



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

STATEMENT OF ACCOUNTS 2025/26



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 56 fire stations and 2 volunteer 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 University Trust (WAST) through Fire Medical Response schemes 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 2025/26.

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 2025/26 were approved by Fire Authority on 10 February 2025.

The Revenue Budget approved for 2025/26 was £72.874m. As can be seen in the table below, expenditure was £509k underspent (1%), of which £350k 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 £648k for On-Call, partly linked to a large number of wildfire and flooding incidents, were offset by £104k savings within wholetime which includes basic salary costs and overtime. Support staff vacancy management realised an underspend of £586k. Other savings of £115k were achieved for transport related costs. The Capital Financing Charges budget and actual outturn both include an appropriation to the Capital Fund of £1.334m. Additional income

of £614k was received in year relating to apprenticeships, investment income, settlement of the Truck Cartel case and a Welsh Government pay pressures grant of £92k.

The contributions received from Unitary Authorities totalled £72.874m, in line with the approved budget.

Net transfers to reserves totalled £851k comprising £343k for ongoing workstreams and commitments, £614k relating to the saving on Firelink appropriated to the Software and Communication reserve together with (£106k) applied from 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 2025/26	Budget £000	Actual £000	Variance £000
Revenue			
Expenditure including grants	69,845	69,336	(509)
Capital Financing Charges	5,503	5,503	0
Recharge of Costs / Investment Interest including grants	(2,474)	(3,088)	(614)
Net Expenditure including grants	72,874	71,751	(1,123)
Unitary Authority contributions	(72,874)	(72,874)	0
Transfer to / (from) Reserves	0	851	851
(Surplus) / Deficit	0	(272)	(272)

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 2025/26, the Levies and proportions were as follows:

Constituent Local Authorities	Levy £000	Proportion %
Carmarthenshire County Council	15,185	21
Ceredigion County Council	5,836	8
Neath and Port Talbot County Borough Council	11,416	16
Pembrokeshire County Council	9,986	14
Powys County Council	10,740	14
City and County of Swansea Council	19,711	27
Total	72,874	100

Revenue Sources of Funding

The Authority receives revenue from the following sources:

2024/25 £000	Revenue Sources of Funding	2025/26 £000
1,647	Revenue Grants	1,679
269	Interest	322
929	Fees & Charges / Cost Recovery / Reimbursements	995
2,845	Sub Total	2,996
320	WG funding – Pay Pressures	92
68,555	Unitary Authority Contributions	72,874
71,720	Total Revenue Funding	75,962

Capital Expenditure

Capital expenditure in the year totalled £2.475m. The following table sets out expenditure by category and financing for 2025/26.

Capital Expenditure and Financing	Estimate 2025/26 £000	Revised Estimate 2025/26 £000	Actual 2025/26 £000	Estimate 2026/27 £000
Expenditure:				
Property – Refurbishments, adaptations, new buildings	2,530	3,933	1,261	2,485
Infrastructure	40	175	0	0
Vehicles, Plant & Equipment	4,479	4,991	1,214	8,594
Intangible Assets	300	368	0	100
Total Capital Expenditure	7,349	9,467	2,475	11,179
Financed by:				
Capital Grants & Contributions	540	330	20	790
Capital Receipts	0	0	70	0
Earmarked Reserves	640	721	214	1,114
Borrowing	6,169	8,416	2,171	9,275
Total Financing	7,349	9,467	2,475	11,179

The original Capital Programme of £7.349m was approved by Fire Authority in February 2025 and subsequently revised for slippage, rephasing and reprofiling of projects to £9.467m as approved by Fire Authority in February 2026. 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 £7.0m variance between the revised budget and actual outturn is attributable, in part, to the following: Estates Minor Works £0.865m, Training Centre £0.706m, Carmarthen, Port Talbot and Fishguard Fire Stations £0.300m, ICT equipment and software £1.492m; and Vehicles £2.424m.

The approved Capital Programme for 2026/27 will be amended to reflect the following: where projects in 2025/26 have not been completed as at 31 March 2026, the resource may be rolled over to 2026/27, 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 no new external loans raised in the year with the Public Works Loan Board (PWLB) or from Constituent Local Authorities. Loans repaid during the year totalled £5.5m. The total principal outstanding as at 31 March 2026 is £25.465m.

Treasury Management

The Authority's Treasury Management Strategy Statement (TMSS) 2025/26 was approved by Fire Authority on 10 February 2025.

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 2026 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 2025/26 £000	Actual 2025/26 £000
Capital Financing Requirement		
Opening 1 April 2025	39,860	37,919
Movement in CFR represented by:		
Net financing need for the year	6,169	2,475
Direct Revenue Contributions / Capital Receipts / Grants & Contributions	0	(304)
Less Minimum Revenue Provision / Voluntary Revenue Provision	(2,982)	(3,122)
Movement in CFR	3,187	(951)
Closing 31 March 2026	43,047	36,968
External Debt		
External Borrowing	37,465	25,465
Lease Liabilities	2,162	1,556
Total External Debt	39,627	27,021
Under / (Over) Borrowed	3,420	9,947

Pensions

In 2025/26, thirty-four 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 increased due to adjustments made by the Actuaries to their assumptions. The actuarially assessed liability as at 31 March 2026 for the Firefighters' Pension Fund was £353.407m (£347.127m in 2024/25).

In 2025/26, seven members of the Local Government Pension Scheme (LGPS) retired. The net cost of the LGPS to the revenue budget has slightly reduced 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 of these adjustments, the LGPS fund is reporting a liability at 31 March 2026 of £555k (£627k in 2024/25).

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 2026/27. 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 £4.805m. 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 £978k for loan and finance lease interest, and £3.122m 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 2025. 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.

Inflation (Consumer Price Index CPI) has increased over the last 12 months from 2.6% in March 2025 to 3.3% in March 2026, and there remains uncertainty around the pace at which CPI inflation will return sustainably to the Bank of England Monetary Policy Committee's 2% target. The conflict in the Middle East has changed the outlook for inflation in the UK. Economists predict that inflation is likely to increase further in 2026, and it could be 2028 before inflation is reduced to the target. The Bank of England has reduced interest rates steadily from 4.50% in February 2025 to 3.75% in December 2025, with the base rate of interest set at 3.75% at the year end. The direction of further rate changes in 2026 is uncertain with the possibility of rate increases in 2026.

With the geopolitical situation remaining volatile due to conflict in the Middle East the economic and fiscal outlook has become more challenging and uncertain, with increased energy prices and increased costs for new borrowing.

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 Technologies 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 or initiatives, such as dealing with the emerging risk of contaminants to frontline firefighters.

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.

Stephen Phillips FCCA – Interim Treasurer / Section 151 Officer



Statement of Responsibilities

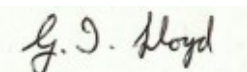
The Authority's Responsibilities

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 AND SCRUTINY COMMITTEE APPROVAL

Approval of Statement of Accounts post audit.

Signature: 

Chair of Performance, Audit and Scrutiny Committee

Date: 27 July 2026

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:

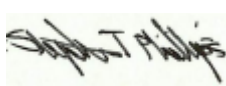
- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Local Authority Code.

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 2026 and its income and expenditure for the year then ended.

Signature: 

Chief Financial Officer (Interim Treasurer/Section 151 Officer)

Date: 27 July 2026



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

for the year ended 31 March 2026 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 Expenditure and Funding Analysis and 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 2025-26.

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 2026 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 2025-26.

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 and regularity of public sector bodies 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 Mid and West Wales Fire and Rescue Authority Firefighters' Pension Fund 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 12 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. 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 2025-26; and
- 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.



- 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, the Performance, Audit and Scrutiny Committee 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.

Ann-Marie Harkin
for and on behalf of Auditor General for Wales
Date: 28 July 2026

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.

2024/25			2025/26		
Net Expenditure Chargeable to the General Fund Balance £000	Adjustments between the Funding & Accounting Basis £000	Net Expenditure in Comprehensive Income and Expenditure Statement £000	Net Expenditure Chargeable to the General Fund Balance £000	Adjustments between the Funding & Accounting Basis £000	Net Expenditure in Comprehensive Income and Expenditure Statement £000
60,945	(8,867)	52,078	66,639	(15,120)	51,519
(64,402)	15,017	(49,385)	(68,881)	15,652	(53,229)
(3,457)	6,150	2,693	(2,242)	532	(1,710)
General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000	General Fund Balance £000	Earmarked General Fund Reserves £000	Total General Fund Balance £000
(2,000)	(4,116)	(6,116)	(2,184)	(7,389)	(9,573)
(3,457)	0	(3,457)	(2,242)	0	(2,242)
3,273	(3,273)	0	1,970	(1,970)	0
(2,184)	(7,389)	(9,573)	(2,456)	(9,359)	(11,815)

Core Financial Statements

Comprehensive Income and Expenditure Statement (CIES)

2024/25			2025/26			
Expenditure	Income	Net		Expenditure	Income	Net
£000	£000	£000		£000	£000	£000
54,974	(2,896)	52,078	Provision of Fire Services	54,285	(2,766)	51,519
54,974	(2,896)	52,078	Cost of Services	54,285	(2,766)	51,519
		462	Other Operating Income and Expenditure			(29)
		18,882	Financing and Investment Income and Expenditure (Note 10)			19,694
	(68,729)		Taxation and Non-Specific Grant Income (Note 11)			(72,894)
		2,693	(Surplus) or Deficit on Provision of Services			(1,710)
		(5,202)	(Surplus) or deficit on revaluation of Property, Plant and Equipment (Note 18a)			(6)
	(42,895)		Remeasurement of the net defined benefit liability / (asset) (Note 18c)			7,760
	(48,097)		Other Comprehensive (Income) and Expenditure			7,754
	(45,404)		Total Comprehensive (Income) and Expenditure			6,044

Movement in Reserves Statement (MiRS)

Movement in Reserve Statement 2025/26	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 2025	(2,184)	(7,389)	0	(9,573)	285,668	276,095
Movements:						
(Surplus) / Deficit on provision of services	(1,710)	0	0	(1,710)	0	(1,710)
Other CIES	0	0	0	0	7,754	7,754
Total CIES	(1,710)	0	0	(1,710)	7,754	6,044
Adjustments accounting & funding (Note 8)	(532)	0	0	(532)	532	0
Net (Increase) / Decrease before transfer	(2,242)	0	0	(2,242)	8,286	6,044
Transfers To / (From) Reserves (Note 9)	1,970	(1,970)	0	0	0	0
(Increase) / Decrease in 2025/26	(272)	(1,970)	0	(2,242)	8,286	6,044
Balance 31 March 2026	(2,456)	(9,359)	0	(11,815)	293,954	282,139

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

Balance Sheet

31 March 2025 £000	Balance Sheet	Note	31 March 2026 £000
97,927	Property, Plant & Equipment	12	94,751
2,730	Assets Under Construction	12	2,783
254	Intangible Assets	13	185
25	Long Term Debtors	15	29
100,936	Long Term Assets		97,748
655	Inventories		693
5,342	Short Term Debtors	15	4,620
3,378	Cash and Cash Equivalents	16	3,118
9,375	Current Assets		8,431
(5,730)	Short Term Borrowing	14	(3,162)
(5,410)	Short Term Creditors	17	(7,173)
(71)	Revenue Grants Receipts in Advance	25	0
(599)	Other Short Term Liabilities	28	(562)
(11,810)	Current Liabilities		(10,897)
(25,465)	Long Term Borrowing	14	(22,465)
(1,377)	Other Long Term Liabilities	28	(994)
(347,754)	Liability related to defined benefit pension scheme	29	(353,962)
(374,596)	Long Term Liabilities		(377,421)
(276,095)	Net Liabilities		(282,139)
(9,573)	Usable Reserves	9	(11,815)
285,668	Unusable Reserves	18	293,954
276,095	Total Reserves		282,139

Cash Flow Statement

2024/25		2025/26
£000		£000
2,693	Net (surplus) or deficit on the provision of services	(1,710)
(8,950)	Adjustment to surplus or deficit on the provision of services for noncash movements	(6,449)
252	Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	90
(6,005)	Net cash (inflow) / outflow from operating activities	(8,069)
2,109	Net cash (inflow) / outflow from investing activities	2,409
1,743	Net cash (inflow) / outflow from financing activities	5,920
(2,153)	Net (increase) or decrease in cash and cash equivalents	260
1,225	Cash and cash equivalents at the beginning of the reporting period	3,378
3,378	Cash and cash equivalents at the end of the reporting period	3,118

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 2025/26 financial year and its position at the year-end of 31 March 2026. 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 2025/26, 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 6.2% (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 6.10% (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, are 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 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, such as vehicles, plant and equipment, that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value in line with the Code.

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. Where assets are revalued, revaluations shall be undertaken using a quinquennial revaluation supplemented by annual indexation in intervening 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 from 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 standards introduced by the 2026/27 Code where disclosures are required in the 2025/26 financial statements are:

- a) Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024.
- b) Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024
- c) Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024
- d) Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024

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 2025. The revaluation exercise was conducted by Carmarthenshire County Council Valuers. The valuations have been undertaken in accordance with the Royal Institution of Chartered Surveyors Valuation - Red Book Global Standards. All assets were inspected either internally or externally, as appropriate, with reference to available building and site plans.



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 2026 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 2026, 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

	2025/26			
	Net Capital Statutory Adjustments	Net Pensions Statutory Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000
Provision of Fire Services	5,584	(20,591)	(113)	(15,120)
Net Cost of Services	5,584	(20,591)	(113)	(15,120)
Other Income and Expenditure	(3,387)	19,039	0	15,652
Difference between the Statutory Charge and the Surplus or Deficit in the Comprehensive Income and Expenditure Statement	2,197	(1,552)	(113)	532

	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

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

2024/25 £000		2025/26 £000
	Expenditure	
43,022	Employee Costs	41,359
13,436	Other Operating Costs	14,125
11,526	Support Services	12,256
4,971	Depreciation, Amortisation, Impairment & Revaluation	5,583
1,170	Interest Paid	978
462	Loss / (Gain) on the disposal of assets	(29)
74,587	Total Expenditure	74,272
	Income	
(929)	Fees, Charges, & Other Service Income	(995)
(269)	Interest & Investment Income	(322)
(68,555)	Levies from Unitary Authorities	(72,874)
(2,141)	Government Grants, Contributions & Donations	(1,791)
(71,894)	Total Income	(75,982)
2,693	(Surplus) or Deficit on Provision of Services	(1,710)

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 2026, 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.

2024/25				Adjustments between Accounting Basis and Funding Basis under Regulations	2025/26			
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
(4,642)	0	(4,642)	4,642	Depreciation	(4,737)	0	(4,737)	4,737
(489)	0	(489)	489	Impairment & Non-enhancing Expenditure	(865)	0	(865)	865
228	0	228	(228)	Revaluation Gains / (Losses) on Property	87	0	87	(87)
(69)	0	(69)	69	Intangible Amortisation	(69)	0	(69)	69
(462)	(78)	(540)	540	Disposal of non-current assets	29	(70)	(41)	41
0	0	0	0	Capital Expenditure Funded Earmarked Reserves CERA	214	0	214	(214)
174	0	174	(174)	Capital Expenditure Funded Grants	20	0	20	(20)
0	78	78	(78)	Capital Expenditure Funded Receipts	0	70	70	(70)
3,260	0	3,260	(3,260)	Financing Capital MRP	3,122	0	3,122	(3,122)
(2,000)	0	(2,000)	2,000		(2,199)	0	(2,199)	2,199
(26,343)	0	(26,343)	26,343	Reversal of retirements benefits in CIES	(26,056)	0	(26,056)	26,056
22,281	0	22,281	(22,281)	Employer's Pension Contributions & payments to pensioners	27,608	0	27,608	(27,608)
(4,062)	0	(4,062)	4,062		1,552	0	1,552	(1,552)
(88)	0	(88)	88	Movement in Accumulated Absence accrual	114	0	114	(114)
(6,150)	0	(6,150)	6,150	Adjustments between accounting basis & funding basis under regulation	(533)	0	(533)	533

Note 9 – Usable Reserves

	Balance at 1 April 2024	Transfers In 2024/25	Transfers Out 2024/25	Inter Reserve Transfers	Appropri- ation to Capital	Balance at 1 April 2025	Transfers In 2025/26	Transfers Out 2025/26	Inter Reserve Transfers	Appropri- ation to Capital	Balance at 31 March 2026
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
General Fund Balance	(2,000)	(184)	0	0	0	(2,184)	(272)	0	0	0	(2,456)
Earmarked Reserves:											
Invest to Save Fund	0	0	0	0	0	0	0	0	0	0	0
Capital Fund	(183)	(1,210)	0	0	0	(1,393)	(1,838)	28	4	214	(2,985)
Major Incidents	(400)	0	0	0	0	(400)	0	0	0	0	(400)
Fundraising & Miscellaneous Ring-Fenced	(514)	(275)	0	0	0	(789)	(62)	196	(4)	0	(659)
Levy Equalisation Reserve	0	0	0	0	0	0	0	0	0	0	0
Software & Communication	(1,394)	(614)	0	0	0	(2,008)	(614)	0	0	0	(2,622)
Risk Management	(99)	(100)	0	0	0	(199)	0	0	0	0	(199)
Managing Change - Employees & Pensions	(1,000)	0	0	0	0	(1,000)	0	0	0	0	(1,000)
Employee Safety	(422)	(14)	0	0	0	(436)	0	0	0	0	(436)
Service Reconfiguration	(104)	(1,060)	0	0	0	(1,164)	0	106	0	0	(1,058)
Earmarked Reserves	(4,116)	(3,273)	0	0	0	(7,389)	(2,514)	330	0	214	(9,359)
Capital Receipts	0	(78)	0	0	78	0	(70)	0	0	70	0
Total Usable Reserves	(6,116)	(3,535)	0	0	78	(9,573)	(2,856)	330	0	284	(11,815)

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

2024/25		2025/26
£000		£000
1,165	Interest payable and similar charges	979
17,989	Net interest on the net defined benefit liability (asset)	19,039
(6)	Movement in Bad Debt Provision	(2)
2	Bad Debts Written Off	0
(269)	Interest receivable and similar income	(322)
18,881	Total	19,694

Note 11 - Taxation and Non-Specific Grant Income

2024/25		2025/26
£000		£000
(68,555)	Levies from constituent authorities	(72,874)
(174)	Capital grants and contributions	(20)
(68,729)	Total	(72,894)

Note 12 – Property, Plant and Equipment

IFRS 16 – Leases

All right-of-use assets are included in the “Vehicles, Plant, Furniture and Equipment” category. As at 31 March 2026 the value for right-of-use assets and leases previously classified as finance leases are disclosed at Note 28.

Movements to 31 March 2026	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 2025	69,822	48,098	344	2,731	120,995
Additions	1,208	1,214	0	53	2,475
Non-Enhancing Expenditure	(865)	0	0	0	(865)
Accumulated Depreciation & Impairment written off to Gross Book Value	(283)	0	0	0	(283)
Revaluation increases / (decreases) recognised in the revaluation reserve	5	0	0	0	5
Revaluation increases / (decreases) recognised in the surplus / deficit on provision of services	87	0	0	0	87
Derecognition – disposals	0	(320)	0	0	(320)
Reclassifications and transfer	0	0	0	0	0
Cost or Valuation: Gross Book Value as at 31 March 2026	69,974	48,992	344	2,784	122,094
Accumulated Depreciation and Impairment as at 31 March 2025	(412)	(19,766)	(159)	0	(20,337)
Depreciation written out to the Surplus / Deficit on the Provision of Services	(2,136)	(2,593)	(8)	0	(4,737)
Accumulated Depreciation & Impairment written off to Gross Book Value	283	0	0	0	283
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	232	0	0	232
Accumulated Depreciation and Impairment as at 31 March 2026	(2,265)	(22,127)	(167)	0	(24,559)
Net Book Value at 31 March 2025	69,410	28,332	185	2,731	100,658
Net Book Value at 31 March 2026	67,709	26,865	177	2,784	97,535

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

Capital Commitments

At 31 March 2026, 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 £3.201m. Similar commitments at 31 March 2025 were £1.181m.

At 31 March 2026, the Authority had the following major capital commitments.

- £2.042m for frontline appliances
- £0.490m for operational vehicles

Revaluations and 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 as at 1 April 2025.

The revaluation review was carried out by a member of the Royal Institution of Chartered Surveyors employed by Carmarthenshire County Council and have been undertaken in accordance with the Royal Institution of Chartered Surveyors Valuation - Red Book Global Standards

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 licences 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:

2024/25		2025/26
£000		£000
Gross Book Value		
882	Opening Balance at 1 April	882
0	Additions	0
0	Impairment	0
0	Derecognition	0
882	Closing Balance at 31 March	882
Accumulated Amortisation		
(559)	At 1 April	(628)
(69)	Amortisation	(69)
0	Impairment	0
0	Derecognition	0
(628)	Closing Balance at 31 March	(697)
Net Book Value		
323	Opening Balance at 1 April	254
254	Closing Balance 31 March	185

Note 14 - Financial Instruments

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

	Long-term 31 March 2025 £000	Long-term 31 March 2026 £000	Current 31 March 2025 £000	Current 31 March 2026 £000
Financial Assets at Amortised Cost:				
Cash & Cash Equivalents	0	0	3,378	3,118
Debtors	25	29	5,342	4,620

Financial Liabilities at Amortised Cost:

Borrowing	(25,465)	(22,465)	(5,500)	(3,000)
Accrued Interest	0	0	(230)	(162)
Total Borrowing	(25,465)	(22,465)	(5,730)	(3,162)
Lease liabilities	(1,377)	(994)	(599)	(562)
Creditors	0	0	(5,410)	(7,173)

	2024/25		2025/26	
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	1,166	0	978	0
Total expense in Surplus or Deficit on the Provision of Services	1,166	0	978	0
Interest income	0	(269)	0	(322)
Total income in Surplus or Deficit on the Provision of Services	0	(269)	0	(322)
Net (gain)/loss for the year	1,166	(269)	978	(322)

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 2025		31 March 2026	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£000	£000	£000	£000
PWLB	27,965	24,949	25,465	22,418
Non-PWLB Debt	3,000	3,044	0	0
Total	30,965	27,993	25,465	22,418

As at 31 March 2026 and 31 March 2025 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 2025		31 March 2026
£000	Short Term Debtors	£000
4,545	Central Government Bodies	3,569
142	Other Local Authorities	84
124	NHS Bodies	70
107	Other Entities and Individuals	321
432	Payments in Advance	582
(8)	Provision for Irrecoverable debts	(6)
5,342	Total Short Term Debtors	4,620

31 March 2025		31 March 2026
£000	Long Term Debtors	£000
25	Other Entities and Individuals	29
25	Total Long Term Debtors	29

Note 16 - Cash and Cash Equivalents

31 March 2025		31 March 2026
£000		£000
2,378	Cash and Bank balances	1,118
1,000	Short-term Deposits	2,000
3,378	Total Cash and Cash Equivalents	3,118

Note 17 – Creditors

31 March 2025		31 March 2026
£000		£000
(1,624)	Central Government Bodies	(2,425)
(763)	Other Local Authorities	(1,227)
(3,006)	Other Entities and Individuals	(3,509)
(17)	Receipts in Advance	(12)
(5,410)	Total Creditors	(7,173)

Note 18 - Unusable Reserves

31 March 2025		31 March 2026
£000		£000
(37,923)	Revaluation Reserve	(36,734)
(25,065)	Capital Adjustment Account	(24,062)
347,754	Pension Reserve	353,962
902	Accumulated Absences Account	788
285,668	Total Unusable Reserves	293,954

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.

2024/25		2025/26
£000		£000
(33,793)	Balance 1 April	(37,923)
(5,202)	Upward revaluation of assets	(3,582)
0	Downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	3,576
(5,202)	Surplus or deficit on revaluation of non-current assets not charged to the Surplus or Deficit on the Provision of Services	(6)
1,072	Difference between fair value depreciation and historical cost depreciation	1,195
0	Accumulated gains on assets sold or scrapped	0
1,072	Amount written off to the Capital Adjustment Account	1,195
(37,923)	Balance 31 March	(36,734)

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.

2024/25		2025/26
£000		£000
(25,992)	Balance 1 April	(25,065)
5,130	Charges for depreciation, impairment, and non-enhancement of non-current assets	5,602
69	Amortisation & Impairment of intangible assets	69
(228)	Revaluation losses / (gains) on property, plant & equipment	(87)
540	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	41
5,511	Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	5,625
(1,072)	Adjusting Amounts written out of the Revaluation Reserve	(1,195)
4,439	Net written out amount of the cost of non-current assets consumed in the year	4,430
(78)	Use of Capital Receipts Reserve to finance new capital expenditure	(70)
(174)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(20)
(3,260)	Statutory provision for the financing of capital investment charged against the General Fund	(3,122)
0	Capital Expenditure charged against the General Fund	(215)
(3,512)	Capital financing applied in year:	(3,427)
(25,065)	Balance 31 March	(24,062)

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.

2024/25		2025/26
£000		£000
386,587	Balance 1 April	347,754
(42,895)	Remeasurements of the net defined benefit (liability) / asset	7,760
26,343	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	26,056
(22,281)	Employer's pensions contributions and direct payments to pensioners payable in the year	(27,608)
347,754	Balance 31 March	353,962

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.

2024/25		2025/26
£000		£000
813	Balance 1 April	902
89	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	(114)
902	Balance 31 March	788

Note 19 - Cash Flow from Operating Activities

The cash flows for operating activities include the following items:

2024/25		2025/26
£000		£000
(290)	Interest received	(328)
1,199	Interest paid	1,046

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

2024/25		2025/26
£000		£000
(4,642)	Depreciation	(4,737)
(489)	Impairment and non-enhancement	(865)
228	Revaluation Gains & Losses	87
(69)	Amortisation	(69)
357	(Increase)/decrease in creditors	(1,692)
324	Increase/(decrease) in debtors	(722)
(57)	Increase/(decrease) in inventories	38
(4,062)	Movement in pension liability	1,552
(540)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(41)
(8,950)	Total	(6,449)

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

2024/25		2025/26
£000		£000
174	Capital Grant / Contributions / Donations Applied	20
78	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	70
252	Total	90

Note 20 - Cash Flow from Investing Activities

2024/25		2025/26
£000		£000
1,443	Purchase of property, plant and equipment, investment property and intangible assets	2,475
745	Right of Use Assets *	0
(78)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(70)
(1)	Other receipts for investing activities	4
2,109	Net cash flows from investing activities	2,409

*The comparative value for 2024/25 is an adjustment to reflect the implementation of IFRS16 with effect from 1 April 2024.

Note 21 - Cash Flow from Financing Activities

2024/25		2025/26
£000		£000
(9,000)	Cash receipts of short-term and long-term borrowing	0
(174)	Other receipts from financing activities	(20)
(180)	Cash payments for the reduction of outstanding liabilities relating to leases	372
11,097	Repayments of short-term and long-term borrowing	5,568
1,743	Net cash flows from financing activities	5,920

Note 22 - Members' Allowances

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

2024/25		2025/26
£000		£000
80	Salaries	85
2	Expenses	3
82	Total Members' Allowances	88

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 – Roger Thomas	2, 5, 6	2025/26	108,229	375	168	0	31,455	140,227
		2024/25	178,794	0	329	0	55,426	234,549
Chief Fire Officer 2 – Craig Flannery	4	2025/26	49,114	0	75	0	14,729	63,918
		2024/25	0	0	0	0	0	0
Interim Head of Paid Services – Iwan Cray	3	2025/26	26,968	0	39	0	7,270	34,277
		2024/25	0	0	0	0	0	0
Deputy Chief Fire Officer – Iwan Cray	3, 5, 6	2025/26	128,410	375	213	0	39,923	168,921
		2024/25	146,801	0	193	0	45,508	192,502
Assistant Chief Fire Officer	4, 5, 6	2025/26	91,283	375	1,032	0	28,414	121,104
		2024/25	125,486	0	252	0	38,901	164,639
Assistant Chief Officer (Director of Resources)	1, 5, 6	2025/26	128,417	375	458	1,648	19,447	150,345
		2024/25	123,907	0	704	1,098	18,710	144,419
Clerk / Monitoring Officer	7, 8	2025/26	31,013	0	371	0	4,678	36,062
		2024/25	41,858	0	328	0	6,320	48,506
Interim Clerk / Monitoring Officer	8	2025/26	28,936	0	99	0	4,369	33,404
		2024/25	0	0	0	0	0	0
Treasurer / Section 151 Officer	7, 9	2025/26	31,965	0	226	0	4,827	37,018
		2024/25	62,458	0	1,017	0	9,431	72,906
Interim Treasurer / Section 151 Officer	9	2025/26	43,096	0	713	0	6,508	50,317
		2024/25	0	0	0	0	0	0

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 19 October 2025. His salary upon resignation was £186,063. A pay award backdated to 01 January 2025 was applied in June 2025 and arrears were paid accordingly.
3. Upon the retirement of Chief Fire Officer 1, the Deputy Chief Fire Officer took over the Statutory duties of the Chief Fire Officer in his role as Interim Head of Paid Services from 20 October to 14 December 2025.
4. The Assistant Chief Fire Officer was promoted to Chief Fire Officer 2 on 15 December 2025.
5. A Pay award backdated to 01 January 2025 was applied in June 2025 and arrears were paid accordingly.
6. A Pay award was applied from 01 July 2025 with no backdating required.
7. A Pay award backdated to 01 April 2025 was applied in August 2025 and arrears were paid accordingly.
8. The Clerk to the Authority sadly passed away on 19 October 2025. An interim Clerk to the Authority was appointed on 10 November 2025 and was still in post at 31 March 2026.
9. The Treasurer / S151 Officer retired on 30 September 2025. The salary upon retirement was £63,925.00 (pro rata of £106,554). The Head of Finance was appointed as Interim Treasurer / S151 Officer from 01 September 2025, to facilitate a handover period, and was still in post at 31 March 2026.

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:

Remuneration Band	Number of Employees	
	2024/25	2025/26
£60,001 to £65,000	41	41
£65,001 to £70,000	18	28
£70,001 to £75,000	6	9
£75,001 to £80,000	6	9
£80,001 to £85,000	3	3
£85,001 to £90,000	3	1
£90,001 to £95,000	2	1
£95,001 to £100,000	1	3
Total	80	95

In 2025/26 the ratio of the Chief Fire Officer to the median remuneration of all employees' full time equivalent salary of £38,881 is 4.27:1 (In 2024/25 the median full time equivalent salary was £37,680 and the ratio was 4.75:1).

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)	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
£0 - £20,000	0	0	2	1	2	1	10	10
Total included in CIES	0	0	2	1	2	1	10	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:

2024/25 £000		2025/26 £000
	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year for:	
63	Financial Audit Work	66
17	Performance Audit Work	18
80	Total	84

Note 25 - Grant Income

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

2024/25 £000		2025/26 £000
(174)	Capital Grants, Contributions and Donations	(20)
(174)	Total	(20)

Grant Income Credited to Services

2024/25 £000		2025/26 £000
	Welsh Government:	
(365)	Home Safety Equipment	(321)
(115)	Youth Engagement	(115)
(579)	New Dimensions, USAR and MTFA	(620)
(280)	Joint Emergency Services Group	(439)
(320)	Pay Pressures	(92)
0	GovTech	(19)
(11)	Covid-19 Hardship Fund	(52)
(297)	Other *	(113)
(1,967)	Total	(1,771)

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

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

2024/25 £000		2025/26 £000
(19)	GovTech (Welsh Government)	0
(52)	Covid-19 Hardship Fund (Welsh Government)	0
(71)	Total	0

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 2025/26 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 2025/26.

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 66 to 77 and 81 to 83.

The following tables details transactions and balances with Related Parties as at 31 March 2026:

Related Party	In Year Transactions		Balance 31 March 2026	
	Income £000	Expenditure £000	Owed to Authority (Debtor) £000	Owed by Authority (Creditor) £000
Welsh Government	(16,008)	1	1,351	0
Carmarthenshire County Council	(15,185)	699	0	(434)
Ceredigion County Council	(5,836)	76	0	0
Neath Port Talbot County Borough Council	(11,416)	148	0	0
Pembrokeshire County Council	(9,986)	120	0	0
Powys County Council	(10,740)	291	10	0
City and County of Swansea Council	(19,716)	163	0	(6)
Total	(88,887)	1,498	1,361	(440)

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	2024/25		2025/26	
	Joint Operation Total £000	MAWWFRS Share £000	Joint Operation Total £000	MAWWFRS Share £000
Revenue				
Staff Expenditure	2,939	1,176	3,094	1,238
Non-Staff Expenditure	149	74	383	191
Total Expenditure	3,088	1,250	3,477	1,429
Property, Plant and Equipment				
Gross Book Value	406	203	742	371
Accumulated Amortisation	(74)	(37)	(156)	(78)
Net Book Value	332	166	586	293
Intangible Asset				
Command & Control System:				
Gross Book Value	680	340	680	340
Accumulated Amortisation	(536)	(268)	(608)	(304)
Net Book Value	144	72	72	36

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.

2024/25		2025/26
£000		£000
39,243	Opening Capital Financing Requirement	37,919
745	Recognition of Right of Use Assets *	0
39,988	Opening Capital Financing Requirement – Adjusted for Right of Use Assets	37,919
	<i>Capital Investment:</i>	
1,443	Plant and Equipment	2,475
0	Intangible Assets	0
1,443	Total Capital Spending	2,475
	<i>Sources of Finance:</i>	
(78)	Capital receipts	(70)
(174)	Government Grants and other contributions / donations	(20)
	<i>Sums set aside from revenue:</i>	
(0)	Direct Revenue Contributions	(214)
	<i>Minimum revenue provision:</i>	
(179)	Option 1 – expenditure pre 31 March 2009	(172)
(2,320)	Option 3 – expenditure post 1 April 2009	(2,322)
(761)	Leases	(628)
(3,512)	Total Sources of Finance	(3,426)
37,919	Closing Capital Financing Requirement	36,968

*The comparative value for 2024/25 is an adjustment to reflect the implementation of IFRS16 with effect from 1 April 2024.

Explanation of movements in year

2024/25		2025/26
£000		£000
(1,324)	Increase in underlying need to borrow (unsupported by government financial assistance)	(951)
(1,324)	Increase / (decrease) in Capital Financing Requirement	(951)

Note 28 – Leases

Authority as Lessee – Right of Use Assets

The Authority adopted IFRS 16 from 1 April 2024, to recognise all right-of-use assets.

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 and Equipment.

2024/25		2025/26
£000		£000
1,488	Balance at 1 April	1,823
745	Recognition of Right of Use Assets as at 1 April *	0
196	Additions during the year	255
(606)	Depreciation and amortisation	(523)
0	Disposals	(115)
1,823	Balance at 31 March	1,440

* The comparative value for 2024/25 is an adjustment to reflect the implementation of IFRS16 with effect from 1 April 2024.

Transactions under leases

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

2024/25	Comprehensive income and	2025/26
£000	expenditure statement	£000
39	Interest expense on lease liabilities	74
26	Expense relating to short-term leases	5
0	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 2025 £000	Right-of-use lease liabilities (net present value of minimum lease payments)	31 March 2026 £000
599	Current	562
1,377	Non-current	994
123	Finance costs payable in future years	76
2,099	Minimum lease payments	1,632

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

Minimum Lease Payments			Lease Liabilities	
31 March 2025 £000	31 March 2026 £000		31 March 2025 £000	31 March 2026 £000
663	608	Not later than one year	599	562
1,436	1,024	Later than one year and not later than five years	1,377	994
0	0	Later than five years	0	0
2,099	1,632	Total	1,976	1,556

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 2024/25, nor are they expected to for 2025/26. In the absence of any further developments, GAD propose no additional costs are recognised for 2026/27.

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 2025 and February 2026.

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 2025/26 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 2025/26 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 2025/26 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 2025/26 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 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.

When the remedy window closed GAD moved all McCloud related liabilities for eligible members for the period 2019-2022 to the associated legacy schemes. This means all McCloud liabilities 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.

GAD have now received updated membership data as at 31 March 2024, which reflects McCloud rollback from the 2015 to the legacy schemes for some eligible members. At the time of the data collection, the extent to which individual authorities had rolled-back their data varied significantly. For rolled-back members, all McCloud eligible liabilities for the period 2015 to 2022 will now be recorded in the appropriate legacy schemes. For other McCloud eligible members, who were not yet rolled back, GAD have made approximate adjustments to allocate additional McCloud eligible liabilities to the appropriate legacy scheme (from the 2015 Scheme). It is likely that in some cases, experience revisions between the sections will appear in future years' disclosures as the rollback exercise is completed and reflected in the data provided to GAD. The likelihood, and extent, of these further adjustments may be linked to the proportion of members rolled-back in the authority's 2024 data.

This refined approach is expected to be broadly neutral, relative to last year's approach, when considered at the combined all-schemes disclosure level. However, the additional data is expected

to produce a more accurate allocation of liabilities between the individual schemes' disclosures. The impact of this refinement will be shown as experience items in the individual scheme disclosures.

Additionally, now that McCloud-related liabilities have started to move 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. The contributions adjustments in the 2025/26 disclosures are shown as net cashflows, in line with the approach adopted last year. It is GAD's understanding that the treatment of these contributions is correct.

Special retained members (Matthews)

A November 2018 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 2026 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. Ultimately, until all members have made a decision on their specific option and this information is recorded on the administration system, that uncertainty will not disappear. Given the uncertainties inherent in any estimate of the liability, GAD would not wish to make minor revisions when calculating the liability. However, GAD will continue to monitor any interim information that becomes available throughout the exercise and will update their approach if they feel they can identify an alternate approach which is a material improvement. For this year's exercise GAD have retained the approach adopted for the 2025 accounts.

GAD note that the options exercise was originally extended by 12 months to 31 March 2026 and over the last year this has been extended further to 31 March 2027. This change is likely to have an impact upon the date at which the Matthews data will ultimately become available on the administration system. It is only at that stage will GAD be able to comprehensively reflect the impact of the options exercise in the accounting disclosures.

The most significant assumptions are 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 2024 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. This approach is consistent with last year's disclosures.

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 £5m. This includes a deduction of £3.9m to allow for cashflows paid over 2025-2026 in respect of benefits put into payment as a result of this judgement. GAD note that the remaining liability is relatively small, when compared with the benefits paid over the last year. This may indicate that GAD's liability estimate will need to be revised in due course. However, as set out above, they have retained the current approach until the completion of discussions associated with the 2024 scheme valuation (which are expected to provide further clarity on the provision).

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 2025/26 Pension Disclosures.



2024/25		General Fund Transactions		2025/26	
LGPS	Firefighters Pension Scheme	Comprehensive Income and Expenditure Statement - Cost of Services		LGPS	Firefighters Pension Scheme
£000	£000			£000	£000
Service cost comprising:					
1,722	6,570	Current service cost		1,125	5,370
0	0	Past service cost		0	0
0	20	Transfers In		0	470
42	0	Administration expenses		52	0
0	0	(Gain) / loss from curtailments		0	0
Financing and Investment Income and Expenditure:					
496	0	Interest on surplus above asset ceiling		1,111	0
(537)	18,030	Net interest expense		(1,122)	19,050
1,723	24,620	Total charged to (Surplus) and Deficit on Provision of Services		1,166	24,890
Other post-employment benefits charged to the Comprehensive Income and Expenditure Statement					
Re-measurement of the net defined benefit liability comprising:					
1,700	0	Return on plan assets (excluding the amount included in the net interest expense)		(2,650)	0
45	(40)	Actuarial (gains) and losses – experience		1,526	18,650
(141)	(960)	Actuarial (gains) and losses arising on changes in demographic assumptions		(629)	0
(9,260)	(42,450)	Actuarial (gains) and losses arising on changes in financial assumptions		(6)	(11,280)
8,211	0	Effect of IAS19/IFRIC14 - Asset Ceiling Restriction *		2,149	0
555	(43,450)	Total charged to Other Comprehensive Income and Expenditure Statement		390	7,370
2,278	(18,830)	Total charged to the Comprehensive Income and Expenditure Statement		1,556	32,260
Movement in Reserves Statement					
(1,723)	(24,620)	Reversal of net charges made to the Surplus or (Deficit) on the Provision of Services		(1,166)	(24,890)
Actual amount charged against the general fund balance for pensions in the year:					
1,651		Employers' contributions payable to scheme		1,628	
	20,630	Retirement Benefits payable to pensioners			25,980



2024/25			2025/26		
LGPS	Firefighters Pension Scheme	Pensions Assets and Liabilities Recognised in the Balance Sheet	LGPS	Firefighters Pension Scheme	
£000	£000		£000	£000	
(51,213)	(347,127)	Present value of the defined obligation	(54,485)	(353,407)	
69,421	0	Fair value of plan assets	76,025	0	
(18,835)	0	Effect of IAS19/IFRIC14 - Asset Ceiling Restriction *	(22,095)	0	
(627)	(347,127)	Net (liability) / asset arising from the defined benefit obligation	(555)	(353,407)	

* As per actuary advice, in 2024/25 the LGPS surplus has been reduced to nil, but the deficit of the unfunded benefits of £627k has been recognised. In 2025/26 the surplus has again been reduced to nil, and the deficit of the unfunded benefits of £555k has been recognised.

2024/25			2025/26		
LGPS	Firefighters Pension Scheme	Movement in the Value of Scheme Assets	LGPS	Firefighters Pension Scheme	
£000	£000		£000	£000	
67,418	0	Opening fair value of scheme assets:	69,421	0	
3,314	0	Interest income	4,093	0	
		Remeasurement gain / (loss):			
(1,700)	0	- The return on plan assets, excluding the amount included in the net interest expense	2,650	0	
1,651	20,630	Contributions from employer	1,628	25,980	
693	0	Contributions from employees into the Scheme	697	0	
(1,913)	(20,630)	Benefits / transfers paid	(2,412)	(25,980)	
(42)	0	Administration expenses	(52)	0	
69,421	0	Closing value of scheme assets	76,025	0	



2024/25			2025/26		
LGPS	Firefighters Pension Scheme	Movements in the Fair Value of Scheme Liabilities	LGPS	Firefighters Pension Scheme	
£000	£000		£000	£000	
(57,290)	(386,587)	Opening balance at 1 April:	(51,213)	(347,127)	
(1,722)	(6,570)	Current service cost	(1,125)	(5,370)	
0	(20)	Transfers In	0	(470)	
(2,777)	(18,030)	Interest cost	(2,971)	(19,050)	
(693)	0	Contributions from scheme participants	(697)	0	
		Remeasurement gains and losses:			
(45)	40	- Actuarial gains / (losses) - experience *	(1,526)	(18,650)	
9,260	42,450	- Actuarial gains / (losses) from changes in financial assumptions	6	11,280	
141	960	- Actuarial gains / (losses) from changes in demographic assumptions **	629	0	
0	0	Past service cost	0	0	
0	0	Gains / (losses) on curtailments	0	0	
1,913	20,630	Benefits / transfers paid	2,412	25,980	
(51,213)	(347,127)	Balance as at 31 March	(54,485)	(353,407)	

LGPS - Pension Scheme - Assets comprised of:

2024/25				2025/26		
Quoted	Unquoted	Total	Fair value of scheme assets	Quoted	Unquoted	Total
£000	£000	£000		£000	£000	£000
Cash and cash equivalents:						
625	0	625	Cash accounts	470	0	470
625	0	625	Subtotal Cash and cash equivalents	470	0	470
Equities:						
7,824	0	7,824	UK Quoted	9,462	0	9,462
34,787	0	34,787	Global Quoted	36,713	0	36,713
2,707	0	2,707	Japan	0	0	0
4,054	0	4,054	Emerging markets	5,398	0	5,398
930	0	930	European ex UK	1,020	0	1,020
50,302	0	50,302	Subtotal Equities	52,593	0	52,593
Bonds:						
0	0	0	UK Government indexed	0	0	0
6,373	0	6,373	WPP Global Credit Fund	7,235	0	7,235
6,373	0	6,373	Subtotal Bonds	7,235	0	7,235
Property:						
0	7,248	7,248	Property Funds	0	9,874	9,874
0	7,248	7,248	Subtotal Property	0	9,874	9,874
Alternatives:						
0	2,562	2,562	BlackRock UK SAIF (Class 1)	0	2,355	2,355
0	958	958	Infrastructure WPP GCM Grosvener	0	1,291	1,291
0	69	69	Infrastructure WPP Capital Dynamics	0	136	136
0	1,284	1,284	WPP Global Private Credit	0	1,657	1,657
0	0	0	Gresham House Forestry	0	414	414
0	4,873	4,873	Subtotal Alternatives	0	5,853	5,853
57,300	12,121	69,421	Total Assets	60,298	15,727	76,025

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 2025.

The significant assumptions used by the actuary have been:

2024/25	LGPS	2025/26
	Mortality assumptions	
	<i>Longevity at retirement for current pensioners</i>	
21.5	Men	21.2
23.9	Women	23.6
	<i>Longevity at retirement for future pensioners</i>	
22.9	Men	22.4
25.7	Women	25.3
	<i>Other assumptions</i>	
2.60%	Rate of inflation	2.90%
4.10%	Rate of increase in salaries	4.40%
2.70%	Rate of increase in pensions	3.00%
5.90%	Rate for discounting scheme liabilities	6.20%
2.60%	Career Average Revalued Earnings (CARE) revaluation rate	2.90%
2024/25	FFPS	2025/26
	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>	
22.7	Men	22.8
22.7	Women	22.8
	<i>Other assumptions</i>	
2.70%	Rate of inflation	2.95%
3.45%	Rate of increase in salaries	3.70%
2.70%	Rate of increase in pensions	2.95%
5.65%	Rate for discounting scheme liabilities	6.10%
3.45%	CARE revaluation rate	3.70%

The estimated weighted duration of the defined benefit obligation is 15 years for the FFPS and 15 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 £000	Discount Rate	Inflation	Pay Growth	Life Expectancy	+/-1% change in 2025/26 investment returns	
		0.5% Increase £000	0.25% Increase £000	0.25% Increase £000	1 Year Increase £000	+1%	-1%
		£000	£000	£000	£000	£000	£000
Liabilities	(54,485)	(50,755)	(56,452)	(54,893)	(55,583)	(54,485)	(54,485)
Assets	76,025	76,025	76,025	76,025	76,025	76,785	75,265
(Deficit) / Surplus	21,540	25,270	19,573	21,132	20,442	22,300	20,780
Projected Service Cost for Next Year	1,110	930	1,209	1,110	1,139	1,110	1,110
Projected Net Interest Cost for Next Year	(1,377)	(1,738)	(1,253)	(1,350)	(1,307)	(1,424)	(1,330)

Impact of assumptions on the obligation – FFPS

	As Reported £000	Discount Rate on Liabilities	Increase in Salaries	Life Expectancy	Increase in Pensions
		0.5% Increase £000	0.5% Increase £000	1-year Increase £000	0.5% Increase £000
		£000	£000	£000	£000
FFPS	(353,407)	(330,407)	(356,407)	(362,407)	(375,407)

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 and Extent of Risks arising from Financial Instruments

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

- Credit risk – the possibility that other parties might fail to pay amounts due to the Authority.
- Liquidity risk – the possibility that the Authority might not have 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 2026 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 2026 £000	31 March 2026 %
Less than 1 year	0%	35%	3,000	12%
Between 1 and 2 years	0%	35%	4,000	16%
Between 2 and 5 years	0%	50%	5,000	20%
Between 5 and 10 years	0%	75%	6,500	25%
More than 10 years	20%	90%	6,965	27%
Total			25,465	100%

			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%

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 Remedy

The Service previously identified a breach of statutory deadlines under Section 29 of the Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022) in relation to the issue of Remediable Service Statements (RSS).

Since 31 March 2025, significant progress has been made, and the majority of outstanding cases have been completed. A plan is in place to resolve the remaining cases.

The Pensions Regulator has indicated that enforcement action is unlikely where schemes are actively addressing outstanding cases. However, as a small number of cases remain unresolved at the reporting date, there remains a possible obligation that penalties could be imposed

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.

Firefighters' Pension Fund Accounts

Firefighters' Pension Fund Account for the year ended 31 March 2026

2024/25 £000		2025/26 £000
	Contributions Receivable:	
	Employer:	
(7,946)	- Normal	(8,616)
(139)	- Early retirements (ill health)	(108)
(3,470)	- Members	(5,816)
<u>(11,555)</u>		<u>(14,540)</u>
(21)	Individual Transfers in from other schemes	(466)
<u>(11,576)</u>		<u>(15,006)</u>
	Benefits Payable:	
16,035	- Pension	21,321
4,478	- Commutations and lump-sum retirement benefits	7,945
120	- Lump sum death	18
0	- Other	1,108
<u>20,633</u>		<u>30,392</u>
	Payments to and on account of leavers:	
4	- Individual transfers out to other schemes	0
<u>20,637</u>		<u>30,392</u>
9,061	Deficit for year before grants receivables from the Welsh Government	15,386
(9,061)	Top up grant Receivable from the Welsh Government	(15,386)
<u>0</u>	Net amount payable / receivable for the year	<u>0</u>

Net Assets Statement as at 31 March 2026

2024/25 £000		2025/26 £000
	Current Assets:	
0	Amount owed by General Fund	0
2,518	Amount owed by Welsh Government	2,155
<u>2,518</u>	Total Current Assets	<u>2,155</u>
	Current Liabilities:	
(2,518)	Amount owed to General Fund	(2,155)
0	Amount owed to Welsh Government	0
<u>(2,518)</u>	Total Current Liabilities	<u>(2,155)</u>

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 2025/26 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.

From 01 April 2025 to 31 August 2025 employee rates remained unchanged from 2024/25 as per the pensionable pay banding detailed below:

Pensionable Pay Band – Based on Income	2025/26 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

From 01 September 2025 pensionable pay thresholds were revised so that contribution tiers better reflected current firefighter pay levels and recent pay awards. The new approach determines rates based on a member's substantive grade rather than a salary band. This provides certainty about contribution rates which should only change if the member's grade changes.

Pensionable Pay Band – Based on Duty System	2025/26 Contribution Rate %
Retained and Volunteer grades (all)	13.0
Wholetime Firefighter	13.0
Wholetime Crew Manager and Watch Manager	13.2
Wholetime Station Manager and Group Manager	13.7
Wholetime Area Manager	14.2
Assistant Chief, Deputy Chief and Chief Fire Officer	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 (£353.407m at 31 March 2026, and £347.127m at 31 March 2025).

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
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Mid and West Wales
Fire and Rescue Authority



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Fire and Rescue Authority

Annual Governance Statement

For the year ended 31 March 2026

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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 (the 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 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.
Chief Fire Officer and the Executive Leadership Team	The Chief Fire Officer is also the Head of Paid Service, responsible for ensuring that all the Authority's functions are properly coordinated, as well as organising staff and appointing an appropriate and functional leadership team. The Chief Fire Officer and their Executive Leadership Team implement the policy and budgetary framework set by the Fire Authority and provide advice to the Fire Authority on the development of future policy and budgetary issues. They also oversee 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	Reports on contraventions or likely contraventions of any enactment or rule of law. Reports on any maladministration or injustice where the Local Government Ombudsman has carried out an investigation. Maintains and updates the Constitution. Establishes and maintains registers of Member interests and gifts, and hospitality. Advises Members on the interpretation of the Code of Conduct for Members and Co-opted Members. Contributes to the effective corporate management and governance of the Fire Authority.
Internal Audit	Provides independent assurance and an annual opinion on the adequacy and effectiveness of the Fire Authority's governance, risk management and control framework. Delivers an annual programme of risk-based audit activity, including counter-fraud and investigation activity. Makes recommendations for improvements in the management of risk.
Managers	Responsible for developing, maintaining, and implementing the Fire Authority's governance, risk and control framework. Contribute to the effective corporate management and governance of the Fire Authority through monthly Directorate meetings, Service Leadership Team meetings and Operational Response Forums.

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 2025/26. The annual review of the Code of Corporate Governance was informed by managers within the Service who are responsible for the development and maintenance of the governance environment, as well as by comments from internal and external audit and other inspection agencies. The reviewed and revised Code of Corporate Governance to year-end 31 March 2026 was approved by the Performance, Audit and Scrutiny Committee in May 2026.

This Statement sets out how the Authority has complied with the seven core principles and sub-principles of its Code of Corporate Governance Framework during the financial year 2025/26. This statement also meets the requirements of The Accounts and Audit (Wales) Regulations 2014.

Mid and West Wales Fire and Rescue Authority Governance Assurances for 2025/26

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 2026 can be accessed on the Service's website. The following section provides a brief overview of the governance assurances undertaken by the Authority during 2025/26.

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

During 2025/26, the Authority continued to strengthen its culture of integrity, ethical leadership and lawful decision-making through a range of governance, cultural and organisational developments. The Authority remains committed to ensuring that Members and Officers act in the public interest, uphold ethical standards, and demonstrate behaviours consistent with the Nolan Principles, the Service's Vision and Behaviours, and the requirements of relevant legislation.

Embedding a Strong Ethical Culture

The Authority's Constitution, supported by the Code of Conduct for Members and Officers, remained a central part of its ethical governance framework. The Constitution continued to undergo periodic review during 2025/26 to ensure alignment with new legislation, evolving governance needs and organisational developments. The Code of Conduct is reinforced through a comprehensive Member Induction Programme and ongoing advice provided by the Monitoring Officer, Section 151 Officer and Corporate Communications and Democratic Services teams.

The Service has continued work to embed its Vision and Behaviours, aligned to the National Fire Chiefs Council (NFCC) Leadership Framework and the Core Code of Ethics, across policies, processes and everyday practice. Progress in some areas has been intentionally paced to reflect and be responsive to the wider cultural journey currently underway.

Staff induction has also been strengthened. Digital onboarding is now partially operational, providing consistent and accessible information to new employees regarding expected behaviours, safeguarding responsibilities, and dignity at work.

Professional Standards and Cultural Improvement

A renewed focus on professional standards has been established through the continued development of the Professional Standards Board, which provides oversight of conduct-related matters, ensuring that concerns are handled appropriately and consistently. This has been supported by updated HR policies and procedures, including revisions to the Discipline, Grievance and Sickness Absence Management procedures, and the development of a revised disciplinary toolkit for consultation and rollout.

The Service continued to take forward significant cultural improvement actions following both the external Crest Advisory cultural review and the Chief Fire and Rescue Advisor and Inspector recommendations. The creation of a Culture and Inclusion Board and Working Group, the introduction of an external Culture Specialist, and the appointment of a People and Culture Team

demonstrate tangible progress towards a more inclusive, safe and transparent organisational culture.

The Service's People and Culture Team, established to support the cultural repair phase, made a significant contribution during 2025/26. Working closely with Senseia and colleagues across the Service, the team helped strengthen feedback mechanisms, improve routes for speaking up, support culture workshops, and reinforce expectations around behaviour, professionalism and accountability. Their work also supported progress against the CREST recommendations and improvements to recruitment and promotion processes, contributing to a more transparent and inclusive culture. As the planned repair phase concluded, the People and Culture Team were formally stood down on 31 March 2026. This reflects the progress made and the Service's transition into the rebuild phase, where responsibility for embedding positive behaviours, strengthening leadership and sustaining cultural improvements now sits within existing structures, supported by ongoing external expertise and strengthened governance arrangements.

The Authority also continues to support staff through training such as Active Bystander awareness, enhanced Equality, Diversity and Inclusion learning, and ethical leadership development.

Ensuring Consistent, Fair and Transparent Decision Making

Robust decision-making arrangements remained in place to ensure that decisions are lawful, transparent and aligned with the Authority's ethical commitments. The Scheme of Standing Orders, outlined within the Authority's Constitution, clearly defines the respective roles of Members and Officers and was supported by ongoing legal and financial review of all reports before publication. Pre-meetings for all Authority and Committee meetings enabled Members to receive appropriate advice in advance of decision-making.

The new Internal Governance and Decision-Making Process, implemented in April 2024, continued to operate during its trial period. Although a scheduled evaluation was deferred to align with organisational design work undertaken through the "Blueprint for Change" programme, the Service continues to monitor the framework to ensure openness, accountability and clarity of decision pathways.

Minutes of all Authority and Committee meetings, including declarations of interest, continued to be published promptly on the Service website, enhancing transparency and supporting public trust.

Upholding Strong Ethical and Anti-Fraud Arrangements

The Authority maintained its commitment to preventing fraud, corruption and inappropriate conduct. The Anti-Fraud and Anti-Corruption Policy and Corporate Criminal Offence Policy remain active and require no further action until the next scheduled review in 2027. Registers of interests, gifts and hospitality for both Members and Officers were maintained and regularly monitored by the Monitoring Officer.

The Protected Disclosure Procedure (formerly Whistleblowing) continued to provide a safe mechanism for staff and stakeholders to raise concerns, and the Authority ensured that the procedure remained accessible internally and externally.

Complaints, compliments and comments were monitored through updated procedures, with an interim revised Compliments, Complaints and Comments Procedure published during the year. Further structural review will continue as part of broader organisational changes.

Respecting the Rule of Law

Legal and regulatory compliance remained a core aspect of the Authority's governance approach. The Monitoring Officer and Section 151 Officer ensured that all decision-making adhered to relevant statutory requirements and that governance processes complied with applicable legislation, including the Well-being of Future Generations (Wales) Act 2015, Local Government (Wales) Measure 2009, Local Government and Elections (Wales) Act 2021, the Fire and Rescue Services Act 2004, and new obligations arising from national procurement and partnership legislation.

All statutory officer roles were discharged in accordance with the CIPFA Statement on the Role of the Chief Financial Officer in Local Government. Following the retirement of the permanent Section 151 Officer in September 2025, interim arrangements ensured continuity of statutory compliance and financial governance.

Internal and external audit arrangements continued to provide independent assurance of the Authority's governance, risk and control environment. Audit recommendations were monitored through the Business Risk Management Group to ensure timely action and accountability.

Principle B: Ensuring openness and comprehensive stakeholder engagement

During 2025/26, the Authority continued to strengthen its commitment to openness, transparency and meaningful engagement with stakeholders. The organisation recognises that effective communication and inclusive engagement are essential to building trust, supporting informed decision-making, and ensuring that the needs and expectations of the communities it serves are understood and acted upon.

Promoting Openness and Accessible Information

The Authority maintained a clear commitment to openness through the publication of statutory reports, policies and governance documentation on its website, ensuring transparency across all areas of its work. All Authority and Committee meetings continued to be audio-recorded and published online in accordance with the Local Government and Elections (Wales) Act 2021, supporting public accountability and enabling communities to access and scrutinise decision-making processes effectively.

The Service also continued to review and update its Freedom of Information procedures annually, ensuring compliance with statutory obligations and the proactive release of information where appropriate.

A redesigned and modernised Service website, launched earlier in 2024, continued to provide an accessible gateway for governance documents, meeting papers, performance reports, and engagement materials, supporting ongoing transparency and ease of access for the public.

Strengthening Engagement with Communities and Stakeholders

The Service continued to deliver comprehensive engagement activity aligned to the Community Risk Management Plan 2040, ensuring that community voices influence service design, risk planning and strategic priorities. Engagement activity undertaken during the year was underpinned



by the Communication, Marketing and Engagement Strategy (2024–2027), which guides the Service’s approach to clear, honest, timely and inclusive communication.

The Service undertook structured stakeholder engagement through public consultations, drop-in sessions, digital surveys, and discussions with elected representatives and key partners, ensuring feedback was collected from a broad cross-section of the community. This included ongoing refinement of the “Have Your Say” and wider community engagement surveys, which were combined in 2025 to streamline feedback collection and improve response rates.

Embedding Consultation and Evidence into Decision-Making

Engagement and consultation continued to play a critical role in shaping strategic plans. The Community Risk Management Plan 2040 includes a comprehensive Improvement Planning Framework designed to ensure that the Service consults meaningfully with the public, staff and partner organisations when identifying risks, designing interventions and assessing outcomes. During 2025/26, further work commenced to refine the sections of the Framework relating to corporate projects and evaluation, enhancing the consistency and transparency of future assessments.

Feedback gathered through the Community Risk Management Plan 2040 engagement activities, community surveys and statutory consultations continued to be incorporated into annual reviews and strategic assessments, ensuring that public expectations and community needs remain central to strategic planning.

The Service made increased use of its Balanced Rooms capability to strengthen engagement and shared understanding around flooding and wildfire risk. Balanced Rooms provided a structured environment to bring together operational staff, partner agencies and community representatives to explore risk scenarios, assess potential impacts and support informed discussion around prevention, preparedness and response. These sessions enabled the Service to visually present local risk information, climate-related hazards and mitigation options, helping communities and stakeholders to better understand evolving threats and the role of collective resilience.

The use of Balanced Rooms supported more meaningful two-way engagement, particularly in areas vulnerable to flooding and rural or semi-rural communities at increased risk of wildfire. Feedback gathered through these sessions informed risk assessment processes, community safety activity and partnership working, contributing to a more integrated, place-based approach to managing foreseeable risks.

Partnership Working and Engagement

The Authority continued to play an active role as a statutory partner in Public Services Boards, contributing to joint well-being assessments and well-being plans, and supporting collaborative work across the six local authority areas it serves. The Service’s contributions to Public Services Boards continued to ensure clear alignment between multi-agency priorities and the Authority’s own long-term objectives under the Well-being of Future Generations (Wales) Act 2015.

Engagement with key stakeholders and the public continued to be strengthened through the Service’s Communication, Marketing and Engagement Strategy, which provided a clear framework for how the organisation works with partners, representative bodies, and community groups to support transparency and shared understanding of common risks and priorities.

Ensuring Inclusive and Balanced Engagement

The Authority continued to ensure that engagement activity reaches a diverse range of groups, recognising the importance of engaging both those who actively participate and those who may be less likely to engage. Processes for balancing competing interests remain embedded through the Community Risk Management Plan 2040 consultation framework, ensuring that decisions reflect the needs of communities today while considering the long-term interests of future generations.

The Service also continued to publish annual reports on Compliments, Complaints and Freedom of Information requests, demonstrating transparency in how community feedback has been considered and responded to.

Supporting Strong Internal Understanding of Engagement Responsibilities

Throughout 2025/26, internal communications mechanisms ensured that Members and Officers understood their roles within the wider engagement framework. Regular structured discussions, supported by clear governance processes and forward work programmes, helped ensure that communication responsibilities were well understood and that materials presented to Members were timely and accessible.

Ongoing implementation of the Communication, Marketing and Engagement Strategy ensured continual improvement in engagement practice and supported the Service's commitment to building trust, listening to communities, and improving transparency across all service areas.

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

During 2025/26, the Authority continued to strengthen its strategic planning arrangements to ensure that outcomes are clearly defined, sustainable, and aligned with its long-term responsibilities to communities across mid and west Wales. The Authority's approach is underpinned by the Community Risk Management Plan 2040, the Well-being of Future Generations (Wales) Act 2015, and a comprehensive suite of supporting strategies that ensure decisions are informed, balanced and evidence-based.

Clear Strategic Vision and Long-Term Planning

The Community Risk Management Plan 2040 remained the Authority's primary strategic framework during the year, articulating a clear vision for delivering safe, sustainable and resilient services up to 2040. The Community Risk Management Plan 2040 was developed in alignment with the Well-being of Future Generations (Wales) Act 2015, ensuring that the Authority considers long-term impacts, the sustainable development principle, and the Act's seven well-being goals when planning and delivering its services.

All departmental, divisional and corporate plans continued to align with the Community Risk Management Plan 2040 Improvement and Well-being Objectives, ensuring a consistent line of sight between strategic intent and operational delivery. Regular reviews of the Community Risk Management Plan 2040 performance framework, including further refinement of corporate project and evaluation approaches, supported ongoing continuous improvement.

The Authority also continued to contribute to the well-being objectives of the six Public Services Boards within its region, reinforcing the alignment between local outcomes and wider multi-agency priorities.

Sustainable and Evidence-Based Decision Making

The Authority's decision-making arrangements ensured that all strategic and operational choices considered their economic, social and environmental implications. Reports to the Fire Authority and its Committees incorporated financial, legal and well-being assessments, ensuring that Members had access to clear evidence and advice when determining the best course of action.

The Medium-Term Financial Strategy (MTFS), Medium-Term Financial Plan (MTFP), 5-year Capital Programme and Capital Strategy provided the financial framework to ensure decisions remained affordable, prudent and sustainable. Quarterly budget monitoring reports were presented throughout the year to ensure resources continued to support intended outcomes.

Balancing Economic, Social and Environmental Benefits

The Authority's decision-making arrangements ensured that all strategic and operational choices considered their economic, social and environmental implications. Reports to the Fire Authority and its Committees incorporated financial, legal and well-being assessments, ensuring that Members had access to clear evidence and professional advice when determining the best course of action.

The Community Risk Management Plan 2040 provided the strategic framework for decision making, reinforcing the importance of robust data, risk intelligence and evidence-led analysis in shaping priorities, resource allocation and service delivery. The Community Risk Management Plan 2040 draws on a wide range of operational data, community risk profiles, demographic information and partner intelligence to ensure that decision-making at a strategic level remains informed, transparent and focused on outcomes. This approach supports the Authority in ensuring that services remain fit for purpose, proportionate to risk and tailored to the evolving needs of local communities.

The Medium-Term Financial Strategy (MTFS), Medium-Term Financial Plan (MTFP), 5-year Capital Programme and Capital Strategy provided the financial framework to ensure decisions remained affordable, prudent and sustainable. Quarterly budget monitoring reports were presented throughout the year to provide assurance that resources continued to be deployed in a way that supports strategic priorities, risk reduction and the delivery of outcomes identified through the Community Risk Management Plan 2040.

Monitoring Performance and Managing Risks

Performance and Improvement Progress Reports, along with thematic reports such as the Strategic Equality Plan Progress Report, Health and Safety Reports, and the Annual Sustainability and Environmental Report, were presented regularly to the Performance, Audit and Scrutiny Committee and Resource Management Committee. These reports provided updates on progress against strategic objectives, trends in key performance indicators, and areas requiring further action.

Robust risk management arrangements remained in place through the Business Risk Management Group, which monitored the Business Risk Register and its strategic, operational and financial risks. Updates were provided quarterly to Members, ensuring oversight and accountability.

Engagement and Involvement to Shape Outcomes

The Authority ensured that stakeholder feedback continued to inform its understanding of community needs and expectations. Engagement activity aligned to the Community Risk Management Plan 2040, supported by the Communication, Marketing and Engagement Strategy, enabled communities, staff and partners to contribute to planning processes. This included updated surveys, drop-in events, and the use of structured feedback mechanisms.

Community voices continued to shape the Authority's well-being objectives, improvement planning, and long-term priorities, ensuring that outcomes remain meaningful, balanced and reflective of diverse local needs.

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

During 2025/26, the Authority continued to strengthen its approach to determining appropriate interventions, ensuring that decisions are informed by robust analysis, meaningful consultation, sound financial planning, and a clear understanding of risks and opportunities. The Authority's governance arrangements enabled Members and Officers to identify, evaluate and select interventions that achieve intended outcomes efficiently and effectively.

Objective and Evidence-Based Decision Making

The Authority maintained strong arrangements to ensure decision makers receive timely, rigorous and objective analysis of available options. Reports submitted to Members included legal, financial and strategic advice, as well as assessments of risks and impacts, all reviewed by the Clerk/Monitoring Officer and Section 151 Officer before publication. This process ensured that Members were able to make informed and transparent decisions based on clear evidence.

The Scheme of Standing Orders continued to set out clear protocols for communication between Members and Officers, clarifying responsibilities and ensuring that information needs are understood and met throughout the decision-making process.

Members and Officers also engaged in regular discussions about information requirements to ensure that analysis supporting decisions remained comprehensive, relevant and up to date.

Robust Planning, Governance and Scrutiny Processes

The Internal Decision Making and Fire Authority Report Template remained a core tool for ensuring consistency and quality in evidence presentation. This supported Members in understanding the consequences of different intervention options, including financial implications, risk levels and expected outcomes.

The Authority's governance and decision-making framework, modernised in 2024, continued to operate during its 12-month implementation period. The planned evaluation was postponed, aligning with the wider organisational redesign work conducted under the "Blueprint for Change" programme; however, assurance processes remained active, ensuring the framework continued to support openness, accountability and good governance.

The Performance, Audit and Scrutiny Committee continued to play a central scrutiny role, reviewing performance data, risk information and progress against strategic plans, thereby supporting robust challenge and continuous improvement.

Financial Planning and Budgeting

The work of the Service, as well as its improvement ambitions as set out within its Community Risk Management Plan 2040, were supported and shaped by the Authority's financial planning framework, including the Medium-Term Financial Strategy, the Medium-Term Financial Plan, the 5-year Capital Programme and the Capital Strategy. These ensured that financial decisions remained sustainable and aligned with organisational priorities. Quarterly financial monitoring, supported by regular internal budget reporting, ensured that resources were appropriately allocated to support the successful delivery of intended outcomes.

Corporate Budget Planning meetings continued throughout 2025/26, involving Members, the Executive Leadership Team and Representative Bodies. These discussions informed intervention planning and ensured that financial decisions reflected both organisational priorities and the funding constraints faced by Constituent Authorities.

Stakeholder Consultation in Determining Appropriate Interventions

Stakeholder engagement remained integral to determining interventions, particularly through work associated with the Community Risk Management Plan 2040. Extensive consultation, including community surveys, drop-in sessions, Public Services Boards engagement, balanced rooms, and formal partnership working, provided insight into community needs and expectations, helping shape evidence-based interventions aligned with long-term wellbeing priorities.

Consultation feedback was reviewed regularly and incorporated into annual Community Risk Management Plan 2040 updates, well-being assessments and the Service's Improvement Planning Framework, ensuring that interventions were both purposeful and responsive.

Managing Competing Priorities and Allocating Resources Effectively

The Authority continued to balance competing demands through structured analysis of service needs, financial pressures, operational risks and community expectations. The Business Risk Management Group monitored risk assessments and performance trends, providing assurance that proposed interventions aligned with strategic aims and complied with risk control measures.

Performance Monitoring Groups established under the Community Risk Management Plan 2040 continued to track progress against each objective and its associated actions, allowing early identification of barriers or required adjustments to interventions.

Evaluation of Interventions and Continuous Improvement

The Authority maintained a strong cycle of monitoring, review and evaluation. Progress against the Community Risk Management Plan 2040 Improvement and Well-being Objectives was reported through quarterly and six-monthly updates to the Performance, Audit and Scrutiny Committee and the Resource Management Committee, enabling scrutiny of outcomes and the effectiveness of interventions.

An Annual Performance Assessment provided a comprehensive overview of our performance during 2024/25 and was subject to external audit, offering an additional layer of assurance on the effectiveness of intervention planning and delivery.

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

During 2025/26, the Authority continued to strengthen organisational capacity, workforce capability and leadership effectiveness to ensure that it remains able to deliver its statutory duties, respond to emerging risks, and achieve its long-term strategic objectives. The Authority recognises that the quality of its people, leadership and organisational systems is central to its ability to operate efficiently, effectively and sustainably.

Building and Sustaining Workforce Capacity

The Authority maintained robust strategic workforce planning arrangements, enabling the Service to anticipate staffing requirements, support succession planning and ensure that it can deploy the right people with the right skills at the right time. Throughout 2025/26, the Strategic Workforce Group continued to meet regularly, overseeing workforce analysis and the development of a new Workforce Planning Strategy, which will be designed to further formalise and strengthen the Service's long-term planning for future capacity.

A full review of Green Book job evaluation processes, completed during 2023/24, continued to support fair and consistent role allocation across the Service, with appropriate role evaluations undertaken throughout 2025/26.

The Service also continued to invest in the physical capability of its operational workforce. Biennial firefighter fitness assessments, risk-critical training plans, and the provision of fitness equipment at all stations remained integral to ensuring that operational personnel are safe, competent and fit for duty.

Strengthening Leadership and Management Capability

Leadership capability continued to be enhanced through structured development programmes aligned to the National Fire Chiefs Council (NFCC) Leadership Framework. During 2025/26, the Authority also managed a significant period of leadership transition.

Following the retirement of the Chief Fire Officer in October 2025, a structured national recruitment process was undertaken, supported by external executive search expertise, resulting in the appointment of a new Chief Fire Officer in December 2025. Interim arrangements ensured continuity of statutory responsibilities and organisational leadership during this transition period.

Alongside this, the Authority undertook a review of its Executive Leadership Team structure, informed by organisational learning, cultural improvement activity and national developments across the fire and rescue sector. This resulted in a move towards a more streamlined and agile leadership model, including the decision not to replace the Deputy Chief Fire Officer role and the creation of additional Assistant Chief Fire Officer capacity. The introduction of a new Director-level role for People and Culture further strengthened the strategic leadership of the workforce, culture and organisational development. These changes are designed to provide clearer accountability,

support cultural transformation, and ensure the Service is well positioned to deliver its strategic priorities.

Staff Appraisals, implemented in 2023, were further reviewed during 2025/26, resulting in recommendations to improve usability, embed the Service's Behaviours more explicitly, and explore alternative software solutions. This ensured that leadership expectations, behaviours and development needs are consistently reinforced through ongoing performance management.

Improving Organisational Capacity and Governance Structures

The Authority continued to refine its internal governance arrangements to enhance organisational capacity and ensure effective decision-making. Executive Leadership Team and Service Leadership Team meetings were held regularly to support strategic oversight, operational coordination and organisational resilience.

The Strategic Asset and Capital Management Group met quarterly, ensuring strong oversight of the Capital Programme, asset planning and long-term resource sustainability. Quarterly Revenue Budget and Capital Monitoring Reports were presented to the Resource Management Committee throughout 2025/26, ensuring that financial resources remained aligned to organisational capacity needs.

The Authority also ensured that Members were equipped with appropriate ICT tools to support remote and hybrid working. In 2025/26, all Members were issued with tablet devices to enhance secure access to Service systems, supporting both the green agenda and the Service's Cyber Security Strategy.

Developing a Skilled, Supported and Safe Workforce

The Service continued to invest in staff development, training and support. A coaching and mentoring programme, linked to the Appraisal process, remained available to support personal development and leadership readiness. Management seminars and training programmes continued to incorporate ethical behaviour, leadership expectations and professional standards.

Human Resources policies and procedures were reviewed regularly throughout 2025/26 to ensure they remained current, effective and aligned to legal requirements. These policies support staff well-being, performance, conduct and development across the organisation.

Organisational well-being remained a priority. The Service continued to maintain the Corporate Health Award requirements and ensured access to well-being support arrangements for all staff. The publication of an updated Well-being Strategy and associated Be Well Programme further emphasises the commitment to staff wellbeing. Regular reporting on health, safety, welfare, sickness absence and workforce wellbeing ensured that the Authority maintained clear oversight of workforce health indicators.

Ensuring Clear Roles, Responsibilities and Effective Leadership Structures

Roles and responsibilities for Statutory Officers, Members and Officers are set out clearly in the Authority's Constitution. Job descriptions for all posts continued to be reviewed by employees and managers to ensure they remain relevant and reflective of organisational needs.

Member attendance at Authority and Committee meetings was reviewed through the Democratic Services Forum, ensuring that governance responsibilities were being appropriately discharged.



Supporting Organisational Learning and Continuous Improvement

The Authority maintained a strong commitment to organisational learning. Lessons learned from internal and external reviews, including internal audit reports, external audit findings and sector-wide cultural reviews, were incorporated into leadership discussions, workforce development planning and organisational improvement actions.

The Service also played an active role in all-Wales workforce initiatives through the all-Wales People and Organisational Development Strategy, helping to shape consistent national approaches to workforce development.

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

During 2025/26, the Authority continued to strengthen its risk management, internal control and financial governance arrangements to ensure that performance is effectively monitored, resources are used responsibly, and public funds are safeguarded. These arrangements are essential to providing assurance that the Authority is delivering its statutory functions efficiently, transparently and in the public interest.

Embedding a Comprehensive Risk Management Framework

Risk management remained embedded across all levels of the organisation. The Corporate Risk Department maintained the Service's Risk Management Policy, outlining clear roles and responsibilities for Members and Officers. This policy was operationalised through the Business Risk Management Group, which met quarterly and included representation from every Directorate and the Fire Authority.

The Group ensured that the Business Risk Register remained current, accurately reflecting strategic, operational and financial risks. It also monitored progress in relation to the Code of Corporate Governance and internal and external audit recommendations. Updated risk reports were presented quarterly to the Performance, Audit and Scrutiny Committee, enabling Members to scrutinise key risks and the effectiveness of mitigation measures.

The Authority continued to apply the risk rating methodology set out in HM Treasury's *Orange Book – Management of Risk – Principles and Concepts (2023)*, ensuring that risk assessment remained aligned to recognised best practice. For every risk, a clear audit trail was maintained, demonstrating the rationale for its inclusion and the actions taken to control or mitigate it.

Monthly and ad-hoc communications ensured that personnel remained informed of risk issues, with ongoing risk management training delivered by the Corporate Risk Department.

Robust Internal Control and Assurance Arrangements

The Authority maintained strong internal control arrangements through clear governance structures, the Constitution, Standing Orders, Financial Procedure Rules and a comprehensive internal audit programme. Financial Procedure Rules and Contract Standing Orders were reviewed, updated and approved by Members during 2025/26, maintaining their alignment with legislation and best practice.

Internal Audit, delivered by Carmarthenshire County Council, provided independent assurance on governance, risk management and internal controls. The Internal Audit Plan for 2025/26 was approved by the Performance, Audit and Scrutiny Committee, and Members received regular progress updates throughout the year. Final audit reports were presented with clear assurance ratings and recommendations, all of which were monitored through departmental action plans and the Business Risk Management Group.

External Audit, provided by Audit Wales, also continued to supply independent assurance regarding financial statements, proper arrangements and continuous improvement duties. Audit Wales issued an unqualified opinion on the Authority's financial statements for 2024/25 and presented the required audit reports and certificates of compliance to Members during the year.

Performance Management and Oversight

Performance management remained a central part of internal control. Quarterly and six-monthly performance reports were presented to the Performance, Audit and Scrutiny Committee and the Resource Management Committee during 2025/26, providing oversight of key performance indicators, progress against the Community Risk Management Plan 2040 Improvement and Well-being Objectives, and updates on strategic projects.

Performance Monitoring Groups, established for each Community Risk Management Plan 2040 Objective, continued to meet quarterly to assess delivery progress, identify emerging risks and ensure consistent oversight. The "Chairs Groups" and the Community Risk Management Delivery Board, chaired by the Chief Fire Officer, provided additional strategic scrutiny.

An Annual Performance Assessment provided a comprehensive overview of performance at year's-end and was published for external audit by Audit Wales, ensuring transparency and accountability in reporting.

Ensuring Strong Public Financial Management

Financial management remained strong and well-governed throughout 2025/26. The Authority operated within a structured financial planning framework supported by the Medium Term Financial Strategy, Medium Term Financial Plan, Treasury Management Strategy and the 5-year Capital Programme.

A robust budget-setting process engaged Officers, Members and Representative Bodies, ensuring that financial decisions were evidence-based and aligned with service needs, risk assessments and Community Risk Management Plan 2040 priorities. Value-for-Money exercises, launched in May 2024, informed the 2025/26 budget and supported organisational efficiency improvements.

Quarterly Revenue and Capital Monitoring Reports were presented to the Resource Management Committee, and monthly internal budget monitoring supported informed financial control. Treasury Management training was provided to both Members and staff involved in treasury operations.

The Authority complied with statutory financial reporting requirements, with the audited Annual Statement of Accounts for 2024/25 being presented to the Performance Audit and Scrutiny Committee in July 2025 before being approved by the full Authority in September 2025, accompanied by an unqualified audit opinion.

Counter-Fraud and Anti-Corruption Measures

The Anti-Fraud and Anti-Corruption Policy and the Corporate Criminal Offence Policy, reviewed in 2024, remained active and effective during the year. These policies are issued to all new starters and published on the Service's intranet for ready access. The next scheduled review will take place in January 2027.

Internal and external audit processes continued to act as important safeguards against fraud and corruption, with regular reporting to the Performance, Audit and Scrutiny Committee and the Authority ensuring full oversight of actions and recommendations.

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

During 2025/26, the Authority continued to strengthen its arrangements for transparency, public reporting and independent assurance to ensure that decision-making remains open, accountable and subject to effective scrutiny. These mechanisms help maintain public confidence in the Authority's stewardship of resources, governance processes and performance outcomes.

Enhancing Transparency and Public Access to Information

The Authority remained committed to ensuring that information about its work is easily accessible to the public. All meetings of the full Fire Authority continued to be audio-recorded and published online, in line with the requirements of the Local Government and Elections (Wales) Act 2021. This included the publication of agendas, reports, decisions and minutes, ensuring that stakeholders were able to follow and scrutinise governance processes.

The Service's redesigned website, launched in July 2024, supported the Authority's ongoing transparency commitments by providing a modern and accessible platform for publishing statutory documents, performance information, strategic plans and governance reports. This included Annual Performance Assessments, Community Risk Management Plan 2040 documents, environmental reports, equality statements and financial strategies.

Councillor attendance at meetings and Member training participation continued to be monitored and published annually, ensuring openness regarding Member engagement and accountability.

Strengthening Reporting and Performance Accountability

The Authority ensured that reporting arrangements remained robust, timely and aligned with governance and audit expectations. Quarterly and six-monthly reports, including Performance and Improvement Progress Reports, Revenue and Capital Monitoring Reports, the Business Risk Register, and Strategic Equality and Environmental reports, were presented to the Performance, Audit and Scrutiny Committee and the Resource Management Committee throughout 2025/26. These reports provided Members with clear oversight of performance trends, financial stewardship and progress against strategic objectives.

An Annual Governance Statement, aligned to CIPFA/SOLACE principles, was prepared and approved as part of the audited Statement of Accounts, demonstrating a clear commitment to transparent reporting of governance arrangements, assurances and improvement actions.

An Annual Performance Assessment provided a comprehensive overview of performance at year's-end and was published for external audit by Audit Wales, ensuring transparency and accountability in reporting.

Promoting Accountability Through Clear Governance Arrangements

The Authority's Constitution continued to clearly define the roles, responsibilities and powers of Members, Officers and Committees. The Internal Decision-Making and Fire Authority Report Template ensured that decision papers included full legal, financial and risk considerations, supporting informed and transparent decision making.

Forward work plans supported the timely submission of reports and ensured that statutory and governance deadlines were met. Meeting dates for 2025/26 were approved at the Annual General Meeting in June 2025, ensuring clarity and predictability in reporting cycles.

The Authority also continued to support Members through induction, ongoing development, training sessions and legislative briefings, ensuring they maintained the necessary capability to provide effective democratic oversight.

Ensuring Accountability for Partnerships and Collaboration

As a statutory partner of six Public Services Boards, the Authority ensured clear accountability for its partnership contributions. Documentation relating to Public Services Boards' activity, including Well-being Plans and consultation reports, remained accessible via the Service website, supporting transparency and shared accountability across the wider public sector.

The Authority also continued to provide updates to Welsh Government and other partners regarding progress on cultural improvement, governance reforms and sector-wide initiatives, reinforcing its commitment to open and accountable public service delivery.

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 2025/26 financial year was agreed with the Director of Resources, the Section 151 Officer and approved by the Performance, Audit and Scrutiny Committee in May 2025. The Performance, Audit and Scrutiny Committee has received progress reports on the delivery of the plan, along with final Internal Audit reports issued throughout 2025/26.

To date, seven final reports and three draft reports have been issued relating to the 2025/26 Audit Plan. In addition, two reviews relating to 2024/25 were finalised during 2025/26. The assurance levels gained are summarised in the following table:



Level of Assurance	Number of 2025/26 Reports
High	4
Reasonable	6
Limited	1
Low	1
Total	12

For the report receiving a “low” assurance, there were five recommendations, and many of the agreed actions were addressed during 2025/26. A follow-up audit for this function is planned for 2026/27, to confirm that robust controls have been implemented and are operating effectively.

The Head of Internal Audit, within the MAWWFRS Internal Audit Annual Report 2025/26, which will be reported to the Performance, Audit and Scrutiny Committee in July 2026, 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 an appropriate level of 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 2025/26 Internal Audit Programme.
- the results of work undertaken as part of the 2024/25 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 Internal Audit identified weaknesses or areas of improvement during 2025/26, these were discussed with management and appropriate actions agreed.’.

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 2025/26.

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 2025/26.

In accordance with statutory timelines, the Authority presented the unaudited Statement of Accounts 2024/25 to Audit Wales on 29 May 2025. 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 July 2025.

Since Audit Wales published its report "Governance of Fire and Rescue Authorities" in September 2024, Welsh Government launched a consultation in August 2025 "Consultation on the reform of fire and rescue authorities in Wales 2025" to seek views on proposals to reform how fire and rescue authorities are governed and funded.

As a result of the consultation Welsh Government published its consultation – summary of responses for the "Reform of Governance and Funding Arrangements for Fire and Rescue Authorities in Wales 2025" in March 2026 and subsequently have enacted secondary legislation changing how the fire and rescue authorities in Wales are governed and funded by reducing the number of members on this Authority from 25 to 9 from May 2027 and the introduction of revised budget-setting arrangements and continued engagement with constituent local authorities for budget setting from 2026/27.

The Welsh Government published the new Fire and Rescue National Framework 2026 in March 2026, which sets out the priorities for Fire and Rescue Authorities for the next 3-5 years, with effect from 30 March 2026.

The Service will plan for the governance and funding changes enacted by The Fire and Rescue Services (National Framework and Variation of Combination Schemes) Wales Order 2026 and review the Authority's priorities to align with the Fire and Rescue National Framework 2026.

As part of the Audit plan for 2025/26, a performance audit relating to Financial Sustainability was undertaken and published in March 2026. The report, its recommendations and the management response were presented to Members at the Performance, Audit and Scrutiny Committee meeting in April 2026.

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 its 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 2026/27

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 2026/27 include:

- Delivery of outstanding actions from prior years, including Internal and External Audit recommendations.
- Implementation of Fire and Rescue Authority governance reforms and preparation for the enhanced statutory inspection regime.
- Strengthening financial governance through revised budget-setting arrangements and continued engagement with constituent local authorities.
- Review and update the Procurement Strategy to align with Welsh Government social partnership objectives.
- Embedding Service Behaviours, organisational development pathways and improved appraisal arrangements.
- Addressing organisational culture, workforce planning, ICT resilience and overall 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 on 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, processes, 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 2026/27 are detailed below.

Updates on outstanding actions from previous years (as per AGS 2024/25)

Governance	Responsibility	Planned Action	Current Status
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 2024/25, the report was presented to the Authority's Performance, Audit and Scrutiny Committee in July 2025. 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. Status: Complete
Community Risk Management Plan 2040	Head of Community Risk Management Plan Team Head of Corporate Communications and Business Development	Embed new procedures, processes and frameworks in line with the Authority's Community Risk Management Plan 2040. These will need to include: - 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.	A new Communication, Engagement and Marketing Strategy 2024/2027, aligned to the Service's CRMP 2040, was published in July 2024 and continues to be delivered subject to its scheduled review in 2027. The Service has embedded a process of continual engagement with staff and the public. The Community Risk Management Team has amalgamated it's Have Your Say survey, which looks to appraise the service delivered to our communities and its shaping survey, which



		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.	looks for feedback on the improvements proposed to be made through our Community Risk Management Plan 2040. This work was carried out through the Community Risk Management Plan 2040 Objective 6 Work Group and is aligned to the strategic intent of the Service and its desired outcomes. Status: Ongoing
Organisational Culture	Executive Leadership Team Service Leadership Team Culture and Inclusion Board Culture and Inclusion Working Group	Introduce an action plan to monitor progress against the findings of the Service's Cultural Audit undertaken in 2023. 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 will be published to both Fire Authorities and Welsh Government in November 2024. 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. Continue to progress and provide updates to the Welsh Government against the recommendations within South Wales Fire and Rescue Service's	Good progress is being made in improving organisational culture, with the Service moving from understanding the issues into a clear rebuild and embedding phase. This work is being supported by the appointment of Senseia as external cultural specialists, who have been working with leaders across the Service to build shared understanding, clearer expectations of behaviour and stronger leadership ownership of culture. A long-term Culture Strategy is planned for development in 2026/27, alongside improvements to professional standards processes, stronger Speak Up arrangements and an increased focus on early intervention and organisational learning. The Wellbeing Strategy is now live and being actively rolled out, with dedicated roles, refreshed engagement activity and improved workforce support.



		Independent Review of Culture.	Recruitment, appraisal and learning and development processes are also being updated to better reflect the culture the Service wants to see. Overall, progress is steady and positive, with culture increasingly treated as a core leadership responsibility rather than a standalone initiative. Status: Ongoing
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.	An interim updated comments, compliments and complaints procedure was agreed by ELT at its July 2025 meeting and published under an Employment Relations Update. It is an interim procedure due to the ongoing review of responsibilities and reporting lines, which are yet to be agreed. Status: Ongoing
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.	We currently have a number of ongoing projects in this area. We are following the NCSC Cyber Action Framework as part of the NFCC and as part of the WLGA project. We are also utilising several 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: Ongoing

Digitisation Strategy	Head of Information and Communication Technology	To develop a digitisation strategy and delivery plan.	A digital automation strategy is being developed; however, completion is linked to some work with the HR supplier, which is currently delayed. The Automation strategy is planned for Dec 2025. Status: Ongoing
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.	The Strategic Assessment of the External Environment was updated in August 2025, and Version 2 of the document was published in November 2025. Recognising the geopolitical issues currently ongoing, the new Fire and Rescue Service National Framework Document and the wider work going on associated with the reform of Fire and Rescue Authorities in Wales, the document will be reviewed during 2026/27. Status: Ongoing
Strategic Workforce Planning	Head of Human Resources	Review and further develop strategic workforce planning processes supported by a formal workforce planning procedure.	A draft Workforce Planning Procedure has been developed and will progress through the internal governance process. The draft Workforce Planning Procedure will need to be embedded in the organisation, supported by internal processes. Status: Ongoing



CIPFA Financial Management Code	Head of Finance	Full self-assessment was completed in 2021/22. Review current practices against the Financial Management Code to identify and implement improvements to strengthen controls.	A review of the CIPFA Financial Management Code will commence in October 2025 to allow consultation, with a report to be presented to PASC in May 2026. Status: Ongoing
Review of our Internal Governance and Decision-Making Process	Executive Leadership Team Service Leadership Team	A new approach to strategic decision-making was introduced on 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.	A 12-month evaluation was scheduled to take place during Summer 2025. However, this was superseded by the “Blueprint for Change” workshop, which overlapped in themes and also explored decision making and organisational structure. With this in mind, the Executive Leadership Team has now been working with Academi Wales to explore the current governance and decision-making process of the organisation, paying cognisance to your current processes and feedback received at the “Blueprint for Change” workshop. It is intended that any proposed changes as part of this work will be presented back into the Service Leadership Team for final agreement before being rolled out. Status: Ongoing

2026/27 Action Plan

Governance	Responsibility	Planned Action	Target Date
Prior Years' Action Plans	Relevant Heads of Service	Review to ensure all actions identified are addressed.	See updates in the table above.
External Audit recommendations	Relevant Heads of Service	Reflect on recommendations from External Audit and build them into action plans.	As agreed with External Audit.
Internal Audit Recommendations	Relevant Heads of Service	Reflect on recommendations from Internal Audit and build them into action plans.	As agreed with Internal Audit.
Reform of Fire and Rescue Authorities in Wales	Monitoring Officer / Corporate Governance Manager	Implement revised FRA membership model with reduced representation from local authorities, together with additional expert members. Prepare for new secondary legislation covering Authority membership and budget-setting arrangements. Strengthen governance, accountability and scrutiny to address identified issues in leadership, performance, and culture across fire and rescue services. Improve Member capability and equality governance through strengthened training and compliance with the Equality Act and Public Sector Equality Duty. Develop a new Authority constitution to reflect the revised governance model, new membership structure, accountability arrangements and legislative changes.	June 2027
Implement required changes to support the enhanced statutory inspection regime introduced by Welsh Government.	Assistant Chief Fire Officer / Corporate Head of Organisational Risk	Prepare for structured inspections that will be introduced as part of the Welsh Government's governance reform programme.	December 2026



Budget-setting reform and consultation with Local Authorities	Section 151 Officer / Head of Finance	Maintain transparent budget-setting processes by continuing to engage and consult with constituent local authorities as part of the Welsh Government's governance and finance reforms.	September 2026
Procurement Strategy	Head of Procurement	Review our Procurement Strategy in line with updated guidance from the Welsh Government's Social Partnership Procurement Objectives.	July 2026
Review our Appraisals Process	Head of People and Organisational Development	Early discussions have taken place to identify how the Service's Behaviours can now be embedded within the Service's Appraisal process, as well as to explore alternative software options to improve usability and functionality of the system.	March 2027
Organisational Development Pathways	Head of People and Organisational Development	Finalise Organisational Development Pathways for all roles across the Service and embed them into the appraisal process and individual development plans.	February 2027
Fire and Rescue National Framework 2026	Chief Fire Officer / Executive Leadership Team	Implement and embed the requirements of the Fire and Rescue National Framework for Wales 2026, ensuring alignment of Service plans, governance arrangements and performance frameworks with national priorities. This will include reviewing and updating the Community Risk Management Plan 2040, strengthening arrangements for risk-based resource deployment, prevention activity, leadership, collaboration and organisational culture, and ensuring continued compliance with statutory obligations under the Framework.	March 2027
Executive Leadership Team (ELT) Structure	Chief Fire Officer / Executive Leadership Team	Implement and embed the revised Executive Leadership Team structure developed during 2025/26, ensuring clear roles, responsibilities and accountability arrangements are in place. This will include supporting the transition to a streamlined leadership model, integrating new roles, and aligning portfolios to organisational priorities, with a focus on strengthening leadership capacity, cultural improvement and delivery of the Community Risk Management Plan 2040.	March 2027

The Governance Statement

The Authority considers that its governance arrangements for 2025/26 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 2025/26 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.

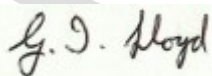
The Authority recognise its responsibility as a public service organisation to both provide a vision for the community it serves and to lead by example in its decision-making and other processes and actions, with Members and Officers acting in accordance with high standards of conduct.

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.

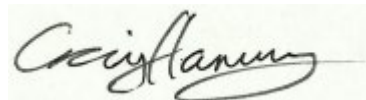
Signed:



Chair of the Performance, Audit and
Scrutiny Committee

Date: 27 July 2026

Signed:



Chief Fire Officer

Date: 27 July 2026