or Deficit on the Provision of Services and affect the General Fund Balance.

Price Risk

The Authority does not invest in equity shares and has no exposure to price risk.

Foreign Exchange Risk

The Authority has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

Note 31 - Contingent Liability

McCloud / Sargeant case

In December 2018 the Court of Appeal handed down its judgement for McCloud/Sargeant Case, upholding the view that the transitional protections introduced with the new Firefighters' Pension 2015 were unlawfully discriminatory on the grounds of age.

In July 2021, HM Treasury introduced the Public Service Pensions and Judicial Office's Bill (the Bill) to the house of Lords. The Bill was primary legislation that set out in law how the Government would remove the discrimination contained within the 2015 reforms (referred to as remedy). The Bill moved through the legislative process, and Royal Assent was granted in April 2022. The Bill contained the timescales for implementing the remedy by no later than October 2023.

Subsequently, the Firefighters' Pensions (Remediable Service) (Wales) Regulations 2023 were laid and came into force on 1 October 2023 to make provision for Scheme Managers to implement the changes necessary to effect remedy and these are required to be completed within an 18-month period.

The Regulations placed all eligible active employees back into their legacy schemes for the period 1 April 2015 to 31 March 2022 and offer a choice of legacy scheme or reformed scheme benefits upon retirement. The Regulations not only affect current employees but include former employees who are deemed eligible members. The Service has identified and communicated with all members considered to be in scope.

The Service submitted its final remedy data to the Dyfed Pension Fund, the pension scheme administrators, on 6 June 2024. This submission enabled the production of Annual Benefit Statements for active members of the Firefighters' Pension Scheme by the statutory deadline of 31 August 2024.

To comply with Section 29 of the Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022), Immediate Choice Remediable Service Statements (IC RSS) were required to be issued to all pensioner members, and Remediable Service Statements (RSS) to all active members, by 31 March 2025.

To support accurate calculations, the Service requested data from other Fire and Rescue Authorities for employees who transferred into Mid and West Wales Fire and Rescue Service during the remedy period, some of which remains outstanding. For pensioner scheme members, retrospective calculations, may incur additional tax charges, based on current legislation in place as of 31 March 2025. Due to the complexity and volume of calculations, the Service did not fully meet the deadline of 31 March 2025.

Due to the inability to meet the statutory requirements of Section 29 of the PSPJOA 2022, a breach assessment was conducted and the assessment concluded that a breach had occurred, and the matter was reported to The Pensions Regulator (TPR). TPR may impose penalties and fines for failing to meet the statutory deadline. The minimum fine that TPR can issue for failing to meet statutory deadlines is £500. This fine can increase depending on the specifics of the case, such as the number of members in the pension scheme. At this stage the value and timing of any outflow is currently unknown.

Legal Related Matters

The Authority may be subject to challenge on a range of issues that at any point in time may be subject to litigation. At the year-end there were no known legal claims against the Authority. There remains the possibility however of future claims arising as a result of past actions that are either unknown at the Balance Sheet date or where the outcome is so unpredictable in terms of outcome or financial liability that no reliable estimate of liability can be made.

Employment Tribunal

At the year-end there were a small number of employment claims against the Authority that were unresolved. It is not possible to reliably estimate either the likelihood or value to the Authority. No provision has therefore been made in these financial statements.

Firelink

On 25 October 2021, the Competition and Markets Authority (CMA) made an ordinary reference to the Chair of the CMA for an investigation of the supply of Land Mobile Radio (LMR) network services for public safety (including all relevant ancillary services) in Great Britain, which includes the provision of Firelink for the Service.

On 5 April 2023, the CMA issued its report “Mobile radio network services”. In the Report the CMA decided, that:

- a) Features of the market for the supply of communications network services for public safety and ancillary services in Great Britain, individually or in combination, prevent, restrict or distort competition in connection with the supply of LMR network services for public safety in Great Britain and there is an adverse effect on competition.
- b) The adverse effect on competition gives Airwave Solutions (and its owner, Motorola Solutions) the ability to price services above levels the CMA would expect to prevail in a competitive market and results in a detrimental effect on customers.

The Order, “The Mobile Radio Network Services Market Investigation Order 2023” implemented a Charge Control, limiting the amount that Motorola could charge for relevant services. Motorola applied to the Competition Appeals Tribunal (CAT) to review the Order. However, in December 2023, the Order was upheld by the CAT. Motorola then made an application to the Court of Appeal for permission to appeal the CAT’s judgement. In November 2024, Motorola Solutions appeal was considered by the UK Court of Appeal which as of the 30 January 2025 unanimously dismissed Motorola’s application for permission to appeal. Motorola Solutions continues to be able to submit an appeal to the European Court of Human Rights (ECHR).

The Charge Control caps the amount that Motorola can charge for relevant services from 1 August 2023 to 31 December 2029. Charges for Firelink are invoiced via the “Home Office”. For the year 2023/24 the Home Office provided credits of £374k for the period 1 August 2023 to 31 March 2024 and for 2024/25 there was a reduction in Firelink costs of £614k. However, as Motorola can appeal at the ECHR, there is a potential liability risk that the credit / discount may need to be repaid and therefore these amounts have been set aside in an earmarked reserves. At this stage the value and timing of any outflow is unknown.

Note 32 - Contingent Asset

Truck Cartel

In July 2016 the European Commission fined European truck manufacturers €2.9 billion for price fixing and other cartel activities between 1991 and 2001. A number of truck manufacturers acknowledged their guilt and confirmed they did the following:

- At Senior HQ management level, fixed gross and sometimes net list prices.
- Aligned gross list prices in Europe including the UK at the start of the cartel.
- Reduced rebates when the Euro was introduced.
- Delayed introduction of more fuel-efficient Euro 3, 4, 5 and 6 technologies.
- Agreed the cost that operators should pay for Euro technologies.

Scania did not participate in the settlement procedure and the European Commission issued its Decision finding that Scania participated in the same cartel and fining Scania €880 million. Scania has exhausted its appeals against the Decision, which were unsuccessful.

The cartel involves any trucks of 6 tonnes and over, purchased outright, financed or leased between 1997 and 2011. A group legal action comprising of about 140 public authorities is now ongoing to recoup some of the money lost due to this cartel price fixing. This legal action is taking several years to complete and is now part of a "Second Wave" of truck claims before the Competition Appeal Tribunal, which are together expected to go to trial in September 2026.

Under the Litigation Funding Agreement, only the VAT is payable by the Authority for the legal costs.

Current payments under the Litigation Funding Agreement (VAT payable only) for 2024/25 totalled £3,695.

At this stage the value and timing of any inflow is unknown although the lawyers instructed expect the claim to be resolved in the 2025/26 financial year.



Firefighters' Pension Fund Accounts

Firefighters' Pension Fund Account for the year ended 31 March 2025

2023/24 £000		2024/25 £000
	Contributions Receivable:	
	Employer:	
(6,649)	- Normal	(7,946)
(169)	- Early retirements (ill health)	(139)
(3,254)	- Members	(3,470)
<u>(10,072)</u>		<u>(11,555)</u>
(52)	Individual Transfers in from other schemes	(21)
(10,124)		(11,576)
	Benefits Payable:	
14,811	- Pension	16,035
1,588	- Commutations and lump-sum retirement benefits	4,478
0	- Lump sum death	120
<u>16,399</u>		<u>20,633</u>
	Payments to and on account of leavers:	
0	- Individual transfers out to other schemes	4
16,399		20,637
6,275	Deficit for year before grants receivables from the Welsh Government	9,061
(6,275)	Top up grant Receivable from the Welsh Government	(9,061)
<u>0</u>	Net amount payable / receivable for the year	<u>0</u>

Net Assets Statement as at 31 March 2025

2023/24 £000		2024/25 £000
	Current Assets:	
0	Amount owed by General Fund	0
511	Amount owed by Welsh Government	2,518
511	Total Current Assets	2,518
	Current Liabilities:	
(511)	Amount owed to General Fund	(2,518)
0	Amount owed to Welsh Government	0
(511)	Total Current Liabilities	(2,518)



Notes to the Firefighters' Pension Fund Account

The Fund was established 1 April 2007 and covers the 1992, 2006, 2015 and the Modified Firefighters' Pension Schemes and is administered by the Authority. The 2015 scheme introduced new contribution rates for both employers and employees and reduced pension benefits. Members of the 1992 and 2006 schemes who did not meet the prescribed criteria, have transitioned into the 2015 scheme under a tapering arrangement. On 1 April 2016, the retained Modified Pension Scheme was introduced in addition to the original 1992, 2006 and 2015 schemes. The scheme allowed individuals who were employed as On-Call members of staff between the years 2000-2006 the opportunity to buy back service. If the individuals were still employees, then they could enter into the retained Modified Pension Scheme which benefits from the same contribution rates as the 1992 scheme.

Employee and employer contributions are paid into the Fund, from which payments to pensioners are made. Employees' and employer's contribution levels are based on percentages of pensionable pay set nationally by Welsh Government (WG) and subject to quadrennial revaluations by the Government Actuary's Department (GAD). The scheme is an unfunded scheme with no investment assets and any difference between benefits payable and contributions receivable is met by Top Up Grants from the Welsh Government (WG).

Transfers into the scheme are a transfer of pension benefits from another pension scheme for new or existing employees and transfers out are transfer benefits for employees who have left the Authority and joined another pension scheme. The Authority is responsible for paying the employer's contributions into the fund and these are the costs that are identified in the accounts for the Authority.

At the beginning of the financial year an assessment is made of the amount of Top Up Grant required from Welsh Government and 80% of the estimate is paid in addition to the surplus/deficit (asset/liability) which is payable / receivable from the previous year, this is paid in April of each year. As such, any asset / liability on the Pension Fund is matched by a corresponding value on the Authority balance sheet. The 2024/25 estimate included an assessment of the number of firefighters due to retire within the year based on age and years' service, from this an estimate can then be made of the commutation payments that would fall due and the additional pension payments.

The accounting policies adopted for the production of the Pensions Fund Account are in line with recommended practice and follow those that apply to the Authority's primary statements.

Contribution Rates

From 1 April 2022 all members of the FFPS1992, NFPS 2006 and the Modified scheme (legacy schemes) were transferred to the 2015 scheme, therefore the following are the only scheme rates payable under the new Pension Regulations. Any payments reported as being made under the legacy schemes are for buyback purposes only.

Under the Firefighters' Pension Regulations, the employer's contribution rate for the 2015 scheme was 31% of pensionable pay, with employee's rates as per the pensionable pay banding detailed below:

Pensionable Pay Band	2024/25 Contribution Rate %
Up to and including £27,818	11.0
More than £27,818 and up to and including £51,515	12.9
More than £51,515 and up to and including £142,500	13.5
More than £142,500	14.5

The Firefighters' Pension Fund Account does not take account of liabilities for pensions and other benefits after the period end as this is the responsibility of the Authority. Details of the long-term pension obligations can be found in Note 29 to the core financial statements (£347.127m at 31 March 2025, and £386.587m at 31 March 2024).

Glossary of Terms used in the Statement of Accounts

ACCOUNTING PERIOD

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

ACCOUNTING POLICIES

These specify policies and procedures used by the Authority to prepare its Financial Statements, including methods, measurement systems and procedures for presenting disclosures.

ACCRUALS

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

ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because:

- Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
- The actuarial assumptions have changed.

ASSET

An item having value to the Authority in monetary terms. Assets are categorised as either current or non-current:

- A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock).
- A non-current asset provides benefits to the Authority and to the services it provides for a period of more than one year and may be tangible e.g. a fire station, or intangible, e.g. computer software licences.

AUDIT OF ACCOUNTS

An independent examination of the Authority's financial affairs.

BALANCE SHEET

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

BORROWING

Using cash provided by another party to pay for expenditure, on the basis of an agreement to repay the cash at a future point, usually incurring additional interest charges over and above the original amount.

BUDGET

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

CAPITAL EXPENDITURE

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

CAPITAL FINANCING

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



CAPITAL PROGRAMME

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

CAPITAL RECEIPT

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

CIPFA

The Chartered Institute of Public Finance and Accountancy.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

CONTINGENT ASSET

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

CONTINGENT LIABILITY

A contingent liability is either:

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

CREDITOR

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

CURRENT SERVICE COST (PENSIONS)

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

DEBTOR

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

DEFINED BENEFIT PENSION SCHEME

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

DEPRECIATION

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

DISCRETIONARY BENEFITS (PENSIONS)

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

EVENTS AFTER THE BALANCE SHEET DATE

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

EXPECTED RETURN ON PENSION ASSETS

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

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction.

FINANCE LEASE

A lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee.

GOVERNMENT GRANTS

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

IMPAIRMENT

A reduction in the value of a non-current asset to below its recoverable amount, the higher of the asset's fair value less costs to sell and its value in use.

INFRASTRUCTURE ASSETS

Non-current assets belonging to the Authority that cannot be transferred or sold, on which expenditure is only recoverable by the continued use of the asset created. Examples are hydrants.

INTANGIBLE ASSETS

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Authority's intangible assets comprise computer software licences.

INTEREST COST (PENSIONS)

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

INVESTMENTS (PENSION FUND)

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

LIABILITY

A liability is where the Authority owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

LONG-TERM CONTRACT

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

MINIMUM REVENUE PROVISION (MRP)

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

NET BOOK VALUE

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

OPERATING LEASE

A lease where the ownership of the non-current asset remains with the lessor.

PAST SERVICE COST (PENSIONS)

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

PENSION SCHEME LIABILITIES

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

PRIOR YEAR ADJUSTMENT

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

PROVISION

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

PUBLIC WORKS LOAN BOARD (PWLb)

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

RELATED PARTIES

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

RELATED PARTY TRANSACTIONS

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

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

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

RETIREMENT BENEFITS

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

REVENUE EXPENDITURE

The day-to-day expenses of providing services.

RIGHT-OF-USE ASSET

A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time. A right-of-use asset (ROU asset) is a lessee's entitlement to use a leased asset over the lease term, representing the right to obtain economic benefits from that asset. It's recognised on the balance sheet along with a lease liability, reflecting the lessee's obligation to make lease payments. The ROU asset is initially measured at the present value of lease payments and is subsequently depreciated over the lease term.

USEFUL LIFE

The period over which the Authority will derive benefits from the use of a non-current asset.



Awdurdod Tan ac Achub
Canolbarth a Gorllewin Cymru
Mid and West Wales
Fire and Rescue Authority

Annual Governance Statement

For the year ended 31 March 2025



Gwasanaeth Tân ac Achub
Canolbarth a Gorllewin Cymru
Mid and West Wales
Fire and Rescue Service

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This Statement has been prepared in accordance with guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE), the '*Delivering Good Governance in Local Government Framework*' 2016. This Annual Governance Statement explains how the Authority has complied with the framework and its seven core principles of good governance to ensure that resources are directed in accordance with agreed policies and priorities.

Scope of Responsibility

Mid and West Wales Fire and Rescue Authority (Authority) is responsible for ensuring that its business is conducted in accordance with the law and proper standards; that public money is safeguarded and appropriately accounted for; and used economically, efficiently, effectively and equitably.

The Authority has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, effectiveness and equity. The Well-being of Future-Generations (Wales) Act 2015 places a well-being duty on public bodies to set and publish well-being objectives, designed to maximise their contribution to the seven national well-being goals, with a focus on sustainable development.

The introduction of the Local Government and Elections (Wales) Act 2021 has also introduced the establishment of a new and reformed legislative framework for local government elections, democracy, governance and performance, including the provision of a multi-location policy for meetings.

In discharging its overall responsibility, Fire Authority Members and Senior Officers are responsible for putting in place appropriate arrangements for the governance of the Fire and Rescue Authority's affairs and the stewardship of the resources at its disposal, which includes arrangements for the management of risk.

Strategic leadership is given by and discharged through the Fire Authority and its various Committees, panels and working groups, which enable Members to decide on issues affecting the running of the Fire Authority, in accordance with the principles of openness and democratic accountability.

The day-to-day management and delivery of the Service's functions is carried out by Fire Service Officers under the overall control and guidance of the Chief Fire Officer, who discharges these functions in accordance with the governance framework and the determinations of the Fire Authority and its Committees. In so doing, the Chief Fire Officer is assisted by the Executive Leadership Team.

Mid and West Wales Fire and Rescue Authority's Governance Arrangements

The Authority is committed to demonstrating that it has the necessary corporate governance arrangements in place to perform effectively. The Authority provides clear strategic direction, and its Constitution clearly defines the roles of Members and Officers. Internal Audit and the Performance, Audit and Scrutiny Committee are committed to ensuring that governance arrangements are effective and robust. The key roles of the Constitution and those responsible for developing and maintaining the Authority's Code of Corporate Governance Framework are set out below.

Constitution	The purpose of the Constitution is to set out in clear language how the Fire Authority works and how it makes decisions.
Fire Authority	Approves the Constitution (including Standing Orders and Financial Regulations). Approves key policies and budgetary framework. Is the main decision-making body of the Authority. Comprises twenty-five Members (including the Chair).
Performance, Audit and Scrutiny Committee	Provides independent assurance to the Fire Authority on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment. Promotes high standards of Member conduct. Makes recommendations to the Fire Authority on the approval of the Annual Statement of Accounts and Annual Governance Statement, and in appropriate circumstances approves the Annual Statement of Accounts.
Resource Management Committee	Responsible for the effective management of the resources of the Fire Authority, in particular, managing and developing the financial, human and property resources of the Authority together with its procurement, Information and Communication Technology (ICT), human resources and transport functions and its engagement with stakeholders.
Executive Leadership Team	Implements the policy and budgetary framework set by the Fire Authority and provides advice to the Fire Authority on the development of future policy and budgetary issues. Oversees the development and implementation of policy and service delivery.
Treasurer / Section 151 Officer	Ensures lawful and financially prudent decision-making. Administration of financial affairs. Accountable for developing and maintaining the Fire Authority's governance, risk and control framework. Contributes to the effective corporate management and governance of the Fire Authority.



Clerk / Monitoring Officer	<p>Reports on contraventions or likely contraventions of any enactment or rule of law.</p> <p>Reports on any maladministration or injustice where the Local Government Ombudsman has carried out an investigation.</p> <p>Maintains and updates the Constitution.</p> <p>Establishes and maintains registers of Member interests and gifts and hospitality.</p> <p>Advises Members on the interpretation of the Code of Conduct for Members and Co-opted Members.</p> <p>Contributes to the effective corporate management and governance of the Fire Authority.</p>
Internal Audit	<p>Provides independent assurance and annual opinion on the adequacy and effectiveness of the Fire Authority's governance, risk management and control framework.</p> <p>Delivers an annual programme of risk-based audit activity, including counter-fraud and investigation activity.</p> <p>Makes recommendations for improvements in the management of risk.</p>
Managers	<p>Responsible for developing, maintaining, and implementing the Fire Authority's governance, risk and control framework.</p> <p>Contribute to the effective corporate management and governance of the Fire Authority, through monthly Directorate meetings, Service Leadership Team meetings and Operational Response Forums.</p>



Mid and West Wales Fire and Rescue Authority's Governance Framework

A Code of Corporate Governance was developed by the Authority in 2010 and revised in 2017 in accordance with the CIPFA / SOLACE Delivering Good Governance in Local Government Framework 2016.

The Code of Corporate Governance comprises the systems, processes, culture and values by which Mid and West Wales Fire and Rescue Service (MAWWFRS) is directed and controlled and also the way it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its Strategic Aims and to consider whether the Service has delivered appropriate, effective and efficient services. The system of internal control forms a significant part of the Code of Corporate Governance and is designed to manage risk to a reasonable level. It evaluates the likelihood and impact of identified risks being realised and manages each risk appropriately.

The Authority's Code of Corporate Governance brings together in one document all the governance and accountability arrangements the Service has in place. The Code of Corporate Governance Framework is based on best practice guidance set out in the CIPFA / SOLACE Framework, Delivering Good Governance in Local Government and is used to review the Authority's governance arrangements on an annual basis.

The Authority has conducted an annual review of the effectiveness of its governance against the CIPFA / SOLACE Delivering Good Governance Framework (2016) during 2024/25. The annual review of the Code of Corporate Governance was informed by managers within the Service who have responsibility for the development and maintenance of the governance environment and by comments made by internal and external audit, as well as other inspection agencies. The reviewed and revised Code of Corporate Governance to year end 31 March 2025, was approved by the Performance, Audit and Scrutiny Committee in May 2025.

This Statement assures as to how the Authority has complied with the seven core principles and sub-principles of its Code of Corporate Governance Framework during the financial year 2024/25. This statement also meets the requirement of The Accounts and Audit (Wales) Regulations 2014.

Mid and West Wales Fire and Rescue Authority Governance Assurances for 2024/25

The Authority's Code of Corporate Governance sets out the Authority's commitment to the principles of good governance. A copy of the Authority's full Code of Corporate Governance for the year ending 31 March 2025 can be accessed on the Service's website. The following section provides a brief overview of the governance assurances undertaken by the Authority during 2024/25.

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

Community Risk Management Plan 2040

As a public sector organisation, the Service is accountable to the communities it serves, and as such, effective governance is central to improved decision-making. Accountability isn't just about taking responsibility – it involves us committing to a set of actions, attitudes, aspirations, and expectations, which establish how we lead and manage, the value we can add to our existing Service as well as driving any innovation we wish to undertake.

Recognising this, the Service's Vision and Behaviours were reviewed and aligned to the National Fire Chief Council's Leadership Framework and Core Code of Ethics, as part of the Service's commitment to longer-term planning and the creation of the Community Risk Management Plan (CRMP) 2040, which was approved in April 2024.

The CRMP 2040 is a strategic framework developed to enhance community safety by proactively addressing risks, threats, and challenges. It aligns with legal requirements under the Local Government (Wales) Measure 2009, the National Fire and Rescue Framework, and the Well-being of Future Generations (Wales) Act 2015.

Cultural Journey

On Monday 11th March 2024, Hannah Blythyn MS, Deputy Minister for Social Partnership released a statement on the culture and values within Mid and West Wales Fire & Rescue Service (MAWWFRS) and North Wales Fire and Rescue Service (NWFRS). In that statement, the Deputy Minister outlined the progress to date and reiterated the good work that she had witnessed. She did however refer to continued concerns and in this regard, she proposed for an independent review of each Fire and Rescue Service's cultural journeys to be undertaken in a bid to provide further reassurance to their staff and the communities they serve.

MAWWFRS and NWFRS concurred with the Deputy Minister's statement that the public sector in Wales can be a beacon of inclusivity and support, not just for their workforces, but for the communities in which they serve.

In accordance with the public procurement route for Welsh Fire and Rescue Services, MAWWFRS and NWFRS procured the services of a specialist provider to undertake an independent review of both organisations' culture via the YPO framework for Managing Consultancy and Professional Services framework. The successful provider was sourced and recommended by the managed supplier Consultancy+ in line with their area of expertise and past experience, to ensure impartiality. The chosen supplier to undertake both Fire and Rescue Service's Culture reviews was Crest Advisory and their work commenced in September 2024.

The information gathering consisted of staff surveys, one-to-one interviews, group discussions, written and oral submissions with an employee reach stemming back to June 2021 which enabled staff who had left the Service during this period to be able to contribute and share their views.

The Crest Advisory Review of the Service's Cultural Journey was published in February 2024. Progress is being made with the next phase of the cultural journey, which includes:

- Turning the report recommendations into actions that will guide improvements to workplace culture.
- Engaging staff and stakeholders at all levels to foster awareness and participation, to make sure change is meaningful and reflects the needs of everyone.
- Maintaining transparency and accountability through regular updates and feedback opportunities with staff and wider stakeholders.

The next steps in further developing and improving workplace culture include the formation of a Culture Change Team. This newly formed team will bring together perspectives, experiences and skills from across the organisation to help identify, develop and implement cultural change initiatives within the Service, in line with the recommendations outlined within the Crest Report.

Work is also progressing to enlist an Organisational Culture Specialist (OCS) through an external recruitment company. This will directly meet one of the recommendations of the Crest report and will provide the Service, and the Culture Change Team, with the expert guidance and direction required to bring sustainable cultural change.

The Service's Internal Culture and Inclusion Working Group (C&IWG) are currently prioritising the following key themes:

- Communication and engagement with the wider organisation on matters relating to the Service's cultural journey. A newsletter has been developed to provide updates. This will form the platform for all culture updates across the Service including progress against the Culture and Inclusion Plan and what we plan to do next.
- Embedding the Service's behaviours, as published in the Service's CRMP 2040. A workshop has been developed to run with a cross-section of the Service, offering the MAWWFRS staff the opportunity to shape how behaviours evolve in their role. This information will form guidance for recruitment, promotion and appraisals.
- Supporting the development and delivery of a revised Equality, Diversity and Inclusion (ED&I) training package, to include Active Bystander training. Active Bystander training has been completed, and the ED&I package is in the final development stages with the external provider. This will be rolled out as an e-package.

An agreement was made during the recent Safeguarding Board meeting to publish the meeting minutes on the Service's intranet (Insight) system to provide greater transparency regarding organisational safeguarding matters.

Professional Standards Board

A Professional Standards Board has been established, which has the overall objective of ensuring that any concerns raised regarding employees' standards of behaviour and conduct are processed and recorded consistently, in line with the Service's procedures relating to Discipline, Grievance Resolution, Complaints and its Independent Reporting Line.

The purpose of the Board is to provide assurance that concerns regarding employees' behaviours and conduct, which falls below the standards expected by the Service, are investigated and dealt with appropriately and consistently in line with the Service's commitment towards a safe, fair and inclusive culture, and the standards expected of emergency service workers.

Independent Reporting Line

MAWWFRS has signed up to the Crimestoppers 'Speak-Up' system, which is an independent reporting mechanism for employees to raise work-related matters of concern, anonymously and confidentially. The Service has documented frequently asked questions in relation to 'Speak-Up', which are available to all staff and are working towards a documented policy/procedure over the coming months. The implementation of 'Speak-Up' was a step taken by MAWWFRS during 2023, in response to a HMICFRS's recommendation, as an additional method to enable staff to raise concerns regarding inappropriate behaviours and practices. The formulation of a policy/procedure will assist the Service in ensuring that all staff are clearly aware of the process that will be adopted in the event of a 'Speak-Up' report being received by the Service, and to ensure that all such reports are dealt with appropriately and consistently, with adequate supporting documentation retained.

Fire Standards: Code of Ethics

Designed, developed and published by a Fire Standards Board, the purpose of these Standards is to oversee the identification, organisation, development and maintenance of professional Standards for Fire and Rescue Services. Although not legislatively applicable to Fire and Rescue Services within Wales, it is without doubt that they directly correlate to the work the Service does, and as such, undertaking this exercise has been critical in identifying areas for improvement.

Whilst meeting the Fire Standard does not impact the Service's legislative requirements as a devolved public service within Wales, the Service will adapt working practices to embed the Standards throughout the organisation.

Where it is felt that it is not possible to adopt the Fire Standard in its entirety due to the unique regulatory position within Wales, the Service will instead align working practices as far as practicably possible, making adaptations as necessary to meet the requirements of the Standards.

Staff Appraisal Process

The Staff Appraisal process, aligned to the National Fire Chief Council's Leadership Framework, was launched in 2023/24 and replaced the Individual Development Review process.

Following the introduction of a revised Staff Appraisal process in 2023, the People and Organisational Development (POD) department has commenced an evaluation of the process.

Early discussions have taken place to identify how the Service's Behaviours can now be embedded within the Appraisal process. Appraisals form an integral part of the progressive staff development process including career pathways, and line manager endorsements which sit within the Grey Book (operational staff) promotion process. Pre-requisites to this process include accredited leadership training, knowledge-based modules, and health and safety training. Staff are assessed across a range of weighted elements measured against the NFFCC Leadership Framework.

Staff Induction Process

A digital on-boarding programme is currently being trialled, which includes organisational expectations relating to dignity at work, Service behaviour standards and safeguarding. This will be further supported by the outcomes of reviews of our recruitment processes.

Code of Conduct for Members and Officers

The Code of Conduct for Members and Officers, which is enshrined within the Authority's Constitution, outlines the behaviours and conduct expected of Members and Officers and is based on the Nolan Principles.

As part of their induction process, all new Members and Officers receive an overview of the standards of conduct and behaviour expected of them.

This is further supported by the Member Development Strategy and Annual Training Programme, which ensures Members receive appropriate training and support for their roles.

Fire Authority Constitution

The Fire Authority's Constitution is publicly available on the Authority pages of the Service's website and outlines how the Authority operates and how it makes decisions. The Constitution is subject to periodic comprehensive reviews, with ongoing updates as required to reflect legislative changes and according to need. As such, in December 2024, the Authority received and approved a paper proposing changes to sections of its Constitution.

Revisions were focused on four main areas:

- A review and update of Article 21 Financial Procedure Rules.
- An update of terminology and references, for example, Community Risk Management Plan 2040.
- To set the quorum of the Democratic Service Forum as four Members.
- To amend Article 22 in line with the implementation of the Procurement Act 2023, Procurement Regulations 2024, and Procurement Regulations (Wales) 2024.

Clerk / Monitoring Officer and Treasurer / Section 151 Officer

Legal and Financial advice is provided on all appropriate reports for decision by the Authority's Clerk / Monitoring Officer and the Authority's Treasurer / Section 151 Officer, who approve all Authority and Committee meeting paperwork before publication. Reports clearly outline financial and legal advice being provided to Members for their decision-making purposes, and arrangements are in place to ensure the decisions of the Authority and the basis on which those decisions are made are recorded.

The Authority's Monitoring Officer has a specific duty to ensure the Authority, its Officers and Elected Members maintain the highest standards of conduct. The Authority's Monitoring Officer also has a specific duty to report matters they believe are, or likely to be, illegal or amount to maladministration. The Monitoring Officer therefore ensures the lawfulness and fairness of the Authority's decision making. The Monitoring Officer also ensures that the necessary arrangements are in place to facilitate effective communication between Officers and Members and the formal recording and publication of the democratic decision-making process.

Pre-meetings are held before all Authority and Committee meetings.

Minutes, including decisions made at all Authority and Committee meetings, are published on the Service's external website.

Policies & Procedures

The Authority's Anti-Fraud and Anti-Corruption Policy and Corporate Criminal Offence Policy were reviewed and reported to the PASC in May 2024. The next review is scheduled for January 2027.

An initial review of the Complaints, Compliments and Comments Procedure was undertaken in October 2024 to realign responsibility for the procedure and recognise additional reporting provisions introduced within the Service. The handling of complaints and comments was also audited in January 2025, and the findings of that audit will inform any additional update to the procedure, which will be concluded during 2025/26.

Standards Committee

The Standards Committee, which is composed of three Authority Members and four independent people, has an important role in promoting, maintaining and improving the standards of conduct of the Authority's Members.

The Standards Committee is a statutory committee under the Local Government Act 2000 which meets twice per Fire Authority calendar year and continues to play a pivotal role in setting and managing the conduct and standards of Fire Authority Members.

Procurement Strategy

A review of Contract Standing Orders has been completed to ensure it aligns with the Procurement Act 2023 and Procurement Regulations 2024, and was approved by the Fire Authority in December 2024.

Over 110 members of staff across all Service departments and members of the Resource Management Committee have now viewed the UK Government Knowledge Drop videos.

Carbon Reduction, Sustainability and Social Value are now embedded into our procurement processes where relevant, and several case studies have been written to demonstrate the success of a number of Estates-related trades frameworks that the procurement team has set up. These include frameworks for electrical contractors, flat roofing and carpentry and building, where the majority of successful contractors are Small and Medium-sized Enterprises (SMEs) from within our Service area. A case study for the carpentry and building framework has recently been published on the Welsh Government Cyd (Procurement Centre of Excellence) website to share best practice and the Service's Procurement team is shortlisted for the Go Wales Procurement Excellence Awards Best Procurement Delivery Category for the same framework.

Principle B: Ensuring openness and comprehensive stakeholder engagement

Authority Website

Recognising our desire to ensure robust communication channels with all our stakeholders, the Service embarked on a project to design, develop and implement a new website during 2023/24, ensuring it pays cognisance to and supports the Service's wider governance commitments and our equality, diversity and accessibility obligations.

Further to a significant piece of work for the ICT department, which was required to put in place a robust and secure infrastructure on which we would host our new website, the website went live in July 2024 and continues to be monitored and modified in accordance with best practices and user analytics provided by various tools.

Minutes, including decisions made at all Authority and Committee meetings, are published on the Service's external website

Effective Communication, Consultation and Engagement

Our CRMP 2040, constructed around our Behaviours, Enablers and Improvement and Well-being Objectives, sets out our long-term approach to the delivery of services within the communities that we serve.

Published in April 2024 and running until 2040, our CRMP marks a wholesale shift in the way we monitor, manage and modify our approach to safeguarding our communities. As the largest Fire and Rescue Service in Wales in geographical terms, communications, marketing, and engagement are critical to successfully delivering the priorities we have set out in our CRMP 2040.

The effective two-way flow of information, managed by the Service's Corporate Communications department and driven and monitored through our Communication, Marketing and Engagement Strategy, ensure that communication with both internal and external stakeholders and our public is purposeful, clear, honest, timely and relevant.

Following the approval of the CRMP 2040, MAWWFRS recently held a total of 34 community engagement drop-in sessions at a variety of different locations and venues over six counties of mid and west Wales.

The purpose of the drop-in sessions was to gather valuable input from residents and stakeholders, to assist in identifying any issues or challenges the Service may face in the delivery of the CRMP 2040. Alongside the drop-in sessions MAWWFRS held two online webinars hosted by Deputy Chief Fire Officer Iwan Cray, meetings with members of Parliament, members of the Senedd and Town and Community Councillors to gain as much feedback as possible.

The interactive sessions proved a resounding success with an impressive 721 'Re-Shaping Mid and West Wales Fire and Rescue Service...together' surveys being completed. A further 130 ['Have Your Say'](#) surveys were received from a wide range of stakeholders, also providing their views and expectations of a modern Fire and Rescue Service.

To support the work of Objective 6 of the CRMP 2040, *'We will engage and consult with our communities to understand their expectations of us'*, a network of Community Ambassadors has been established. The Ambassadors, including representatives with a broad range of different experiences from across the mid and west Wales area, will play a pivotal role in helping to shape the services we provide and assist with building a positive and supportive environment within communities. They will also act as a liaison between the Service and community members, helping to communicate important information, promote community engagement and represent the views of local communities.

Review of our Internal Governance and Decision-Making Process

Good governance is crucial for MAWWFRS and requires a robust framework to ensure transparency, accountability, and effective decision-making, which in turn, enables us to deliver high-quality public services that meet the needs of the communities we serve.

A review of organisational governance and decision-making was concluded in 2023/24 and resulted in a modernised approach to making strategic decisions across the Service going live on 1 April 2024. The new approach aimed to improve our commitment to good governance, supporting openness, transparency and engagement in our decision-making; and driving effective, compliant and accountable behaviour across the organisation. Following the initial 12-month period an evaluation will be conducted in 2025/26 to assure ourselves of its effectiveness, with a report to be provided post-completion to confirm the approach meets the needs of the Service and supports our governance commitments.

Corporate Budget Planning with Fire Authority Members and Constituent Authorities

The Service's Communications, Consultation and Engagement Strategy outlines the Service's approach to communication, including an overview of key stakeholders to be communicated with and the most appropriate mechanism to ensure effective communications and engagement with key target groups.

Throughout 2024/25, the Service's Executive Board, including the Authority's Section 151 Officer have engaged in several Corporate Budget Planning workshops with elected Members to identify the levy requirement for 2025/26. This consultation process has also involved the Chief Fire Officer, Section 151 Officer and Fire Authority Chair providing presentations at Constituent Authority meetings, as well as meeting with Constituent Authority Treasurers.

Public Services Boards (PSBs)

The Well-being of Future Generations (Wales) Act 2015, establishes Public Services Boards (PSBs) for each local authority area in Wales, all Welsh Fire and Rescue Authorities are statutory partners of the relevant Public Service Boards (PSBs) of the Constituent Authorities within their area.

The Service has taken its role as a statutory partner within the PSBs very seriously and has committed employee resources to deliver the Act, with Chief Fire officer and Director level representation on each of the six PSBs, along with the Chair and Deputy Chair of the Authority who are represented on three Public Service Boards each. Subject matter experts also attend the subgroups created to support each of the Public Services Board's Well-being Objectives.

Social Partnership Duty

The Social Partnership and Public Procurement (Wales) Act 2023 (SPPP Act) which came into force on 1 April 2024, requires forty-eight public bodies, of which the Authority, is one of them, to produce an annual report to evidence how they have complied with the Social Partnership Duty.

The report must be agreed with the public body's recognised trade unions or contain a statement explaining why it was not agreed. The report must be published and submitted it to the Social Partnership Council (SPC) for scrutiny, as soon as reasonably practicable after the end of the financial year. MAWWFRS's Social Partnership Duty Annual Report 2024/25 was agreed by the Fire Authority at its meeting on 24 March 2025.

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

Our commitment to the Well-being of Future Generation's Act (Wales) 2015

The Service remains committed to supporting the Well-being of Future Generations (Wales) Act 2015 and embraces its duties and role as a statutory partner on its six Public Services Boards.

The Service's CRMP 2040 was developed following the requirements of the Well-being of Future Generations (Wales) Act 2015 and ensures the Service continues to consider the long-term impact of its decision-making on its communities. The CRMP 2040 also highlights how the Service's Vision, Behaviours and Improvement and Well-being Objectives contribute to the Act's seven Well-being Goals; and how the Service will consider and incorporate, where appropriate, the sustainable development principle and the five ways of working in delivering its Improvement and Well-being Objectives.

The Service continues to play a key role as a statutory partner on six Public Service Boards, which represent the communities of mid and west Wales. Representatives from the Service also participate in several delivery and implementation groups across each of its six Public Services Boards, ensuring that the objectives identified as priority partnership areas are successfully delivered.

Capital Investment

The Capital Strategy, approved by Members annually, sets out the Service's long-term context in which capital expenditure and investment decisions are made. It also provides the framework for ensuring the Service's 5-year Capital Programme is aligned with the Service's strategic commitments as outlined in its CRMP 2040. The Service's Strategic Asset and Capital Management Group met quarterly throughout 2024/25 to monitor and review the 5-year capital programme.

The Treasury Management Strategy Statement, as approved by Members annually, sets out the limits and controls to be applied when borrowing and investing funds. It includes Capital Prudential Indicators which show the financial impact of capital expenditure decisions so that it can be determined as to whether those decisions are affordable, prudent and sustainable. It also includes Treasury Management Indicators which set constraints on Treasury Management decisions to ensure that they are made following good practice.

A mid-year Treasury Management report was reported to Fire Authority in December 2024, and updated Members on treasury activity in the year to date. An annual Treasury Report, a backward-looking review which provides details of actual Capital Prudential indicators and Treasury Management indicators and actual treasury operations compared to the estimates within the strategy, will be reported to Fire Authority after the year end.

Treasury Management training was delivered to Fire Authority Members, and Officers involved in the daily Treasury Management function in February 2025.

Environmental Strategy & Carbon Reduction Road Map

A Sustainability and Environmental Strategy has been implemented for the period 2020–2025. This strategy addresses key themes such as sustainable procurement, energy usage, waste management and recycling, decarbonisation, and the protection of biodiversity and wildlife, among others.

The Service have further outlined its commitments to 'Our Environment' in the CRMP 2040, and specifically Objective 7, which highlights the Service's environmental ambition to work in an 'environmentally friendly and sustainable way'.

During Summer 2024, the Service published a Carbon Reduction Road Map 2030 to support its efforts in lowering carbon emissions and aligning with the Welsh Government's Net Zero target. In March 2021, the Environment (Wales) Act 2016 was updated to set a national net zero target for 2050. In line with the Climate Change Adaptation Plan for Wales, there have been carbon budgets set for emissions. This legislation requires a 37% reduction by 2025, and a 58% reduction by 2030 across Wales. The Welsh Government has set a more ambitious target for the Public Sector, which is required to be net zero carbon by 2030.

Over recent years, the Welsh Government has strengthened its legislative framework to reduce greenhouse gas emissions, and improve biodiversity, through legislation such as, the Well-Being of Future Generations (Wales) Act 2015, and The Environment (Wales) Act 2016 and the supporting Section 6 Duty. As well as there being an emphasis on achieving net zero, there is a requirement on Public Sector organisations to enhance and promote resilient ecosystems on their land. The Service have successfully achieved this by collaborating with Welsh Government funded '*Local Places for Nature*' initiatives, supported by Keep Wales Tidy, to develop a number of wildlife gardens at Service locations, implement swift boxes to Stations and develop and improve green infrastructure.

Progress towards these environmental objectives is actively monitored by the Service's Sustainability and Environment Manager, the Sustainability and Environment Group, and the CRMP Objective 7 Group. An Annual Environmental Report is published to capture achievements and monitor statistical data on emissions over the financial year.



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

Fire Authority Members are closely involved in scrutinising performance data, which is reported at both Committee and full Authority meetings. As already outlined in Principle A, the Authority, through the appointment of the Monitoring Officer, ensures that the necessary arrangements are in place to facilitate effective communication between Officers and Members; whilst the Authority's scheme of Standing Orders sets out the roles and responsibilities of Members and Officers ensuring informed and effective decision making by the Authority.

During 2024/25 the Service delivered against eight Improvement and Well-being Objectives set out within its CRMP 2040. These Objectives were developed recognising the challenges we face as both a Service and an Authority, and furthermore were designed in conjunction with Members and representative bodies at Corporate Budget Planning meetings, which were held throughout 2023/24 to discuss the budget planning requirements for the 2024/25 financial year. This process ensured that the Authority forecasts for future planning purposes and that the improvement planning process aligns with the Service's Medium-Term Financial Strategy and Medium-Term Financial Plan.

The Consultation process associated with the CRMP 2040 was supported by a Communication, Consultation and Engagement Plan. The full report, detailing the findings and recommendations from the consultation process, was reported to the Fire Authority in March 2024, outlining how any changes as a result of the consultation process had been incorporated within the final version of the CRMP 2040, which was subsequently published on 1 April 2024.

A similar approach is taken to the development of the Service's Sustainability and Environment Plan, Strategic Equality Plan and Welsh Language Standards, to ensure all statutory guidance is adhered to and objectives delivered.

Monitoring reports, identifying progress and performance against the Improvement and Well-being Objectives for 2024/25, including updates on the Service's strategic and key performance indicators were presented to the Performance, Audit and Scrutiny Committee on a quarterly basis. An Annual Performance Assessment (APA), providing an overview of performance to year-end, is also presented to the Fire Authority and published for annual audit by Audit Wales.

Compliance certificates were received from Audit Wales in respect of the publication of the Authority's APA 2023/24 and the Authority's Improvement and Well-being Objectives for 2024/25. The Service's Performance and Improvement Progress Reports for 2024/25, along with the Service's Strategic Equality Plan Progress Reports for 2023/24, Annual Sustainability and Environmental Report and Annual Welsh Language Monitoring Report, are available on the Service's website.

Following the introduction of the CRMP 2040, the Service established Performance Monitoring Groups, one for each Objective, which meet on a quarterly basis to monitor the progress against each of the Objectives and Actions.

The Service also introduced a CRMP 2040 Chairs of Chairs group which discusses the progress being made, provides scrutiny and challenge and identifies any cross-cutting themes. A Community Risk Management Delivery Board (CRMDB), chaired by the CFO and attended by ELT, SLT, Chair of PASC and Trade Union representatives has also been established to discuss and scrutinise the progress being made against the delivery of Objectives and their associated actions.

Quarterly and six monthly progress reports were presented to the Performance, Audit and Scrutiny Committee and Resource Management Committee throughout 2024/25.

All documentation is published on the Service's external website.

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

Our People

The Service maintains robust strategic workforce planning processes to ensure that the Service employs the correct number of people, with the necessary skill sets to meet the objectives set out in its corporate plans. Strategic workforce planning is embedded in the organisation and analysis of workforce data enables proactive identification of future staffing requirements.

The Service maintains the Corporate Health Award requirements and biennial fitness tests are undertaken for all operational staff as part of the all-Wales approach to operational firefighter fitness. A fitness assessment programme for operational staff is fully embedded in the Service and fitness equipment is provided at all Fire Stations. Risk critical training plans, along with performance appraisals ensure staff have the appropriate training and development to undertake their roles competently and safely.

The Service remains a signed-up partner to the all-Wales People and Organisational Development Strategy with career pathways mapped out for all sectors within the organisation.

The Service's Strategic Workforce Group met regularly throughout 2024/25, as well as the Service's Transfer and Promotion Panel and Fitness Advisory Panel.

Options are being explored to update the recruitment process and embed the Service's Behaviours, as outlined within the CRMP 2040 in the following:

- Application process;
- Interview questions;
- Promotion process.

Discussions are also underway in relation to the Service's exit interview process and how learning from this process can be shared and implemented.

Training and Development Review

Phase one of a review of the training and people development functions has been completed resulting in some realignment of middle manager roles along with the introduction of new, higher level management positions intended to support clear ownership of references aligned to the all Wales People and Organisational strategy. Implementation of phase one has also seen investment in resources to increase capacity for the delivery of incident command training.

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

Risk Management

The Corporate Risk Department maintains the Service's Risk Management Policy and associated methodologies. The Risk Management Policy outlines roles and responsibilities for both Service staff and Elected Members.

To coordinate its arrangements for matters of risk management, the Service has established a dedicated Business Risk Management Group. Chaired by the Director of Risk Management and Improvement, this group meets quarterly and includes representation from each of the Service's Directorates and Fire Authority.

Following these meetings, an updated report on the Service's Business Risk Register is provided quarterly to the Performance, Audit and Scrutiny Committee.

The underpinning risk ranking methodology used by the group is derived from the 2023 publication by Her Majesty's Treasury titled 'The Orange Book – Management of Risk – Principles and Concepts'.

For any risk identified on the Business Risk Register, there is a documented audit trail and rationale as to why the risk has been identified and what mitigation is in place by the Service as part of its risk control measures.

Business Risk Register updates and current 'risks' are communicated to personnel as and when required, with ongoing risk management training provided by the Corporate Risk Department.

The Service's Business Risk Management Group monitored progress in relation to the Code of Corporate Governance during 2024/25 and progress on the Service's Internal and External Audit processes.

Financial Procedure Rules & Contract Standing Orders

Both Financial Procedure Rules and Contract Standing Orders have been reviewed, updated and approved by Fire Authority during 2024/25.

Financial Procedure Rules provide the framework for managing the Authority's financial affairs and are part of the Authority's Constitution. They apply to every Member and employee, and anyone acting on the Authority's behalf.

Medium Term Financial Planning

A robust budget-setting process was followed in 2024/25 which included Officers, Members and participation by representative bodies.

The Service is acutely aware of the financial pressures faced by its Constituent Authorities and the high level of uncertainty regarding the WG Local Government Settlement. In accordance with the Fire and Rescue National Framework 2016, the Service is committed to limiting the Levy to the minimum required '*to ensure comprehensive cover is maintained*'.

The Service continually reviews the arrangements it has in place to ensure Value for Money for the resources it uses. In May 2024, the Chief Fire Officer and Section 151 Officer launched a Value for Money Exercise involving both the Service Leadership Team and Executive Leadership Team. Budget holders were asked to critically review their budgets to identify indicative areas of efficiencies including the associated risks and impacts. The Value for Money proposals originating from the exercise have informed the budget setting process for 2025/26 and beyond.

The Service's Medium-Term Financial Strategy, which supports the planning of resource allocation and spending, and provides the financial framework for supporting the budget-setting process, was considered by the Fire Authority in September 2024.

The Service's Medium-Term Financial Plan, which includes the Revenue Budget requirement for the coming financial year and the 5-year Capital Programme, was reported to the Resource Management Committee in November 2024 and Fire Authority in December 2024, culminating in approval by the Fire Authority in February 2025.

Revenue Budget and Capital Programme monitoring reports, summarising the actual expenditure to date and forecast outturn, were presented to the Resource Management Committee every quarter throughout the year.

Both the Executive Leadership Team and Service Leadership Team receive monthly budget monitoring reports, and the Finance Team meet regularly with Budget Managers. Revised budget guidance was presented to the Service Leadership Team in April 2024.

The Draft Annual Statement of Accounts for 2023/24 was completed by 31 May 2024 and the final audited version was subsequently approved by Fire Authority at their meeting in September 2024, the unqualified audit report was also presented at this meeting.

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

The Annual Governance Statement provides assurances that the Authority has the necessary corporate governance arrangements in place to perform effectively. The Annual Governance Statement for 2023/24 was published on 31 May 2024 and presented to the Fire Authority in September 2024 as part of the audited Statement of Accounts for 2023/24.

The Authority's Code of Corporate Governance Framework supports the development of the Annual Governance Statement. The Code of Corporate Governance for 2024/25 was reviewed and revised in conjunction with Members and Officers during 2024/25 and was approved by the Performance, Audit and Scrutiny Committee in May 2025.

Finance is a standing item on the agendas for all Directorate meetings, Service Leadership Team and Executive Leadership Team meetings, which are held monthly. Finance reports, including budget setting, budget monitoring and the Statement of Accounts are also considered at Fire Authority, Resource Management Committee and Performance, Audit and Scrutiny Committee meetings. A full overview of the Service's financial planning arrangements has been provided at Principle F.

Minutes, including decisions made at all Authority and Committee meetings, are published on the Service's external website.

Opinion on the level of assurance that the governance arrangements can provide

Review of Effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the Executive Leadership Team and other Senior Officers within the Authority who have responsibility for the development and maintenance of the governance environment. The work is supported by reports from internal and external auditors, while recommendations from peer assessors are also considered.

The effectiveness of the governance framework draws on evidence and assurances from:

- Fire Authority.
- Executive Leadership Team and appropriate Senior Officers.
- Scheme of Delegation to Officers.
- Resource Management Committee (RMC).
- Performance, Audit and Scrutiny Committee (PASC).
- Standards Committee.
- Internal Audit.
- External Audit.

Internal Audit

Carmarthenshire County Council Internal Audit Section has provided the Internal Audit function for MAWWFRS since Local Government reorganisation in 1996. A 3-year Internal Audit Plan is agreed with the Section 151 Officer and Director of Resources and approved by the Performance, Audit and Scrutiny Committee. The 3-year plan is reviewed and updated every year to reflect current circumstances and priorities.

In accordance with the Accounts and Audit Regulations 2015 and the Public Sector Internal Auditing Standards, the Audit Manager is required to provide an opinion on the overall adequacy and effectiveness of the Authority's risk management, control, counter fraud and governance processes.

The Internal Audit Plan for the 2024/25 financial year was agreed with the Director of Resources, the Section 151 Officer and approved by the Performance, Audit and Scrutiny Committee in May 2024. The Performance, Audit and Scrutiny Committee has received progress reports on delivery of the plan along with final Internal Audit reports issued throughout 2024/25.

To date, nine final reports and one draft report have been issued relating to the 2024/25 Audit Plan. In addition, three reviews relating to 2023/24 were finalised during 2024/25. The assurance levels gained are summarised in the following table:

Level of Assurance	Number of 2024/25 Reports
High	4
Reasonable	5
Limited	3
Low	1

For the report receiving a "low" assurance there were five recommendations, and all agreed actions were addressed during 2024/25. A follow-up audit for this function is planned for during 2025/26.

The Head of Internal Audit, within the MAWWFRS Internal Audit Annual Report 2024/25, which will be reported to the Performance, Audit and Scrutiny Committee in May 2025, provided the following overall opinion:

'No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance. This statement is intended to provide reasonable assurance that there are no major weaknesses in risk management, governance, and control processes.'

In arriving at the overall opinion, the Head of Internal Audit has considered:

- the results of all work undertaken as part of the 2024/25 Internal Audit Programme.*
- the results of work undertaken as part of the 2023/24 Internal Audit Programme, which have been concluded following the issue of last year's Annual Report.*
- the results of follow-up action of Internal Audit Reviews from current and previous years; and*
- the acceptance of actions by Management (especially those deemed significant).*

It is my opinion that the Authority has a REASONABLE control environment in operation. There are clear Governance arrangements with defined management responsibilities and Committee Structures in place and the control framework is generally sound and operated reasonably consistently. The Authority has an established Constitution, has developed Policies and approved Financial Regulations that provide advice and guidance to all staff and members.

Where weaknesses have been identified through Internal Audit review, we have worked with management to agree on appropriate corrective actions and a timescale for improvement'.

The recommendations from Internal Audit have been addressed via internal departmental action plans as applicable. Progress of agreed actions is monitored by the internal Business Risk Management Group.

Full details of the assurance provided by the Audit Manager along with plans to address the recommendations is detailed within the Internal Audit Annual Report for 2024/25.

External Audit

The Service's external audit arrangements are facilitated by Audit Wales in respect of Audit of Accounts; Proper arrangements; Continuous Improvement; and the Sustainable Development Principle. Audit reports and certificates of compliance have been presented as required to Performance, Audit and Scrutiny Committee and Fire Authority meetings during 2024/25.

During 2024/25, in accordance with statutory timelines, the Authority presented the unaudited Statement of Accounts 2023/24 to Audit Wales for audit. The Auditor General is responsible for providing an opinion on whether the financial statements give a true and fair view of the financial position of the Authority and the Firefighters' Pension Fund Account and its income and expenditure for the year that ended. Following the audit process, the Auditor General issued an unqualified opinion on the financial statements in September 2024.

As part of the Auditor General's local government studies programme in 2023/24, Audit Wales reviewed the governance arrangements across the three Fire and Rescue Authorities (FRAs) in Wales. The review sought to answer the question '*Do special purpose local authorities in Wales have effective governance arrangements that support good outcomes for citizens?*' To answer this, Audit Wales looked at structures of governance, the model of governance, how members and officers work within structures, and the approaches taken to review and improve governance arrangements.

The report '*Governance of Fire and Rescue Authorities*' published September 2024, highlights weaknesses in the governance model for FRAs and made two recommendations. Firstly, that Welsh Government reviews the governance model, and secondly that FRAs strengthen the provision of training and development for FRA Members. In respect of the latter recommendation, it was noted in the report that only Mid and West Wales Fire and Rescue Authority provided a programme of training and development events for Members.

The report was presented to the Fire Authority on 23 September 2024 where Members referred the report to the Democratic Services Forum for the forum to consider any issues arising and to formulate a draft response on behalf of the Authority. The response was approved by Fire authority at its meeting on 16 December 2024 and subsequently submitted to Welsh Government.

Through the Social Partnership Forum for Fire and Rescue Services, the Service is aware that Welsh Government in 2025/26 will be consulting on proposals for future FRA governance and may include funding models. The Service will actively contribute to the discussion and respond to the consultation to reform FRA governance.

Strategic and Service Director Assurances

The Authority has responsibility for conducting an annual review of the effectiveness of its governance framework. The review of effectiveness is informed by the work of the Senior Managers responsible for the development and maintenance of the governance environment, the Corporate Communications and Business Development department and by comments made by the External Auditors and other review agencies.

The CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016) demands that assurance is provided on several governance arrangements relating to the organisation including financial control, reporting, approach to decision-making, compliance with

relevant codes and the influence of the Chief Finance Officer within the organisation. These have been considered within the context of this Statement and it has been established that the Authority's arrangements conform to the CIPA requirements.

The Authority has in place, via Internal Audit, a comprehensive assurance assessment process to ensure that electronic data is secure and configured to current best practices to protect the organisation. The results of these assurances provide a positive opinion, but there are opportunities for improving the internal control environment to further mitigate risks.

The Internal Audit programme referred to in earlier paragraphs obtained assurances from the Service's Executive Board around the arrangements for managing their recognised core risk areas. This reflects the Executive Directors' responsibilities for both the management of risk and the effectiveness of controls. These discussions were also informed by the regular assurance reports presented to the Performance, Audit and Scrutiny Committee by the Section 151 Officer, the Monitoring Officer, Internal Audit and External Audit.

Governance issues to be addressed in 2025/26

Over the next twelve months, the Service will continue to deliver critical services to the communities it serves.

Led by the Service's Executive Leadership Team, the key focus areas for 2025/26 include:

- Internal and external audit recommendations.
- Our Community Risk Management Plan 2040.
- Crest cultural review report recommendations
- Managing our ICT infrastructure and developing a digitisation strategy.
- Developing our Strategic Workforce Planning arrangements.
- Internal and external governance arrangements.

The continuing impact of the increased demand for public sector services, against the settlements received by its Constituent Authorities and spending reductions in the public sector, will continue to be carefully considered by the Authority in determining its Medium-Term Financial Strategy.

The Service will continue to monitor the progress being made by Welsh Government in its discussions around the publication of a new Fire and Rescue National Framework for Wales, any new thematic reviews undertaken by the Chief Fire and Rescue Advisor, and any other changes to how we are governed and advise the Authority on any implications for the Service.

We propose, over the coming year, to take actions relating to the above matters and others to further enhance our governance arrangements and reassure ourselves that we have robust, procedures, process and arrangements in place to ensure we are fully accountable. An update on the outstanding actions from previous years' Action Plans and our Action Plan for 2025/26 are detailed below.

Updates on outstanding actions from previous years (as per AGS 2023/24)

Governance	Responsibility	Planned Action	Current Status
Introduce a new Service Website	Head of Corporate Communications and Business Development	Design, develop and implement a new Service website, ensuring it pays cognisance to and supports the Services' wider governance commitments and ongoing desire to support a robust communication, engagement and consultation programme with communities.	The development phase of the Service's new website has now been completed, and the website went live in July 2024. Status: Complete.
Internal Audit recommendations	Relevant Heads of Service	Reflect on recommendations from Internal Audit and build them into action plans.	Interim monitoring of recommendations and management responses is undertaken by the Service's Business Risk Management Group. Internal Audit has completed its Follow-up review for 2023/24, the report was presented to the Authority's Performance, Audit and Scrutiny Committee in July 2024. Status: Complete.
External Audit recommendations	Relevant Heads of Service	Reflect on recommendations from External Audit and build them into action plans.	Monitoring of recommendations and actions is undertaken by the Service's Business Risk Management Group. The 2023/24 Audit Wales report on False Fire Alarms was received and a new false fire alarm policy has been implemented which has resulted in a significant impact on reduction in the number of false fire alarm incidents. Status: Complete.



Community Risk Management Plan (CRMP) 2040	<p>Head of Community Risk Management Plan Team</p> <p>Head of Corporate Communications and Business Development</p>	<p>Embed new procedures, processes and frameworks in line with the Authority's CRMP 2040.</p> <p>These will need to include:</p> <ul style="list-style-type: none">• A review of the Improvement Planning Framework• A system to embed, promote, manage and measure adherence to the Authority's new behaviours.• A mechanism to report progress against the Improvement and Wellbeing Objectives contained in the Plan. <p>A new Communication, Marketing and Engagement Strategy which considers the new Plan, the strategic intent it outlines and the process by which improvements will be searched for, selected, implemented and captured.</p>	<p>A new Communication, Engagement and Marketing Strategy 2024/2027, aligned to the Service's CRMP 2040, has now progressed through the Service's governance process, receiving approval and being subsequently published in July 2024. Each Objective Performance Monitoring Group is in the early stages of identifying a set of Key Performance Indicators/ measures for success. Work is also underway to explore opportunities to utilise the Evotix Assure, Health and Safety system as a mechanism to record and monitor the performance and progress being made against the Improvement and Well-being Objectives. A review of the Improvement Planning Framework is currently underway and is due to be complete shortly.</p> <p>Status: Ongoing</p>
Organisational Culture	<p>Executive Leadership Team</p> <p>Service Leadership Team</p> <p>Culture and Inclusion Board</p> <p>Culture and Inclusion Working Group</p>	<p>Introduce an action plan to monitor progress against the findings of the Service's Cultural Audit undertaken in 2023.</p> <p>In collaboration with North Wales Fire and Rescue Service' undertake an independent external review of progress against the Service's cultural journeys, as per the terms of reference set out by the Welsh Government. Both reviews will commence in June 2024 and the findings published to both Fire Authorities and</p>	<p>Following Welsh Government's direction in March 2024, both MAWWFRS and NWFRS were required to undertake a staff culture review using an external independent provider. A supplier in the name of Crest Advisory was appointed and commenced its information gathering of MAWWFRS in September 2024. The findings from this new Culture review were published on the 5 February 2025.</p>



		<p>Welsh Government in November 2024.</p> <p>Continue to progress and provide updates to the Welsh Government against the recommendations within the HMICFRS's Values and Culture in Fire and Rescue Services report.</p> <p>Continue to progress and provide updates to the Welsh Government against the recommendations within South Wales Fire and Rescue Service's Independent Review of Culture.</p>	<p>Following the publication of the Crest Culture report the Service has developed revised a Culture and Inclusion Action Plan to address the areas of concerns outlined within the new Crest Culture report which have taken into account the areas which emerged from the Service's 2023 Culture review and other wider FRS Culture review reports.</p> <p>A Culture & Inclusion Working Group made up of representation of staff and trade union from across the Service has been formed which report into a Culture & Inclusion Board chaired by the CFO.</p> <p>The Service is currently out to contract tender for an external culture specialist who will provide independent advice to the Service on its culture improvement journey. It is anticipated that the external culture specialist will be in position by the end of June 2025.</p> <p>Following an open and transparent process involving four external stakeholders, the Service has recently appointed a new Culture Implementation Team to facilitate the delivery of the Culture Review report recommendations. This new team of six Service staff will provide the proposed external Culture Specialist with the support required to deliver on the Culture & Inclusion Action Plan.</p>
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			<p>Active Bystander training has been delivered to all staff and a new Equality, Diversity & Inclusion training package will be delivered to all staff from August 2025.</p> <p>Welsh Government Fire Branch has offered up dedicated training courses to support the Service's culture improvement journey. This training will be bespoke to Middle and Senior Managers on the subject of Grievance and Misconduct and delivery will commence in June 2025.</p> <p>On all Wales FRS level, Culture improvement updates will be provided by each Welsh FRS at the newly formed All Wales FRS Equality, Diversity & Inclusion Group meeting. This will be an opportunity for each Welsh FRS to share best practice solutions of culture improvement arrangements from within their Services.</p> <p>Status: Business as Usual</p>
Procurement Strategy	Head of Procurement	A full review of the Welsh Fire and Rescue Service's Procurement Strategy and associated procedures and processes needs to be undertaken as soon as the secondary legislation for the Procurement Act 2023 is published.	Due to the UK Government delaying the implementation of the Procurement Act 2023 and Procurement Regulations 2024 until 24/02/25 there is still a considerable amount of information that we are awaiting before the review of certain documents and associated processes and procedures can be undertaken. However, sufficient information has



			<p>been divulged to enable the review of Contract Standing Orders. This was due to go to Fire Authority for approval in September 2024 but was deferred to the December Fire Authority meeting as the changes made cannot be implemented until the new Act is implemented on 24/02/25. Changes to the Procurement Strategy and associated documents, processes and procedures will be undertaken as soon as all the finer detail of the legislation is made known and will all be completed before implementation in February 2025.</p> <p>Status: Complete</p>
Compliments, Complaints and Comments Procedure	Head of Human Resources	A review of the Service's Compliments, Complaints and Comments Procedure is required to align with revised internal processes for dealing with such matters.	<p>An initial review of the complaints, compliments and comments Procedure was undertaken in October 2024 to realign responsibility for the procedure and recognise additional reporting provisions introduced within the Service. The handling of complaints and comments was also audited in January 2025 and the findings of that audit have informed any additional update to the procedure. The procedure will be presented through the internal governance process during 2025/26.</p> <p>Status: Ongoing</p>



ICT Cyber Security	Head of Information and Communication Technology	A robust strategy has been developed and will continue to be implemented to address the recommendations set out within a Cyber Security Resilience Audit Report.	Currently have a number of ongoing projects in this area. We are following the NCSC Cyber Action Framework as part of the NFCC project and separately, and in parallel, as part of the WLGA project. We are also utilising a number of other Cyber Security recommendations from trusted sources and progressing with the Cyber Action Plan with 10 out of 38 complete and 25 in progress. Status: Business as usual
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2025/26 Action Plan

Governance	Responsibility	Planned Action	Target Date
Internal Audit recommendations	Relevant Heads of Service	Reflect on recommendations from Internal Audit and build them into action plans.	As agreed with Internal Audit
External Audit recommendations	Relevant Heads of Service	Reflect on recommendations from External Audit and build them into action plans.	As agreed with External Audit
Digitisation Strategy	Head of Information and Communication Technology	To develop a digitisation strategy and delivery plan.	March 2026
Update our Strategic Assessment of the External Environment Document	Head of CRMP	Systematically analyse the external factors that can impact the Service's operations and strategic decisions. This analysis will help identify opportunities and threats, enabling the Service to adapt and thrive in a dynamic environment.	September 2025
Strategic Workforce Planning	Head of Human Resources	Review and further develop strategic workforce planning processes supported by a formal workforce planning procedure.	September 2025
CIPFA Financial Management Code	Head of Finance	Full self-assessment was completed in 2021/22. Review current practices against Financial Management Code to identify and implement improvements to strengthen controls.	March 2026
Review of our Internal Governance and Decision-Making Process	Executive Leadership Team Service Leadership Team	A new approach to strategic decision-making was introduced 1 April 2024, an evaluation will be undertaken to assure ourselves of its effectiveness, with a report to be provided post-completion to confirm the approach meets the needs of the Service and supports our governance commitments.	March 2026
Fire Authority Governance and Funding	Executive Leadership Team	Welsh Government will be consulting on proposals for future FRA governance. The Service will actively contribute to the discussion and respond to the consultation to reform FRA governance.	March 2026



The Governance Statement

The Authority considers that its governance arrangements for 2024/25 continue to be regarded as fit for purpose. The Authority's Code of Corporate Governance sets out in detail the Authority's Governance Framework, which is consistent with the CIPFA / SOLACE Delivering Good Governance in Local Government Framework (2016). The Authority has assessed and can confirm that the arrangements detailed within the Code are in place.

It is the view therefore of the Monitoring Officer and the Section 151 Officer, that the review of the governance arrangements for the financial year 2024/25 has in the main been satisfactory. We believe that the evidence provided demonstrates that the Corporate Governance in this organisation is effective, existing arrangements are fit for purpose, and the Authority is well placed to meet its strategic aims, to achieve its intended outcomes for citizens and service users. The organisation operates in an economical, effective, efficient and ethical manner.

The Authority recognise its responsibility as a public service organisation to both provide a vision for the community it serves and to lead by example in its decision-making and other processes and actions, with Members and Officers acting in accordance with high standards of conduct.

Certification

We have been advised on the implications of the review of the effectiveness of the governance framework by Senior Management and the Performance, Audit and Scrutiny Committee. Actions identified to further develop the Authority's Governance arrangements to ensure continuous improvement of the Authority's systems are in place.

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

Signed:

Chair of the Performance, Audit and
Scrutiny Committee

Date: 30 July 2025

Signed:

Chief Fire Officer

Date: 30 July 2025