# YORK AND NORTH YORKSHIRE COMBINED AUTHORITY

## STATEMENT OF ACCOUNTS - DRAFT
## 2025/26

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DRAFT

## Introduction

Welcome to the York and North Yorkshire Combined Authority's Statement of Accounts for the year ending 31 March 2026. This document contains all the financial statements and disclosure notes required by statute. The statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

The York and North Yorkshire Combined Authority (YNYCA) was established on 20 December 2023 under the York and North Yorkshire Combined Authority Order 2023. The Authority brings together the Local Authorities serving York and North Yorkshire, alongside private sector representation from the York and North Yorkshire Combined Authority Business Board.

YNYCA's role is to collaborate with local leaders and communities to invest in initiatives that enhance York and North Yorkshire as a place to live, work, and do business. Operating across the region, YNYCA aims to foster economic growth, strengthen community safety, and implement strategies and projects that attract funding and investment.

On 7 May 2024, David Skaith (Labour) was elected as the first Mayor of York and North Yorkshire, chairing the Combined Authority. Upon taking office, the Mayor assumed several devolved powers, including:

- Police and Crime Commissioner (PCC) Functions
- Fire and Rescue Authority (FRA) Functions
- Powers to improve local transport
- Economic development, housing, and regeneration powers
- Management of a £540 million Mayoral Investment Fund over 30 years

The Mayor inherited responsibilities previously held by the North Yorkshire Police, Fire and Crime Commissioner, consolidating oversight of policing, fire and rescue services within the Combined Authority. The Authority now serves as a central body in ensuring community safety across the region, alongside its broader economic and infrastructural responsibilities.

## Governance Arrangements

The governance framework of the York and North Yorkshire Combined Authority (YNYCA) is designed to ensure transparency, accountability, and effective decision-making. Following its formal establishment in December 2023, governance arrangements were expanded in May 2024 to incorporate policing and fire responsibilities, which were previously overseen by the North Yorkshire Police, Fire and Crime Commissioner.

***Leadership and Governance Structure***

The Mayor of York and North Yorkshire, elected in May 2024, chairs the Combined Authority which leads on strategic decision making. Membership of the Combined Authority comprises the Mayor, representatives from North Yorkshire Council and City of York Council and the York and North Yorkshire Business Board (non-voting), ensuring decisions reflect key local priorities. Statutory officers - including the Chief Executive, Monitoring Officer, and Section 73 Officer - play crucial roles in overseeing financial, regulatory, and operational governance.

The Combined Authority has established a range of committees to provide robust oversight and scrutiny of decision-making. The Overview and Scrutiny Committee reviews the Authority's policies and financial decisions, ensuring that governance remains aligned with public interest and statutory obligations. The Audit and Governance Committee plays a central role in maintaining financial integrity, overseeing risk management and compliance with governance standards.

***Incorporation of Policing and Fire***

Policing and fire responsibilities, are covered by "Part 9", of the Authority's constitution which sets out the governance framework for these functions. This section of the constitution describes the Mayor's powers and responsibilities in relation to Policing and Fire and sets out audit and governance structures, and financial oversight mechanisms for policing and fire services.

As part of these arrangements the Joint Independent Audit Committee (JIAC) was retained as an independent committee to provide external audit oversight for policing functions. Similarly, the Independent Audit Committee (IAC) was retained in relation to fire and rescue activities.

These committees, advise on governance, risk management, and internal control effectiveness and oversee compliance with statutory requirements. Working in coordination with the Deputy Mayor for Policing and Crime, as well as the Chief Constable and Chief Fire Officer, they provide strong oversight of emergency response services.

The governance framework also includes the Police, Fire, and Crime Panel, which serves as a public accountability mechanism for policing and fire services, the Mayor and Deputy Mayor for Policing Fire and Crime. This panel reviews strategic priorities, funding allocations, and operational effectiveness, ensuring community safety remains central to the Mayor's agenda.

These aspects of the governance structures are designed to ensure decision-making remains effective, transparent, and responsive to the region's needs through a structured approach to oversight, risk management, and public engagement. This in turn should support delivery of its strategic objectives while maintaining high governance standards across all aspects of its remit.

***Financial Risk Management and Audit Oversight***

The Combined Authority recognises the importance of financial resilience and risk management, ensuring that governance structures support long-term financial sustainability. The Audit and Governance Committee provides oversight of financial controls, ensuring compliance with statutory financial regulations.

In accordance with the CIPFA Code, the Authority has considered its financial sustainability, including the adequacy of reserves, robustness of financial planning, and exposure to financial risks.

The Authority maintains a strong overall financial position, supported by an appropriate level of reserves and a balanced financial framework. General budget reserves provide resilience to manage financial uncertainty and support the delivery of multi-year programmes. The Authority continues to develop and expand its programme delivery activity, with funding secured across a number of strategic priority areas.

As a relatively new organisation operating within a dynamic and evolving devolution landscape, the principal financial risks relate to organisational capacity and capability in General Budgets. In particular, the Authority is managing the risk of ensuring that it has sufficient capacity, skills and delivery capability to implement an expanding portfolio of devolved powers and responsibilities at pace, while maintaining appropriate financial control and governance. This is being addressed through ongoing organisational development, strengthening financial management arrangements, and ongoing programme oversight.

For Policing and Fire and Rescue Services, the Mayor has set out balanced medium-term financial plans covering the four-year period to 2029/30. These plans are based on robust and reasonable assumptions and are aligned to the priorities set out in the Police and Crime Plan and the Fire and Rescue Plan.

Both Policing and Fire and Rescue delivered small underspends in 2025/26, and there are no indicators of financial instability as the Authority moves into 2026/27. The key financial risks in these services relate primarily to inflationary pressures, particularly in relation to staffing costs, and rising fuel and operational costs.

Across the Authority, financial risk management is supported by established governance arrangements, including regular financial monitoring, budget reporting and medium-term financial planning.

Based on the above, and having regard to its overall financial position, governance framework and planning assumptions, the Authority does not consider there to be any immediate risk to its financial sustainability, nor any indicators that would give rise to the need for a Section 114 notice

## Overview of YNYCA Resources

YNYCA budgets are made up of budgets relating to the functions provided by the Mayor and the Combined Authority. The majority of funding received is from government grants, levies and council tax (through precepts). Precepts are ringfenced for the delivery of Police and Crime, and Fire and Rescue functions.

### Revenue budgets

- **YNYCA General Budget –** This includes corporate functions, economic, development and regeneration, housing and transport activities. The budget is made up of a number of specific government grants, including the annual allocation of the region's Mayoral Investment Fund.
- **Mayoral General Budget (NYFRS) –** Currently this comprises the budget of the North Yorkshire Fire and Rescue Service which was funded for 2025/26 partly by a Fire and Rescue council tax precept alongside a revenue support grant, business rates income and a top up grant.
- **North Yorkshire Police Fund –** North Yorkshire Police Fund is made up of government grant and the policing precept, which was agreed with the Police, Fire and Crime Panel, following a public consultation. The majority of the Police Fund is allocated to the Chief Constable of North Yorkshire.

### Summary financial performance

The table below shows the budgets and outturn position for each of the Combined Authority budgets in 2024/25:

| Summary | Approved Budget | | | Outturn | | | Variance from Budget | | |
|---|---|---|---|---|---|---|---|---|---|
| 2025/26 | Exp | Inc | Total | Exp | Inc | Total | Exp | Inc | Total |
| | £'000s | £'000s | £'000s | £'000s | £'000s | £'000s | £'000s | £'000s | £'000s |
| YNYCA General | 168,712 | (168,712) | - | 127,177 | (127,177) | - | (45,535) | 45,535 | - |
| NYFRS | 51,599 | (51,599) | - | 54,499 | (54,970) | (471) | 2,900 | (3,371) | (471) |
| Police Fund | 232,295 | (232,295) | - | 237,754 | (237,920) | (346) | 5,279 | (5,625) | (346) |

Overall, the Combined Authority reported a balanced financial position in 2025/26, with all constituent budgets delivering outturns in line with approved plans. The YNYCA General Budget reflects the Authority's delivery model, with expenditure below the full funding envelope primarily due to the phasing of multi-year programmes. As a result, variances against budget largely represent timing differences rather than underlying financial pressures.

Both North Yorkshire Fire and Rescue Service and the Police Fund reported small underspends, demonstrating continued budgetary control and alignment of expenditure to available resources. Taken together, the overall outturn indicates a stable and sustainable financial position.

**Capital budgets**

During 2025/26, the Combined Authority oversaw capital investment across general budgets, North Yorkshire Police (NYP), and North Yorkshire Fire and Rescue Service (NYFRS), with total capital expenditure of £15.2m against a budget of £23.8m, resulting in spend falling below budget by £8.7m.

| Capital programme outturn (2025/26) | Approved Budget £'000s | Outturn £'000s | Variance £'000s |
|---|---|---|---|
| General budgets | - | 191 | (191) |
| Fire and rescue Service | 11,039 | 6,218 | 4,821 |
| **Total YNYCA (Excl Police Fund)** | **11,039** | **6,409** | **4,630** |
| Police Fund (NYP) | 12,788 | 8,746 | 4,042 |
| **Total Capital** | **23,827** | **15,155** | **8,672** |

**General budgets** - The outturn position for General Budgets shows an overspend of £191k. However, this does not represent a genuine overspend against the Authority's overall financial resources.

The variance arises as a result of a year-end accounting adjustment to capitalise eligible expenditure that was initially incurred, budgeted and reported within revenue budgets. This expenditure primarily relates to the provision of office equipment and infrastructure required to support the ongoing development of the Authority

**North Yorkshire Fire and Rescue Service** incurred £6.218m of capital expenditure against a revised budget of £11.039m, with a net variance of £4.821m. Most of the variance, £4.388m, related to expenditure that has slipped into 2026/27, with the remaining £0.433m reported as an underspend.

The largest area of spend in 2025/26 related to the final payment for 16 new fire appliances that became operational during the year. In additional to new fire appliances, 2025/26 saw the completed roll out and delivery of new breathing apparatus across the Service.

**North Yorkshire Police** delivered £8.746m of capital investment against a revised budget of £12.788m, reflecting additional in year approvals and new funding. Almost all of the capital expenditure related to replacing, maintaining and updating current assets within the Force. With significant levels of expenditure on the replacement of vehicles that had reached end of life, the replacement of IT infrastructure that had also reached end of life and continuing maintainance and repair of Police buildings.

The tables below provide a breakdown of capital expenditure by YNYCA function and associated capital financing for 2025/26:

| **Capital Financing (2025/26)** | **YNYCA £'000** | **NYP £'000** | **Total £'000** |
|---|---|---|---|
| Borrowing (Internal) | 3,314 | 2,614 | 5,928 |
| Capital grants | 209 | 379 | 588 |
| Revenue contribution to capital | 1,414 | 3,333 | 4,747 |
| Capital contributions | 70 | 1,191 | 1,261 |
| Application of capital reserves | 1,402 | 1,229 | 2,631 |
| **Total funding** | **6,409** | **8,746** | **15,155** |

### Reserves summary

| | **General Fund (£000)** | **Earmarked Reserves (£000)** | **Capital Grants Unapplied (£000)** | **Total (£000)** |
|---|---|---|---|---|
| General Budget | 10,122 | 13,669 | 14,751 | 38,542 |
| Fire | 1,851 | 3,621 | 0 | 5,472 |
| Police Fund | 6,131 | 13,688 | 0 | 19,819 |
| **Total** | **18,104** | **30,978** | **14,751** | **63,833** |

The Group's reserves position at 31 March 2026 remains strong at £63.8m.

General Fund balances have increased during the year, particularly within the General Budget. This is partly due to higher than anticipated treasury management income and a late additional capacity funding settlement. Together these have provided a one-off uplift to general reserves strengthening financial resilience. Earmarked reserves remain to support known commitments, future pressures and the delivery of transformation and capital programmes.

The Police Fund position remains stable, with reserves higher than forecast primarily due to slippage in the capital programme, delaying the use of planned resources. This is consistent with the overall outturn position, where expenditure has been managed in line with funding.

Fire Service reserves remain in line with the approved strategy, with a continued focus on rebuilding and strengthening reserve levels following their use in previous years. The Service has made planned contributions to key earmarked reserves to support future pay, inflationary and transformation pressures, ensuring a more sustainable position over the medium term. Despite operational pressures during the year, reserves have been maintained at planned levels, supporting both resilience and future investment.

Overall, the Group's reserves provide a robust platform to support future delivery and manage financial risks, with general balances and earmarked reserves available to support the medium-term financial strategy.

**YNYCA General budget**

General budgets comprise YNYCA's Corporate Core, Economy Directorate and Transport Directorate which together deliver the Combined Authority's Economic Development, Housing, Regeneration, Skills and Transport functions and are responsible for delivering against the Authority's overarching ambitions as set out in the YNYCA Economic Framework.

The YNYCA Local Economic Framework was updated and formally approved in July 2024.


The Framework articulates a shared vision for economic transformation across the region, structured around three overarching ambitions:

1. Transition to Carbon Negative
2. Deliver Inclusive Economic Growth
3. Create Opportunities for All

These ambitions are supported by five thematic priorities, Healthy & Thriving Communities; Affordable & Sustainable Transport; Vibrant & Sustainable Places; Boosting Business and a Thriving Workforce; and Affordable & Sustainable Housing.

Together the ambitions and thematic priorities guide programme design and investment decisions.

To monitor progress, the Framework sets out a suite of quantitative and qualitative measures of success, tailored to the region's rural, coastal, and urban contexts. These include:

1. Transition to Carbon Negative

- Reduction in carbon emissions per capita
- Increase in renewable energy generation and usage
- Growth in green jobs and adoption of circular economy practices
- Uptake of sustainable land use and nature-based solutions

2. Deliver Inclusive Economic Growth

- Growth in Gross Value Added (GVA) per hour worked
- Increase in business start-ups and scale-ups, particularly in high-value sectors
- Improved digital and physical infrastructure access, especially in rural areas
- Enhanced productivity and innovation metrics, including R&D investment

3. Create Opportunities for All

- Reduction in economic inactivity and unemployment, especially among under-represented groups
- Improved access to skills, training, and lifelong learning
- Increased availability of affordable housing and sustainable transport options
- Narrowing of health and income inequalities across communities

**Interim Corporate Plan**

YNYCA commenced its first full year of operation in 2024/25 and produced its first Interim Corporate Plan which incorporates a range of operational deliverables setting priorities to ensure alignment with strategic aims.

During 2025/26, the Combined Authority continued to deliver against the priorities set out in its Interim Corporate Plan, focusing on economic growth, housing, skills, and supporting communities across York and North Yorkshire. Performance in the year reflects programme mobilisation, high levels of stakeholder engagement, and continued development of the Authority's long-term strategy and investment pipeline.

The programme values referenced within this section reflect the total value of funding allocations or approved programme envelopes, many of which span multiple financial years. As a result, reported values do not represent in-year expenditure. Delivery of these programmes is phased over time, with expenditure recognised in line with contractual commitments, delivery milestones and partner-led implementation. This approach reflects the Authority's operating model, where funding is secured and committed ahead of full programme delivery

**Mayoral Investment Fund**

The £540m Mayoral Investment Fund (over 30 years) remains the primary vehicle for delivering the Authority's economic priorities. To date, over £53m of programmes have been developed and approved. Key programmes have moved into delivery during the year, including:

- **High Streets Fund (£10m)** – has so far delivered 66 projects across 28 towns, supporting local regeneration and community-led activity. Early evidence indicates positive impact, including increased business turnover and strong engagement from over 100 community groups, demonstrating effective place-based investment.
- **Carbon Negative Challenge Fund (£10m)** – supports 15 low-carbon projects, leveraging over £3.2m of match funding. The programme is contributing directly to regional decarbonisation priorities and supporting innovation in carbon reduction initiatives.
- **Business Innovation Fund (£4m)** – strong demand has been evident across all programmes, supporting innovation, export growth and sector development across the region
    - Over 200 businesses engaged through "Great Ideas"
    - £630k awarded to 70+ businesses through export support
    - £600k awarded across 18 sector growth projects
    - Growing pipeline of businesses improving investment readiness. The programme is supporting innovation, export growth and sector development across the region

New programmes developed and launched in-year include:

- **Movement, Activity and Sport Programme (£2.75m) –** Launched to increase participation in physical activity and reduce health inequalities, working with regional partners to deliver community-based interventions.
- **Men's Mental Health Programme (£0.715m) –** Early-stage delivery focused on improving mental wellbeing through targeted workplace and community interventions.
- **Active Travel Fund (£4m) –** Established to improve walking, wheeling and cycling infrastructure and support improved regional connectivity, including appointment of an Active Travel Commissioner

In addition, funding has been allocated to local authority partners to develop priority projects and strengthen the pipeline of future investment opportunities.

**UK Shared Prosperity Fund and Rural England Prosperity Fund**

The Authority successfully delivered UKSPF (£8.7m) and Rural England Prosperity Fund (£1.7m), completing programmes in March 2026. Independent evaluation of the project demonstrated strong value for money, with an overall Benefit-Cost Ratio of £5.70:£1. Impacts include nearly 2,500 businesses supported, over 6,500 individuals improving digital skills, 3,200 people supported toward employment, and 126 community assets improved.

**Housing and Regeneration**

The Brownfield Housing Fund (£23.7m) supports 24 schemes across the region, expected to deliver approximately 1,340 homes, including 860 affordable homes, and unlock around £390m in wider investment.

Delivery has progressed during the year, with 3 schemes completed and 5 schemes on site, and a further 14 schemes scheduled to commence by March 2027, demonstrating continued advancement of the programme and commitment of funding into delivery.

While overall progress remains positive, some delays have arisen across a proportion of schemes, primarily driven by market conditions, procurement challenges and delivery partner constraints. These are being actively managed through engagement with partners, revised delivery profiles and the development of contingency within the programme, including maintaining a broader pipeline of schemes.

The programme has also been strengthened through the securing of a further £17.8m of funding in-year, extending delivery to 2031, alongside the establishment of a Strategic Place Partnership with Homes England to support coordinated long-term housing and regeneration delivery across the region

**Skills and Employment**

Skills provision expanded significantly during 2025/26, reflecting the Authority's growing role in delivering a devolved skills and employment system aligned to regional labour market needs.

Delivery included Skills Bootcamps (£3.0m), supporting 628 learners across key sectors, alongside the Adult Skills Fund (£11.4m), which delivered over 12,800 enrolments supporting more than 7,000 learners. These programmes continue to strengthen workforce capability and improve access to employment and progression opportunities.

During the year, the Authority also mobilised major new employment support programmes under the Government's Get Britain Working agenda. This included the Economic Inactivity Trailblazer (up to £10m per annum), which commenced delivery during 2025/26 following an initial mobilisation phase, with funding deployed progressively through local authority and partner-led schemes.

In addition, the Connect to Work programme (£3.2m total allocation to date) was established, with delivery building from late 2025/26 and funding profiled across multiple years through to 2030. As a result, only a proportion of programme funding is expected to be delivered in the current financial year, with activity scaling up in future years.

The Careers Hub (£0.37m) also continued to strengthen the pipeline of future talent, engaging with 75 schools and colleges and supporting approximately 50,000 young people.

Taken together, this activity demonstrates strong progress in establishing an integrated and locally-led skills and employment system, with delivery expected to increase further as major programmes move from mobilisation into full implementation.

**Net Zero and Natural Capital**

Net Zero and environmental programmes continued to progress during 2025/26, supporting the Authority's ambition to become a carbon negative region by 2040 and strengthening the pipeline of investable green infrastructure projects.

The £7m **Net Zero Fund** is now fully committed, with the majority of projects in delivery or implementation phases. These projects are expected to contribute to measurable carbon reduction outcomes, while also supporting local supply chains and the development of low-carbon technologies and practices across the region.

**The Local Net Zero Accelerator Programme (£2.83m)** has advanced significantly during the year, reaching Outline Business Case stage. This milestone reflects substantial work to assess regional energy assets, develop a pipeline of viable decarbonisation projects, and identify delivery models that can attract private investment. The programme is also establishing a coordinated approach across partner authorities, improving the long-term investability and scalability of net zero interventions.

In addition, the **Local Investment in Natural Capital Programme (£1m)** has continued to develop the foundations of a regional approach to nature-based investment. This includes progressing the design of mechanisms such as a Buyer's Club and investment readiness support, alongside building a pipeline of projects focused on areas such as peatland restoration, tree planting and sustainable land management.

Together, these programmes are moving from early-stage design into delivery and implementation, helping to establish a longer-term, investable pipeline of projects that will support both environmental outcomes and sustainable economic growth across the region.

**Regional Economic Growth Framework**

During 2025/26, the Authority transitioned from an initial programme of individual sector strategies (as envisaged in the Interim Corporate Plan) to the development of a single, integrated Local Growth Plan, in line with updated Government expectations.

A draft York and North Yorkshire Local Growth Plan has been developed through engagement with Government, partners and stakeholders. It sets out a 10-year vision for sustainable economic growth, identifying priority sectors including food and farming, bioeconomy and life sciences, clean energy, rail, security and the creative industries, alongside cross-cutting strengths such as natural capital, the visitor economy and SME development.

By 31 March 2026, the Authority had substantially completed the strategic framework, providing a clear basis for investment prioritisation and the subsequent development of detailed delivery plans.

**Skills and Employment Strategy**

The Authority made significant progress in moving from strategy to delivery in its skills functions during 2025/26.

A key milestone was the transfer of Adult Education Budget responsibilities under the York and North Yorkshire Combined Authority (Adult Education Functions) Order 2025 (19 May 2025). This enabled the Authority to complete procurements and funding allocations, with delivery commencing from August 2025.

The Skills Strategy (approved July 2024) continued to guide investment, with activity aligned to regional priorities and the Local Skills Improvement Plan. By year end, the Authority had established an operational skills system, embedding devolved responsibilities into delivery.

**Transport Strategy and Investment**

The Authority approved its Strategic Transport Framework in March 2025, setting out priorities for connectivity, accessibility, safety, environmental sustainability and economic growth.

During 2025/26, this framework informed development of the Local Transport Plan, due for consultation in 2026. Delivery continued through existing funding streams in partnership with local authorities, moving to a four-year consolidated transport settlement from 2026/27

The Authority also secured £15.3m of Local Transport Capital Grant funding in-year which has been allocated and will be deployed across 2027/28.

**Overall Assessment**

Performance in 2025/26 demonstrates strong demand for programmes, successful delivery of external funding, and continued development of the Authority's investment pipeline.  The Authority continues to actively manage delivery, financial and economic risks associated with large-scale programme development and delivery, particularly where external market conditions impact delivery timelines.

In 2025/26, the Authority has also moved from initial strategy development to establishing coherent, delivery-ready frameworks across economic growth, skills and transport.

The Authority's pattern of programme mobilisation and phased delivery is reflected in the financial outturn position described below with variances against budget largely reflecting the phasing of multi-year programmes.

## General budgets outturn

| | 2025/26 Approved Budget £'000 | 2025/26 Outturn £'000 | 2025/26 Variance £'000 |
|---|---|---|---|
| **Income** | | | |
| Government Grants | 163,182 | 142,249 | (20,933) |
| Other Income | 500 | 3,565 | 3,065 |
| Transfers (to)/ from reserves | 5,030 | (18,637) | (23,667) |
| **Income Total** | **168,712** | **127,177** | **(41,535)** |
| **Expenditure** | | | |
| Core | 5,984 | 3,880 | 2,104 |
| Carbon Negative Region | 5,498 | 6,176 | (678) |
| Housing | 19,021 | 2,410 | 16,611 |
| Inclusive Economic Growth | 15,573 | 13,366 | 2,207 |
| Transport | 97,151 | 81,687 | 15,464 |
| Vibrant & Sustainable Place | 679 | 1,286 | (607) |
| Workforce & Skills | 24,379 | 17,473 | 6,906 |
| Healthy & Thriving Communities | 427 | 899 | (472) |
| **Expenditure total** | **168,712** | **127,177** | **41,535** |
| | | | |
| **Net expenditure** | - | - | - |

The Authority managed a total General Budget of £168.7.m in 2025/26, primarily funded through government grants, supplemented by other income (treasury receipts) and the use of reserves.

Total expenditure in the year (before transfers to reserves) was £127.1m, representing delivery of approximately 75% of the funded expenditure envelope. The overall variance principally reflects the timing and phasing of programme delivery

The financial position for the year is balanced, with variances managed through transfers to and from earmarked reserves in accordance with the Authority's financial framework.

### Delivery Model and Financial Framework

The Authority delivers its strategic priorities through a combination of:

- **Core services**, including central services and the Mayor's Office
- **Revenue funded programmes**, supporting service and policy delivery
- **Capital funded programmes**, primarily delivered through partners across the region

In practice, these programmes operate as integrated funding envelopes, with delivery occurring across both revenue and capital expenditure. For the purposes of this Narrative Statement, financial performance is therefore presented on a combined basis, reflecting how funding is managed and delivered operationally.

Delivery through capital funded programmed is also classified as Revenue Expenditure Funded from Capital Under Statute (REFCUS). This arises where capital resources are provided to external delivery partners and do not result in assets owned by the Authority. In accordance with the CIPFA Code, such expenditure is recognised as revenue within the Comprehensive Income and Expenditure Statement and shown as such in the analysis above.

**Overall Financial Performance**

**Core Services -** Core services expenditure totalled £3.9m against a budget of £6.0m, resulting in an underspend of £2.1m.

This variance is primarily attributable to:

- **Lower staffing expenditure**, reflecting recruitment lead-in times and a lower pension contribution rate than assumed at budget-setting
- **Improved allocation of central costs** to externally funded programmes
- **Accounting treatment adjustments**, including changes in the treatment of provisions

In addition, the Authority received higher-than-expected income in the year, including investment interest and additional Mayoral capacity funding. These factors resulted in increased transfers to reserves, that will be used to support future delivery.

**Programme Delivery -** Total programme expenditure (across revenue and capital) reflects the Authority's investment in its strategic priorities. Delivery in 2025/26 was below the approved budget across most programme areas.

The principal drivers of this variance are:

- **Phasing of multi-year programmes**, where expenditure occurs over several financial years.
- **Lead-in times for mobilisation and partner delivery**, particularly in capital schemes.
- **Profiling of activity**, including ensuring alignment with academic years and funding windows within Workforce and skills.
- **Timing differences** between commitment of funding and the later recognition of expenditure.

This position is consistent with the Authority's operating model and stage of maturity, where funding has been secured and approved, followed by expenditure as programmes are mobilised and delivered. Budgets for 2025/26 reflected the full available funding envelope to allow operational teams to commit expenditure.

Moving forward where programmes are mobilised, budgets will be phased more closely in line with the development of delivery profiles and monitored via the Authority's medium term financial plan

Key variances to budget include:

**Transport -** Transport programmes underspent relative to budget. This is primarily explained by the reprofiling of some funding into 2026/27 agreed with delivery partners and the Department for Transport, lead times for capital programme mobilisation on the Local Transport Capital Fund and profiling changes, rather than underlying reductions in programme scope.

**Housing -** Housing programmes reported an underspend versus budget, largely driven by the Brownfield Housing Fund, where funding commitments have been made in-year but delivery and defrayment are dependent on developer timelines. Thus. the variance reflects the nature of capital programmes, where expenditure is triggered by delivery against milestones. This funding remains committed and will be utilised in future years.

**Workforce and Skills -** The Workforce and Skills programme recorded an underspend primarily reflecting the reprofiling of activity to align with the academic years of the Authority's delivery partners, resulting in funding being carried forward. Performance was also impacted by newly introduced programmes including the Skills Trailblazer and Connect to Work programme. In both cases, scoping and contracting by the funding body took place at extremely short notice leading to mobilisation challenges and provider delivery delays.

**Carbon Negative Region and Other Themes -** Across Carbon Negative Region and other thematic areas, the position was more mixed, with both underspends and instances of accelerated delivery. Variances in these areas are largely attributable to Programme mobilisation and grant funding agreement timelines, capacity constraints and delivery dependencies and additional in-year activity, including new or expanded funding streams.

**Outlook**

The 2025/26 outturn reflects the continuing development of the Authority's programme delivery model and investment pipeline.

During the year, the Authority has taken steps to strengthen financial management and forecasting, including enhancing financial business partnering capacity, improving programme-level financial monitoring and challenge whilst also developing the medium-term financial plan to align resources with delivery profiles

These improvements will support more accurate profiling of expenditure and strengthen the alignment between approved budgets and programme delivery in future years.

Overall, the Authority's General Budgets remains in a strong financial position, with the resources and delivery frameworks now in place to deliver its strategic priorities over the medium term.

**North Yorkshire Fire and Rescue Service (Mayors General Budget)**

North Yorkshire Fire and Rescue Service (NYFRS) covers over 3,200 square miles and operates 38 fire stations across a diverse urban and rural geography spanning York, Harrogate, Scarborough, as well as deeply rural areas.

In December 2025 the Mayor approved the new North Yorkshire Fire and Rescue Service Community Risk Management Plan (CRMP) 2025-29, subject to additional stipulations placed on some proposals.

The new CRMP aligns with the Fire and Rescue Plan which was widely consulted upon and published in April 2025. The financial plans of the Service underpin both the Fire and Rescue Plan and the Community Risk Management Plan.

There are 6 priorities within the Fire and Rescue Plan:

- **Targeted Prevention**
  Deliver targeted prevention activities to keep people in York and North Yorkshire safe from fires, road traffic collisions, water hazards and other emergencies.
- **Protected Built Environment**
  Provide targeted support and advice to protect people and properties from fires through safer buildings in York and North Yorkshire.
- **Effective Emergency Response**
  Provide an effective response to incidents across York and North Yorkshire, as quickly as possible.
- **Stronger Communities**
  Prepare for major disruptions, working in collaboration with our partners to support communities across York and North Yorkshire to effectively prepare for emergencies and recover from them when they occur.

- **Supported, Safe and Skilled Staff**
  Foster a culture of excellence and belonging in North Yorkshire Fire and Rescue Service. Invest in training, safety and welfare to maintain a skilled and resilient Workforce.
- **Financial Stability**
  Ensure the long-term financial sustainability of North Yorkshire Fire and Rescue Service and be transparent in our spending.

As you would expect with an Emergency Service, the Fire Service has a key focus on operational performance, with key areas of performance reporting across all categories of incidents that the Service is called to, including how quickly it responds, with additional focus and reporting across Prevention, Protection and Resource and Appliance availability.

Across the year NYFRS responded to 8,454 incidents, reflecting an 8% increase from the previous year (7,827 incidents in 2024/25). The rise in demand underscores the Service's critical role in emergency response across urban and rural areas.

| Incident Group | Apr-Mar 2025/26 | Apr-Mar 2024/25 | Difference +/- |
|---|---:|---:|---:|
| **False Alarm** | 3,597 | 3,401 | +196 |
| **Fire** | 2,082 | 1,670 | +412 |
| **Special Service** | 2,775 | 2,756 | +19 |
| **Total** | **8,454** | **7,827** | **+627** |

In 2025/26 the Service managed **627 more incidents** compared to the previous year, with notable shifts across key categories:

- **Fires:** Increased to **2,082 incidents** (+412), covering residential, commercial, and outdoor fires.
- **False Alarms:** Increased to **3,597 incidents** (+196), continuing to be the most frequent category**.**
- **Special Service Calls:** Increased slightly to **2,775 incidents** (+19), encompassing rescues, road traffic collisions, and hazardous material incidents.

NYFRS also continues to maintain efficient emergency response times, exceeding expected performance standards:

| Response Type | Standard Time | Actual Time |
|---|---|---|
| **Overall Incident Response Standard** | 13:00 minutes | 12 mins 15 secs |
| **Dwelling Fire Response Standard** | 11:00 minutes | 10 mins 52 secs |

Quick deployment remains crucial for fire suppression, rescues, and public safety.

Fire Prevention & Community Safety is also a key focus for NYFRS and in 2025/26 the Service completed 6,353 Home Fire Safety Visits marking a 42% increase from 2024/25, with a 31% increase in High and Very-High risk Home Fire Safety Visits completed in comparison to the previous year.

In addition, the Service's risk-based intervention programme conducted 4,383 interventions and is now more targeted towards high-risk premises. A significant increase in Fire Safety Check from 27 in 2024/25 to 387 in 2025/26 were delivered in the year

NYFRS continues to refine its Risk and Resource Model, ensuring efficient allocation of resources while maintaining high service standards. The focus remains on enhancing operational resilience, minimizing false alarms, improving response times, and expanding prevention initiatives.

In overall terms the Fire Service's finances continue to improve and it moves into 2026/27 in line with the expected position that was included within financial plans. The Service is therefore financially well positioned to deliver on the plans set out by the Mayor and Deputy Mayor in the Fire and Rescue Plan and the Community Risk Management Plan.

The Service now holds a higher level of reserves, supporting long-term sustainability, as well as providing the capacity for much-needed investment in fleet, equipment, and infrastructure.

NYFRS Outturn

| | Approved Budget £'000s | Outturn £'000s | Variance £'000s |
|---|---|---|---|
| **Total Funding** | (51,599) | (54,970) | (3,371) |
| Direct Staff Costs | 34,084 | 34,831 | 747 |
| Indirect & Non-Pay Costs | 11,308 | 12,938 | 1,630 |
| Pensions | 1,144 | 1,464 | 320 |
| **Expenditure (pre capital)** | **46,536** | **49,233** | **2,697** |
| Capital Charges | 2,595 | 2,734 | 139 |
| **Total Expenditure** | **49,130** | **51,967** | **2,837** |
| **(Surplus)/Deficit before Reserves** | **(2,469)** | **(3,002)** | **(533)** |
| **Final Forecast Over/(Under) Spend** | **0** | **(471)** | **(471)** |

The 2025/26 revenue budget for North Yorkshire Fire and Rescue Service (NYFRS) totalled £51.6m and incorporated a planned in-year surplus of £2.47m to support the Authority's reserves strategy. The Service delivered a revenue underspend of £0.47m against this budget, maintaining financial performance broadly in line with expectations.

The most significant factor impacting the financial outturn during the year was the major incident at Langdale, which generated additional operational expenditure of £2.6m. This pressure was substantially mitigated through a successful claim under Government emergency funding arrangements, with £2.5m received in-year. As a result, the net financial impact on the Service was limited to £0.09m, although the incident created material variances across both income and expenditure headings when compared to the original budget.

Excluding the impact of this incident, the underlying financial performance of the Service remained stable. Employee costs, which account for approximately two-thirds of total expenditure, were marginally above budget overall. This reflects operational workforce pressures, including higher levels of wholetime firefighter staffing across the year, partly offset by vacancies in on-call and support roles. The net pay variance remains relatively small in the context of the overall pay bill.

Non-pay expenditure delivered a net underspend across the year. Budget pressures, particularly in transport costs and insurance premiums, were more than offset by savings in areas such as training, supplies and services, and contractual costs. These variances reflect both active budget management and the timing of expenditure.

The Service also benefited from higher than anticipated income, excluding emergency incident funding, including additional grant income and increased interest receivable. This contributed positively to the overall outturn position.

The Service's reserves position remains in line with the approved strategy, with balances at year-end consistent with planned levels. This reflects continued progress in strengthening financial resilience, including replenishment of reserves utilised in previous years to manage inflationary and pay-related pressures.

Overall, NYFRS has maintained a sound and stable financial position in 2025/26, demonstrating its ability to manage both underlying financial pressures and exceptional operational events. The Service enters 2026/27 with a solid financial footing, supporting delivery of the priorities set out in the Fire and Rescue Plan and Community Risk Management Plan.

**Police Fund**

North Yorkshire Police (NYP) serve as diverse geography across York and North Yorkshire, delivering policing services that reflect both urban and rural community needs. While 2025/26 was the second year in office for the Mayor, it was the first full year of his Police and Crime Plan 2025 –2029 which was published in March 2025. The Force's performance and strategic direction were guided by the four key priorities in the 2025-2029 plan, each of which is outlined below.

**Priority 1: Focus of Prevention and Early Intervention**

This priority focuses on tackling the root causes of crime in York and North Yorkshire through education, community programmes, and early intervention to prevent crime before it occurs and intervene early when it does.

What have we achieved:

- Targeted children and young people before offending begins and this has included funding for a free interactive prevention and early intervention project aimed both at professionals and young people at risk of Child Criminal Exploitation, aged 11-18.
- In July 2025. NYP's Crucial Crew was working with Year 6 children in Scarborough to teach them what antisocial behaviour is and how they can keep themselves and others safe.
- Funding of £30k was provided to 'Achieve' which takes a person-centred approach and develops the support network around targeted young people to support early intervention, diverting those who are at risk of exclusion, suffering poor attendance or at risk of entering the criminal justice system.

- This year saw the launch of “Start Safe, Stay Safe” to improve street safety in York and North Yorkshire. It offers a straightforward, and confidential way for members of the public to report street, town and city centre incidents.
- Launch of the York and North Yorkshire Hate Crime and Community Cohesion Plan on a Page 2025–28 which sets out a shared vision and commitment to tackling hate crime and fostering safer, more inclusive communities.

**Priority 2: Protect the Public**

This priority emphasises protecting the public of York and North Yorkshire and improve trust and confidence in policing by focusing on specific crime outcomes/themes that the public said were more important.

What have we achieved:

- Delivery of bystander training programmes to improve safety of women and girls
- Installation of 1,800 free video doorbells in York and Scarborough
- Use of new technology and targeted policing activity in places like York to tackle retail crime
- Days of action focused on high-harm crime areas
- Creation of local, accessible policing presence through hubs
- Government-supported investment to boost neighbourhood policing
- Monthly livestream public meetings to scrutinise performance
- Over £380k invested in community-led safety projects to tackle street harassment, youth engagement and local crime prevention initiatives
- Continued investment in Victim services, Perpetrator programmes and Vulnerable people support
- HMICFRS (inspectorate) lifted previous “causes of concern” within 12 months showing improved policing standards, better service delivery and increasing public confidence.

**Priority 3: Work with Partners**

This priority focuses on working with partners to ensure a collaborative approach to identifying and protecting the most vulnerable people in York and North Yorkshire and to ensure all victims of crime receive appropriate care and support.

What have we achieved:

- Strengthening multi agency collaboration leading to embedding formal partnership working structures and production of a refreshed Serious Violence Strategic Needs Assessment.
- Embedded safeguarding structures and policies through further collaboration leading to updated North Yorkshire safeguarding and child protection procedures.

- Joint commissioning of victim and safeguarding services with continued joint commissioning of specialist support services for domestic abuse victims, sexual violence victims and children and young people affected by abuse.
- The Combined Authority and policing partners have invested in community-led, preventative work, including the Community Safety Serious Violence Fund.

**Priority 4: Build Stronger Communities**

This priority focuses on creating safer communities throughout York and North Yorkshire through proactive policing, partnerships and local organisations, and community engagement.

- In 2025-26, the £246k Community Fund was invested into local initiatives. A further £299k from the Mayor's Movement Activity and Sport fund also supported a range of prevention and early intervention sporting projects.
- Reinvestment of criminal assets - Funding programmes redistributed money “taken out of the hands of criminals” back into community safety initiatives.
- Rural crime - deployment of technology to tackle vehicle theft and rural offending
- This year saw the launch of the first ever annual community survey.
- Police and partners delivered coordinated days of action focused on neighbourhood crime and anti-social behaviour.

**HMICFRS Inspection**

In addition to the above areas, the Police Force was also inspected by His Majesty’s Inspector of Constabulary during 2025/26 covering police effectiveness, efficiency and legitimacy. The outcomes were reported in April 2026, showing the Force had made improvements since itslast inspection, particularly in its leadership and support for the workforce.

The inspection assessed how good North Yorkshire Police was in nine areas of policing, with the graded judgments as follows:

| Outstanding | Good | Adequate | Requires improvement | Inadequate |
|---|---|---|---|---|
| | Leadership and force management | Responding to the public | Providing a safe custody environment | |
| | Developing a diverse and inclusive workforce | Investigating crime | | |
| | Police powers and public treatment | | | |
| | Preventing and deterring crime | | | |
| | Safeguarding children and adults | | | |
| | Managing fraud | | | |

Amongst other things the HMIC Chief Inspector noted that:

*'The force has good governance in place. It has clear strategic plans informed by accurate information and a detailed performance framework. Its funding is within the typical range for forces in England and Wales. The chief officer team is now stable, and the chief officers give regular briefings. This is positive for its performance and culture in the future'*

And that:

*'I am optimistic that North Yorkshire Police will continue to make improvements. I have given North Yorkshire Police recommendations that set out the areas it needs to focus on, and I will continue to monitor its performance.'*

**Governance and Oversight**

Policing governance is delivered through a structured framework:

- Strategic Oversight Board: Monthly meetings between the Mayor, Deputy Mayor for Policing Fire and Crime (DMPFC), and Chief Constable.
- Online Public Meetings: Bi-monthly livestreamed sessions holding NYP to account.
- Scrutiny Panels and Ethics Board: Independent review mechanisms supporting continuous improvement.
- Independent Custody Visitors: Unannounced visits to ensure detainee welfare.

Police Fund outturn

| | Original Budget £'000s | Outturn £'000s | Variance £'000s |
|---|---|---|---|
| **Total Funding** | **(232,295)** | **(237,920)** | **(324)** |
| Mayoral PCC functions | 1,530 | 1,652 | 56 |
| Commissioned Services | 6,345 | 6,511 | 112 |
| Asset Management | 1,000 | 761 | (239) |
| Police Force Expenditure | 220,130 | 225,077 | (27) |
| **Total Expenditure** | **229,005** | **234,001** | **(98)** |
| **(Surplus)/Deficit before Reserves and Capital** | **(3,290)** | **(3,918)** | **(422)** |
| Capital contributions | 3,315 | 3,712 | 397 |
| Transfers to/(from) Reserves | (25) | (140) | (115) |
| **Forecast Over/(Under) Spend** | **0** | **(346)** | **(346)** |

The policing budget for 2025/26 forms a significant element of the Combined Authority's overall financial position. The outturn for the year reflects a stable financial position, with expenditure managed broadly in line with available funding, alongside continued delivery of operational priorities.

Financial performance has been influenced by a combination of pay-related pressures, operational demand and funding allocations. These have been managed through in-year budget management and the application of reserves where appropriate, resulting in an overall position that remains consistent with financial planning assumptions.

The Police Fund continues to operate within a well-established financial framework, with clear alignment between resource allocation and the priorities set out in the Police and Crime Plan. Income levels, including Government grant and local precept funding, have supported delivery during the year, while expenditure has been closely monitored across both pay and non-pay budgets.

Further detail on operational performance, financial outturn and the use of reserves is provided within the **Chief Constable's Statement of Accounts**, which should be read alongside this Narrative Statement to provide a complete view of the policing financial position for 2025/26.

Overall, policing remains financially sustainable, with the year-end position reflecting continued prudent financial management and a stable platform from which to deliver future priorities.

## STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Combined Authority is required:

a) 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 Director of Resources of York and North Yorkshire Combined Authority.

b) to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

c) to approve the Statement of Accounts.

The Director of Resources is responsible for the preparation of the Combined Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this statement of accounts, the Director of Resources has:

a) selected suitable accounting policies and then applied them consistently;
b) made judgements and estimates that were reasonable and prudent; and
c) complied with the Code of Practice.
d) kept proper accounting records which are up to date; and
e) taken reasonable steps for the prevention and detection of fraud and other irregularities.

**Approval of the Statement of Accounts**

I certify that the financial statements set out on pages 29 to 117 present a true and fair view of the financial position of York and North Yorkshire Combined Authority at 31st March 2026 and its income and expenditure for the year then ended.

Signed: M. Russell Date: 29/6/2026

M Russell
Director of Resources, York and North Yorkshire Combined Authority

## Single Entity Financial Statements for York and North Yorkshire Combined Authority

The functions of the Police, Fire and Crime Commissioner for North Yorkshire (PFCC) and the Police, Fire and Crime Commissioner for North Yorkshire Fire and Rescue Authority (PFCCFRA) transferred by Parliamentary Order to the elected Mayor of York and North Yorkshire from 7th May 2024. The transfer of these functions to the Mayor means that the legal entities known as the Police, Fire and Crime Commissioner for North Yorkshire and the Police, Fire and Crime Commissioner for North Yorkshire Fire and Rescue Authority ceased to exist as of 6th May 2024. Under the Order, all functions and decisions relating to staff, properties, rights and liabilities are to be exercised and made by the Mayor.

**Comprehensive Income and Expenditure Statement (CIES)**
The Comprehensive Income and Expenditure statement shows the accounting cost for the Combined Authority in the year of providing services with generally accepted accounting practices, rather than the amount to be funded from transport levy or taxation. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

The Comprehensive Income and Expenditure statement covers the period 1st April 2025 to 31st March 2026. The comparator year 2024/25, for the in year transferred in services, covers the period 7th May 2024 to 31st March 2025, and for the continued Combined Authority services, 1st April 2024 to 31st March 2025.

**Movement in Reserves Statement**
The Movement in Reserves Statement shows the movement in the year on the different reserves held by the Combined Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The surplus or deficit on the provision of services shows the true economic cost of providing services. This is different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes.

Under the Parliamentary order which transferred the Police, Fire and Crime Commissioner for North Yorkshire's powers to the Mayor, the Mayor is required under S21 of the Police Reform and Social Responsibility Act 2011 to keep a fund known as the Police Fund. The Combined Authority is the legal entity which is responsible for administering the Police Fund and executing the Mayor's decisions in their role as Police and Crime Commissioner. The Police Fund balances, alongside other transferred in balances, in the Movement in Reserves Statement for the comparator year 2024/25 covers the period 7th May 2024 to 31st March 2025 and for the continued Combined Authority services 1st April 2024 to 31st March 2025.

The notes to the single entity statements are disclosed within the Group Statements. The single entity Balance Sheet and Cashflow Statement for the Combined Authority can be found within the Group Statements on pages 37 and 38.

## Movement in Reserves Statement 2025/26

## York & North Yorkshire Combined Authority - Single Entity

| 2025-26 | Note | Revenue Reserves: Combined Authority General Fund Balance | Revenue Reserves: Combined Authority Earmarked Reserves | Revenue Reserves: Police Fund General Reserve | Revenue Reserves: Police Fund Earmarked Reserves | Capital Reserves: Combined Authority Usable Capital Receipts Reserve | Capital Reserves: Police Fund Usable Capital Receipts Reserve | Capital Reserves: Combined Authority Capital Grants Unapplied Reserve | **Total Usable Reserves** | Unusable Reserves (Note 26) | **Total Authority Reserves** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | **£000** | £000 | **£000** |
| **Balance at 31st March 2025** | | **2,152** | **16,618** | **6,029** | **14,030** | **16** | **1,005** | **10,018** | **49,868** | **(227,727)** | **(177,860)** |
| **Movements in Reserves during 2025/26** | | | | | | | | | | | |
| (Surplus)/Deficit on Provision of Services | | 5,790 | - | (2,762) | - | - | - | - | 3,029 | (135) | **2,894** |
| Other Comprehensive Income and Expenditure | | - | - | - | - | - | - | - | - | 19,426 | **19,426** |
| **Total Comprehensive Income and Expenditure** | | **5,790** | **-** | **(2,762)** | **-** | **-** | | **-** | **3,029** | **19,291** | **22,320** |
| Adjustments between accounting basis & funding basis under regulations | 6 | 6,576 | - | 7,082 | - | (16) | 186 | 5,905 | 19,733 | (19,733) | **-** |
| **Net increase/(decrease) before Transfers to Earmarked reserves** | | **12,366** | **-** | **4,320** | **-** | **(16)** | **186** | **5,905** | **22,762** | **(442)** | **22,320** |
| Transfers to / (from) Earmarked Reserves | 24 | (2,543) | 672 | (4,220) | (342) | - | (1,191) | (1,172) | (8,796) | 8,796 | **-** |
| **Increase / (Decrease) in 2025/26** | | **9,823** | **672** | **100** | **(342)** | **(16)** | **(1,005)** | **4,733** | **13,966** | **8,354** | **22,320** |
| **Balance at 31st March 2026 carried forward** | | **11,975** | **17,290** | **6,129** | **13,688** | **-** | **-** | **14,751** | **63,833** | **(219,372)** | **(155,539)** |

# Movement in Reserves Statement

## York & North Yorkshire Combined Authority - Single Entity

| **Comparator Year 2024-25 - Restated** | Note | Combined Authority General Fund Balance | Combined Authority Earmarked Reserves | Police Fund General Reserve | Police Fund Earmarked Reserves | Combined Authority Usable Capital Receipts Reserve | Police Fund Usable Capital Receipts Reserve | Combined Authority Capital Grants Unapplied Reserve | **Total Usable Reserves** | Unusable Reserves (Note 26) | **Total Authority Reserves** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **Revenue Reserves** | | | | **Capital Reserves** | | | | | |
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | **£000** | £000 | **£000** |
| **Balance at 31st March 2024** | | **1,000** | **4,307** | **-** | **-** | **-** | **-** | **4,321** | **9,628** | **(28)** | **9,600** |
| **Movements in Reserves during 2024/25** | | | | | | | | | | | |
| Transfer of Balances 7th May 2024 | | 1,075 | 4,689 | 6,029 | 12,306 | 16 | 8,741 | - | 32,856 | (243,890) | (211,034) |
| (Surplus)/Deficit on Provision of Services | | 8,392 | - | (5,557) | - | - | - | - | 2,835 | 21,312 | **24,147** |
| Other Comprehensive Income and Expenditure | | - | - | - | - | - | - | - | - | (574) | **(574)** |
| **Total Comprehensive Income and Expenditure** | | **8,392** | **-** | **(5,557)** | **-** | **-** | **-** | **-** | **2,833** | **20,738** | **23,570** |
| Adjustments between accounting basis & funding basis under regulations | 6 | (221) | - | 7,281 | - | - | (7,736) | 6,300 | 5,624 | (5,624) | - |
| **Net increase/(decrease) before Transfers to Earmarked reserves** | | **8,171** | **-** | **1,724** | **-** | **-** | **(7,736)** | **6,300** | **8,457** | **15,114** | **23,570** |
| Transfers to / (from) Earmarked Reserves | 24 | (8,094) | 7,622 | (1,724) | 1,724 | - | - | (603) | (1,075) | 1,075 | **-** |
| **Increase / (Decrease) in 2024/25** | | **77** | **7,622** | **-** | **1,724** | **-** | **(7,736)** | **5,697** | **7,382** | **16,189** | **23,570** |
| **Balance at 31st March 2025 carried forward** | | **2,152** | **16,618** | **6,029** | **14,030** | **16** | **1,005** | **10,018** | **49,868** | **(227,727)** | **(177,860)** |

## Comprehensive Income & Expenditure Statement
## York & North Yorkshire Combined Authority - Single Entity

| 2024/25 - Restated | | | | | 2025/26 | | |
|---|---|---|---|---|---|---|---|
| Gross Expenditure | Gross Income | Net Expenditure | | Note | Gross Expenditure | Gross Income | Net Expenditure |
| £000 | £000 | £000 | | | £000 | £000 | £000 |
| 42,231 | (41,628) | 603 | Combined Authority Programmes (Capital) | | 86,475 | (85,304) | 1,172 |
| | | | Transport | | 6,291 | (6,291) | 0 |
| | | | Economic Development | | 29,985 | (30,558) | (573) |
| 10,865 | (18,905) | (8,040) | Core Operating Costs | | 4,125 | (9,632) | (5,507) |
| **53,096** | **(60,533)** | **(7,437)** | **Net Cost of YNYCA General Budget** | | **126,876** | **(131,785)** | **(4,909)** |
| 16,922 | (26,644) | (9,722) | Mayoral Policing Services (OPFCC) | | 16,567 | (24,541) | (7,974) |
| 196,861 | - | 196,861 | Funding provided by the Mayor to the Chief Constable to fund Police & Crime Services | | 223,173 | - | 223,173 |
| **213,783** | **(26,644)** | **187,139** | **Net Cost of Mayoral Policing Services** | | **239,740** | **(24,541)** | **215,199** |
| | | | **Mayoral General Budget Services** | | | | |
| 32,675 | (4,403) | 28,272 | Fire & Rescue Services | | 45,257 | (6,354) | 38,903 |
| **32,675** | **(4,403)** | **28,272** | **Net Cost of Mayoral General Budget Services** | | **45,257** | **(6,354)** | **38,903** |
| **299,554** | **(91,580)** | **207,974** | **Net Cost of YNYCA Services** | | **411,874** | **(162,680)** | **249,193** |
| | | 21,916 | Other Operating (Income) and Expenditure | 8 | | | 30,004 |
| | | 11,645 | Financing & Investment Operating / (Income) and Expenditure | 9 | | | 12,523 |
| | | (244,365) | Taxation and Non-Specific Grant Income | 10 | | | (294,749) |
| | | **(2,833)** | **(Surplus) or Deficit on Provision of Services** | | | | **(3,029)** |
| | | (1,333) | Surplus or deficit on revaluation of non current assets | 26a | | | (3,182) |
| | | (19,404) | Remeasurements of the net defined benefit liability/(asset) | 30 | | | (16,109) |
| | | **(20,737)** | **Other Comprehensive Income and Expenditure** | | | | **(19,291)** |
| | | **(23,570)** | **Total Comprehensive Income and Expenditure** | | | | **(22,320)** |

## Statements for the York and North Yorkshire Combined Authority Group

The Chief Constable for North Yorkshire Police (CCNY) has been included in the Combined Authority's group accounts from 7th May 2024. The Mayor is responsible for the formal oversight of CCNY, including provision of all funding, budget-setting, performance scrutiny and strategic policy development, and for ensuring CCNY is run efficiently and effectively.

Operational decision-making on day-to-day policing including the employment of police staff remains the responsibility of the Chief Constable. Under the legislative framework and local arrangements, the Combined Authority under sole instruction from the Mayor, is responsible for the finances of the Mayoral Police Fund including assets, liabilities and reserves. The Combined Authority has responsibility for entering into contracts under which the Chief Constable's officers and staff operate. The Combined Authority receives all income and funding and makes all the payments for the policing activity from the Mayoral Police Fund. In the comparator year 2024/25, Expenditure, income and reserve balances relating to the Police Fund are included in the Group accounts are for the period 7th May 2024 to 31st March 2025.

### Balance Sheet for York and North Yorkshire Combined Authority Single Entity and Group

The balance sheet is the key statement of the Combined Authority's financial position at the year end. It shows its balances and reserves, and the values of its long term and current assets and liabilities. Under the legislative framework and local arrangements, the Combined Authority under sole instruction from the Mayor, is responsible for the finances of the Mayoral Police Fund including assets, liabilities and reserves, other than liabilities relating to staff within the employment of the Chief Constable.

The Balance Sheet covers the period 1st April 2025 to 31st March 2026. The comparator year 2024/25, for the in year transferred in services, covers the period 7th May 2024 to 31st March 2025, and for the continued Combined Authority services, 1st April 2024 to 31st March 2025.

### Cash Flow Statement York and North Yorkshire Combined Authority Single Entity and Group

The Cash Flow statement shows the changes in cash and cash equivalents of the Combined Authority Group during the reporting period. The statement shows how the Group generates and uses cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from the operating activities is a key indicator of the extent to which the operations of the Combined Authority and Group are funded by way of precepts, grant income and income generated by services provided.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to 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).

## Movement in Reserves Statement 2025/26

## York & North Yorkshire Combined Authority - Group

| 2025-26 | Note | Revenue Reserves: Combined Authority General Fund Balance | Revenue Reserves: Combined Authority Earmarked Reserves | Revenue Reserves: Police Fund General Reserve | Revenue Reserves: Police Fund Earmarked Reserves | Capital Reserves: Combined Authority Usable Capital Receipts Reserve | Capital Reserves: Police Fund Usable Capital Receipts Reserve | Capital Reserves: Combined Authority Capital Grants Unapplied Reserve | **Total Usable Reserves** | Unusable Reserves (Note 26) | **Total Authority Reserves** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | **£000** | £000 | **£000** |
| **Balance at 31st March 2025** | | **2,152** | **16,618** | **6,029** | **14,030** | **16** | **1,005** | **10,018** | **49,868** | **(1,516,928)** | **(1,467,060)** |
| **Movements in Reserves during 2025/26** | | | | | | | | | | | |
| (Surplus)/Deficit on Provision of Services | | 5,790 | - | (53,667) | - | - | - | - | (47,877) | (135) | **(48,012)** |
| Other Comprehensive Income and Expenditure | | - | - | - | - | - | - | - | - | 90,989 | **90,989** |
| **Total Comprehensive Income and Expenditure** | | **5,790** | **-** | **(53,667)** | **-** | **-** | | **-** | **(47,877)** | **90,854** | **42,979** |
| Adjustments between accounting basis & funding basis under regulations | 6 | 6,576 | - | 57,987 | - | (16) | 186 | 5,905 | 70,638 | (70,638) | - |
| **Net increase/(decrease) before Transfers to Earmarked reserves** | | **12,366** | **-** | **4,320** | **-** | **(16)** | **186** | **5,905** | **22,761** | **20,216** | **42,979** |
| Transfers to / (from) Earmarked Reserves | 24 | (2,543) | 672 | (4,220) | (342) | - | (1,191) | (1,172) | (8,796) | 8,796 | - |
| **Increase / (Decrease) in 2025/26** | | **9,823** | **672** | **100** | **(342)** | **(16)** | **(1,005)** | **4,733** | **13,967** | **29,012** | **42,979** |
| **Balance at 31st March 2026 carried forward** | | **11,975** | **17,290** | **6,129** | **13,688** | **-** | **-** | **14,751** | **63,835** | **(1,487,914)** | **(1,424,081)** |

## Movement in Reserves Statement

## York & North Yorkshire Combined Authority - Group

| Comparator Year 2024-25 - Restated | Note | Revenue Reserves: Combined Authority General Fund Balance | Revenue Reserves: Combined Authority Earmarked Reserves | Revenue Reserves: Police Fund General Reserve | Revenue Reserves: Police Fund Earmarked Reserves | Capital Reserves: Combined Authority Usable Capital Receipts Reserve | Capital Reserves: Police Fund Usable Capital Receipts Reserve | Capital Reserves: Combined Authority Capital Grants Unapplied Reserve | **Total Usable Reserves** | Unusable Reserves (Note 26) | **Total Authority Reserves** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | **£000** | £000 | **£000** |
| **Balance at 31st March 2024** | | **1,000** | **4,307** | **-** | **-** | **-** | **-** | **4,321** | **9,628** | **- 28** | **9,600** |
| **Movements in Reserves during 2024/25** | | | | | | | | | | | |
| Transfer of Balances 7th May 2024 | | 1,075 | 4,689 | 6,029 | 12,306 | 16 | 8,741 | - | 32,856 | (1,614,370) | (1,581,514) |
| (Surplus)/Deficit on Provision of Services | | 8,392 | - | (50,626) | - | - | - | - | (42,234) | - | **(42,234)** |
| Other Comprehensive Income and Expenditure | | - | - | - | - | - | - | - | - | 147,088 | **147,088** |
| **Total Comprehensive Income and Expenditure** | | **8,392** | **-** | **(50,626)** | **-** | **-** | **-** | **-** | **(42,234)** | **147,088** | **104,854** |
| Adjustments between accounting basis & funding basis under regulations | 6 | (221) | - | 52,350 | - | - | (7,736) | 6,300 | 50,693 | (50,693) | - |
| **Net increase/(decrease) before Transfers to Earmarked reserves** | | **8,171** | **-** | **1,724** | **-** | **-** | **(7,736)** | **6,300** | **8,459** | **96,395** | **104,854** |
| Transfers to / (from) Earmarked Reserves | 24 | (8,094) | 7,622 | (1,724) | 1,724 | - | - | (603) | (1,075) | 1,075 | - |
| **Increase / (Decrease) in 2023/24** | | **77** | **7,622** | **-** | **1,724** | **-** | **(7,736)** | **5,697** | **7,384** | **97,470** | **104,854** |
| **Balance at 31st March 2025 carried forward** | | **2,152** | **16,618** | **6,029** | **14,030** | **16** | **1,005** | **10,018** | **49,868** | **(1,516,928)** | **(1,467,060)** |

## Comprehensive Income & Expenditure Statement

## York & North Yorkshire Combined Authority - Group

| 2024/25 - Restated | | | | | 2025/26 | | |
|---|---|---|---|---|---|---|---|
| Gross Expenditure | Gross Income | Net Expenditure | | Note | Gross Expenditure | Gross Income | Net Expenditure |
| £000 | £000 | £000 | | | £000 | £000 | £000 |
| 42,231 | (41,628) | 603 | Combined Authority Programmes (Capital) | | 86,475 | (85,304) | 1,172 |
| | | | Transport | | 6,291 | (6,291) | 0 |
| | | | Economic Development | | 29,985 | (30,558) | (573) |
| 10,865 | (18,905) | (8,040) | Core Operating Costs | | 4,125 | (9,632) | (5,507) |
| **53,096** | **(60,533)** | **(7,437)** | **Net Cost of YNYCA General Budget** | | **126,876** | **(131,785)** | **(4,909)** |
| 16,922 | (26,644) | (9,722) | Mayoral Policing Services (OPFCC) | | 16,567 | (24,541) | (7,974) |
| 188,258 | (8,119) | 180,139 | Funding provided by the Mayor to the Chief Constable to fund Police & Crime Services | | 211,686 | (8,748) | 202,938 |
| **205,180** | **(34,763)** | **170,417** | **Net Cost of Mayoral Policing Services** | | **228,253** | **(33,289)** | **194,964** |
| | | | **Mayoral General Budget Services** | | | | |
| 32,675 | (4,403) | 28,272 | Fire & Rescue Services | | 45,257 | (6,354) | 38,903 |
| **32,675** | **(4,403)** | **28,272** | **Net Cost of Mayoral General Budget Services** | | **45,257** | **(6,354)** | **38,903** |
| **290,951** | **(99,699)** | **191,252** | **Net Cost of YNYCA Services** | | **400,387** | **(171,428)** | **228,958** |
| | | 21,916 | Other Operating (Income) and Expenditure | 8 | | | 30,004 |
| | | 73,436 | Financing & Investment Operating / (Income) and Expenditure | 9 | | | 83,663 |
| | | (244,365) | Taxation and Non-Specific Grant Income | 10 | | | (294,749) |
| | | **42,236** | **(Surplus) or Deficit on Provision of Services** | | | | **47,877** |
| | | (1,333) | Surplus or deficit on revaluation of non current assets | 26a | | | (3,182) |
| | | (145,754) | Remeasurements of the net defined benefit liability/(asset) | 30 | | | (87,672) |
| | | **(147,087)** | **Other Comprehensive Income and Expenditure** | | | | **(90,854)** |
| | | **(104,854)** | **Total Comprehensive Income and Expenditure** | | | | **(42,979)** |

## Balance Sheet
## York & North Yorkshire Combined Authority Single Entity & Group

| Restated YNYCA | Restated Group | | | YNYCA | Group |
|---|---|---|---|---|---|
| **31 March 2025** | **31 March 2025** | | | **31 March 2026** | **31 March 2026** |
| £000 | £000 | | Note | £000 | £000 |
| | | Property, Plant & Equipment | | | |
| 72,408 | 72,408 | Land & Buildings | | 76,430 | 76,430 |
| 14,568 | 14,568 | Vehicles | | 17,866 | 17,866 |
| 11,096 | 11,096 | Plant & Equipment | | 12,495 | 12,495 |
| 2,287 | 2,287 | Assets Under Construction | | 775 | 775 |
| **100,359** | **100,359** | | 12 | **107,566** | **107,566** |
| 181 | 181 | Investment Properties | 14 | 181 | 181 |
| 659 | 659 | Intangible Assets | 13 | 383 | 383 |
| - | - | Long Term Debtors | 20 | - | - |
| - | - | Pensions Asset | 30 | - | - |
| **101,199** | **101,199** | **Long Term Assets** | | **108,130** | **108,130** |
| 500 | 500 | Assets Held for Sale | 15 | 450 | 450 |
| 251 | 1,344 | Inventories | 19 | 385 | 1,394 |
| 31,325 | 31,325 | Short Term Debtors | 20 | 43,349 | 43,349 |
| 60,913 | 60,944 | Cash and Cash Equivalents | 21 | 112,253 | 112,271 |
| **92,989** | **94,113** | **Current Assets** | | **156,437** | **157,464** |
| (522) | (522) | Short Term Borrowing | 31 | (1,011) | (1,011) |
| (51,161) | (55,145) | Short Term Creditors | 22 | (103,270) | (107,667) |
| (3,558) | (3,558) | Short Term Provisions | 23 | (6,145) | (6,145) |
| **(55,241)** | **(59,225)** | **Current Liabilities** | | **(110,426)** | **(114,823)** |
| (22,180) | (22,180) | Long Term Borrowing | 31 | (21,281) | (21,281) |
| - | - | Other Long Term Liabilities | 31 | - | - |
| - | - | Long Term Creditors | 22 | - | - |
| (291,950) | (1,578,290) | Pensions Liability | 30 | (286,460) | (1,551,632) |
| (645) | (645) | Finance Lease obligations | 18 | (598) | (598) |
| (764) | (764) | PFI Obligations | 17 | - | - |
| (1,271) | (1,271) | Provisions | 23 | (1,340) | (1,340) |
| **(316,810)** | **(1,603,150)** | **Long Term Liabilities** | | **(309,679)** | **(1,574,851)** |
| **(177,860)** | **(1,467,060)** | **Net Assets** | | **(155,539)** | **(1,424,081)** |
| | | **Usable Reserves** | | | |
| 1,021 | 1,021 | Usable Capital Receipts Reserve | | - | - |
| 8,181 | 8,181 | General Fund Balance | | 18,104 | 18,104 |
| 30,648 | 30,648 | Earmarked Reserves | 24 | 30,978 | 30,978 |
| 10,018 | 10,018 | Capital Grants Unapplied | | 14,751 | 14,751 |
| **49,868** | **49,868** | | 25 | **63,833** | **63,833** |
| | | **Unusable Reserves** | | | |
| 16,779 | 16,779 | Revaluation Reserve | 26a | 19,593 | 19,593 |
| 46,733 | 46,733 | Capital Adjustment Account | 26b | 47,234 | 47,234 |
| (291,950) | (1,578,290) | Pensions Reserve | 26c | (286,460) | (1,551,632) |
| 721 | 721 | Collection Fund Adjustment Account | 26d | 400 | 400 |
| (10) | (2,870) | Accumulated Absences Account | 26e | (139) | (3,509) |
| (227,727) | (1,516,927) | | | (219,372) | (1,487,914) |
| **(177,860)** | **(1,467,060)** | **Total Reserves** | | **(155,539)** | **(1,424,081)** |

## Cashflow Statement
## York & North Yorkshire Combined Authority Single Entity & Group

| YNYCA | Group | | | YNYCA | Group |
|---|---|---|---|---|---|
| **31st March 2025 Restated** | **31st March 2025 Restated** | | | **31st March 2026** | **31st March 2026** |
| £000 | £000 | | Note | £000 | £000 |
| **2,833** | **(42,236)** | **Net Surplus/(Deficit) on the provision of services** | | **3,029** | **(47,879)** |
| | | **Adjustments to the net (surplus)/deficit on the provision of services for non-cash movements:** | | | |
| 11,187 | 11,187 | Depreciation, impairments and revaluations | | 10,405 | 10,405 |
| 4 | 18 | (Increase)/Decrease in Inventories | | (134) | (50) |
| 8,658 | 8,658 | (Increase)/Decrease in Debtors | | (12,024) | (12,024) |
| 1,208 | 1,208 | Increase/(Decrease) in Provisions | | 2,656 | 2,656 |
| 17,602 | 17,272 | Increase/(Decrease) in Creditors | | 52,001 | 52,417 |
| 929 | 929 | Movement in carrying amount of non-current assts and non current asses held for sale, sold or derecognised | | 1,053 | 1,053 |
| 2,741 | 48,141 | Movement in pension liability | | 10,619 | 61,014 |
| **42,329** | **87,413** | | | **64,576** | **115,471** |
| (57,894) | (57,894) | Adjustments for items included in the net (surplus)/deficit on the provision of services that are investing and financing activities | | (106,152) | (106,152) |
| **(12,732)** | **(12,717)** | **Net cash flows from Operating Activities** | | **(38,545)** | **(38,559)** |
| **41,285** | **41,285** | **Net cash flows from Investing Activities** | 34 | **91,799** | **91,799** |
| (2,358) | (2,358) | **Net cash flows from Financing Activities** | 35 | **(1,916)** | **(1,916)** |
| **26,195** | **26,210** | **Net Increase or (Decrease) in cash and cash equivalents** | | **51,340** | **51,327** |
| **11,476** | **11,476** | Cash and cash equivalents at the beginning of the reporting period | | **60,913** | **60,944** |
| **23,242** | **23,258** | Transfer of cash balances transferred at 7th May 2024 | | - | - |
| **60,913** | **60,944** | **Cash and cash equivalents at the end of the reporting period** | 21 | **112,253** | **112,271** |

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Statement of Significant Accounting Policies

**(a) Accounting Concepts**

The code requires local authorities to disclose its significant accounting policies in the notes to the financial statements. This is to have two elements:

- Disclosure of the measurement basis (or bases) used in the preparation of the financial statements. The Group uses the convention of historical cost modified by the use of current and fair value for particular categories of assets and liabilities as set out in the relevant policies below.
- Disclosure of the other accounting policies used that are relevant to an understanding of financial statements.

This statement of accounts summarises the Combined Authority and the Combined Authority Group's transactions and its position for the year ended 31st March 2026. They are in the format laid down in the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code). The Code is based upon International Financial Reporting Standards (IFRS).

Convention

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.

Going Concern

The statement of accounts is prepared on a going concern basis as per the requirements of the Code. This means that the accounts are based on the assumption that the Combined Authority and Group will continue in operational existence for the foreseeable future.

Accruals of Income and Expenditure

The financial statements, other than the cash flow statement, are prepared on an accruals basis. This means that income and expenditure are recognised in the accounts in the period in which they are incurred or earned, not as the cash is paid or received. Similarly, assets and liabilities are recognised when they meet the relevant recognition criteria set out in the Code.

**The York and North Yorkshire Combined Authority Group**

The Combined Authority Group is required to produce group accounts where it has interests in subsidiaries, associates and/or joint ventures unless interest is considered not material. The group boundary is dependent upon the extent of the Combined Authority's control or significant influence over the entity, which is based on the requirements of IFRS10, IFRS11 and IAS 28.

Inclusion in the group is dependent upon the extent of the Combined Authority’s interest and power to influence an entity. The Combined Authority is considered to control an entity if it has power over the entity, exposure or rights to variable returns from its interest with the entity and the ability to use its power to affect the level of returns. The determining factor for assessing the extent of interest and power to influence is either through ownership of an entity, or representation on an entity’s board.

An assessment of the Combined Authority’s interests has been carried out during the year, in accordance with the Code, to determine the relationships that exist and whether they should be within the Group accounts.

The functions of the Police, Fire and Crime Commissioner for North Yorkshire (PFCC) and the Police Fire and Crime Commissioner for North Yorkshire Fire and Rescue Authority (PFCCFRA) transferred by Parliamentary Order to the elected Mayor of York and North Yorkshire from 7th May 2024.
The transfer of the PFCC functions to the Mayor mean that all staff, properties, rights and liabilities

transferred to the Combined Authority. Any payments and receipts from such are to be paid into the Mayoral Police Fund to be kept by the Mayor by virtue of section 21 of the Police reform and Social Responsibility Act 2011.

Following the transfer, all decisions relating to properties, rights and liabilities are exercised and made by the Mayor. Any payments and receipts from such are to be paid from and into the Mayoral General

The closing balance sheets of the PFCC's Office and the Fire and Rescue Authority were brought into the Combined Authority's 2024/25 balance sheet as in year transfers using the absorption accounting policy. The comparator year 2024/25, for the in year transferred in services, covers the period 7th May 2024 to 31st March 2025 and for the continued Combined Authority services, 1st April 2024 to 31st 31st March 2025.

<u>Group Account considerations:</u>
The identification of the Mayor of York and North Yorkshire as the holding organisation and the requirement to produce group accounts stems from powers and responsibilities given to him under the Police Reform and Social Responsibility Act 2011. The Mayor is responsible for the formal oversight of North Yorkshire Police including provision of all funding, budget setting, performance scrutiny and strategic policy development, and for ensuring it is run efficiently and effectively. Operational decision making on day to day policing including the employment of police staff remains the responsibility of the Chief Constable.

Under the legislative framework and local arrangements, the Combined Authority under sole instruction from the Mayor, is responsible for the finances of the Mayoral Police Fund including assets, liabilities and reserves. The Authority has responsibility for entering into contracts and establishing the contractual framework under which the Chief Constable's officers and staff operate. The Combined Authority receives all income and funding and makes all the payments for the policing activity from the Mayoral Police Fund.

As such, from 2024/25, group accounts have been prepared for the Combined Authority to include the Chief Constable of North Yorkshire Police. Both bodies are required to produce separate statements of accounts.

Within these statements of accounts, there are two sets of financial statements, representing the accounts of:

a) The York and North Yorkshire Combined Authority Single Entity (the parent) including:
- York and North Yorkshire Combined Authority
- Mayoral Fire and Rescue services
- Mayoral Policing and Crime services

b) The York and North Yorkshire Combined Authority and Chief Constable for North Yorkshire Police Group.

**(b) <u>Property, Plant and Equipment</u>**

Assets that have physical substance and are held for use in the production or supply of goods or services for rental to others, or for administrative purposes that are expected to generate economic benefit during more than one financial period are classified as Property, Plant and Equipment.

**(i) 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 CA Group and the cost 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 incurred.

**(ii) Measurement**

Assets are initially measured at cost, comprising:

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

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

- Assets under construction - historical cost
- Property, Plant and Equipment - current value, determined using the basis of existing use value (EUV). Where there is no market-based evidence of fair value because of the specialist nature of an asset e.g. fire stations, depreciated replacement cost (DRC) is used as an estimate of fair value.

Surplus assets are valued at fair value and assets reclassified as held for sale are valued at market value.

The Authority revalues its assets every five years with annual indexation applied to Land and Buildings in the four intervening years. Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation with a desktop realuation in year three. Indices are chosen by the Group considering its specific context and location choosing indices that utilise transactional evidence where available, in discussion with it's Valuers.

Full revaluations are carried out in accordance with RICS Red Book requirements, while indexation reflects market-based movements applied in intervening periods. Although the valuation approaches differ, both are treated equally for accounting purposes under the revaluation model.

Where non property assets have short useful lives or low values (or both), or are specialist vehicles which are deployed operationally, depreciated historical cost is used as a proxy for current value. Management have undertaken a review to ensure this treatment is appropriate and does not lead to a materially different valuation than if the full revaluation/indexation approach described above was applied.

**(iii)** Assets included in the Balance Sheet at fair value are revalued annually to ensure that their carrying amount is not materially different from their current value at the period end. 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 in the Comprehensive Income and Expenditure Statement (CIES).

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

**(iv) Impairment**

Assets are assessed at each period end as to whether there is a material reduction in the value of an asset due to impairment (e.g. physical damage or deterioration in the quality of the service provided by the asset). Where identified, the loss is recognised through an impairment charge to the net cost of services. Impairment losses are accounted for as a decrease in valuation as set out above. Where an impairment loss is reversed subsequently, the reversal is credited to the net cost of services, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

**(v) 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 assets that are not yet available for use (e.g. assets under construction).

Depreciation is calculated on the following bases:

- Police and Fire stations 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 over the useful life of the assets.

In the period that an asset is either acquired or disposed of, half a period's depreciation is provided for. Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. This is to ensure that both the depreciation charge in the Net Cost of Services and also the asset carrying value in the Balance Sheet are materially correct. The Combined Authority undertakes an annual review to evaluate whether the componentisation of any of its assets would lead to a materially different depreciation charge and asset carrying value being reported. To date this review has identified no such assets.

**(vi) 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.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non current assets.

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 is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on 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 either capital receipts or revenue income dependent upon the amount received. The written off value of disposals is not a charge against council tax, as the cost of non current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

**(c) Intangible Assets**

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Combined 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 Combined Authority.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held can be determined by reference to an active market. In practice, no intangible asset by the Combined 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 and included in the net cost of services in the CIES. Where impairment occurs, any losses recognised are also posted to the net cost of services. Any gain or loss on the disposal or abandonment of an intangible asset is posted to Other Operating Expenditure in the CIES.

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

**(d) Charges to Revenue for Non Current Assets**

Operational and support services are debited with the following amounts to record the cost of holding non current assets during the period:

- depreciation attributable to the assets used by the relevant service
- amortisation of intangible assets used by the relevant service
- revaluation and impairment losses on assets used by services where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off

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

**(e) Investment Properties**

Investment Properties are properties that are held to earn rentals, and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or for administrative purposes. Investment Properties are measured initially at cost and subsequently at fair value

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:
a) in the principal market for the asset, or
b) in the absence of a principal market, in the most advantageous market for the asset.
The Combined Authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value, the Authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Combined Authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets and liabilities for fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as follows:

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

Gains or losses on revaluation are debited or credited to the Financing and Investment Income line in the CIES. The same treatment is applied to gains and losses on disposal, but disposals are otherwise accounted for in accordance with Accounting Policy (b).

Revaluation and disposal gains and losses are not permitted to have an impact on the General Fund Balance. Gains are credited and losses charged to the CIES are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

All lease agreements entered into in respect of investment properties let to third parties are operating leases. Rental income from investment property is recognised on a straight-line basis over the term of the lease and is credited to Financing and Investment income and expenditure in the CIES.

**(f) Assets Held for Sale**

Non-current assets are reclassified as an Asset Held for Sale when it becomes probable that the carrying amount will be recovered principally through a sale transaction rather than its continuing use. This condition is regarded as met when:

- a sale is highly probable;
- the asset is available for immediate sale in its present condition;
- management are committed to the sale;
- the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale is expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets Held for Sale are carried at fair value. They are revalued immediately before reclassification and then annually, using the same basis as for investment properties as set out in Accounting Policy (e). 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 CIES. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on the Provision of Services. Assets Held for sale are not depreciated.

If an asset no longer meets the criteria to be classified as an Asset Held for Sale, it is classified back to non-current assets and valued at the lower of:
the carrying amount before it was classified as held for sale; adjusted for depreciation, amortisation and/or revaluations that would have been recognised had it not been classified as held for sale; and

- the recoverable amount at the date of the decision not to sell.
- Assets to be abandoned or scrapped are not reclassified as Assets Held for Sale.
- The eventual disposal of an Asset Held for Sale is accounted for in accordance with Accounting Policy (b).

Disposal gains and losses are not permitted to have an impact on the General Fund Balance. Gains and losses charged to the CIES are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

**(g) <u>Government Grants and Contributions</u>**

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

- the Combined Authority will comply with conditions attached to the payments, and
- the grants or contributions will be received

Amounts recognised as due to the CA are not credited to the CIES until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or 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 receipts in advance within Creditors. When no conditions exist or, they have been satisfied, the grant or contribution is credited to the relevant service line or Taxation and Non Specific Grant Income (non ring fenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, 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 until it is applied. Once applied, it is transferred to the Capital Adjustment Account.

**(h) Cash and Cash Equivalents**

Cash and Cash Equivalents include cash-in-hand and deposits that are repayable on demand. Cash equivalents are defined as deposits which:

- are repayable on demand or maturing within three months of the date of acquisition;
- are readily convertible to known amounts of cash; and
- are not subject to a significant risk of change in value.

For the purpose of the cash flow statement, cash and cash equivalents are shown net of outstanding bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**Short Term Investments**

Short-Term Investments comprise interest-bearing deposits, held with banks and other financial institutions, maturing more than three months from the date of acquisition. They are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the deposits are derecognised or impaired, as well as through the amortisation process.

**(j) Leases**

**(i) The Combined Authority as Lessee:**

The Authority classifies contracts as leases based on their substance. Contracts and parts of contracts including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the the scope of IFRS16 to include arrangements with nil consideration, peppercorn or nominal payments.

**Initial measurement**

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The Combined Authority initially recognises lease liabilities measured at the present value of lease payments discounting by applying its incremental borrowing rate whenever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Authority is reasonably certain to exercise.
- lease payments in an optional renewal period if the Authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the Authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

**Subsequent measurement**
The right-of-use asset is subsequently measured using the fair value model. The Combined Authority considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method and is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the Combined Authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the comprehensive income and expenditure statement.

**Low value and short lease exemption**
As permitted by the Code, the Combined Authority excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on, or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Combined Authority is reasonably certain to exercise and any termination options that it is reasonably certain not to exercise).

**Lease expenditure**
Expenditure in the CIES includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.
Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

**(ii) <u>The Combined Authority as Lessor:</u>**
Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

**Finance leases**
Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, 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 CIES as part of the gain or loss on disposal. A gain representing the CA's net investment in the lease, is credited to the same line in the CIES 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), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:
- a charge for the acquisition of the interest in the property - applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the financing and investment income and expenditure line in the CIES).

The gain credited to the CIES on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve.
The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

**Operating Leases**
Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the CIES. Credits 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 premium paid on commencement). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

**(k) Inventories**
Inventories are included in the Balance Sheet at lower of cost and net realisable value. The cost of inventories is assigned using the average basis costing formula.

**(l) Provisions, Contingent Liabilities and Contingent Assets**

**(i) Provisions**
Provisions represent the best estimate, at the balance sheet date, of expenditure required to settle a present obligation. The outcome must be able to be estimated reliably and have a probable outcome. For example, the Combined Authority may be involved in a court case where it is probable a settlement payment will be made for a past obligation. Details of individual provisions are given in the notes to the financial statements.

**(ii) Contingent Liabilities**
A contingent liability arises where an event has taken place that gives the Combined Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within its control. 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.

Material contingent liabilities are not recognised in the Balance Sheet but disclosed in a note.

**(iii) Contingent Assets**

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

Material 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.

**(m) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. They are recognised in the Balance Sheet only when the Combined Authority or Group is committed to the contractual provisions of a financial instrument. The only exceptions are trade debtors and creditors when the group recognises these transactions on delivery or receipt.

**Loans and Receivables**

Loans (financial liabilities) and Receivables (financial assets) are measured at fair value and carried at their amortised cost. Annual charges or credits to the CIES in the period are based on the carrying amount of the loan or receivable multiplied by the effective rate of the instrument. This means that for all borrowing that the Combined Authority has, the amount presented in the Balance Sheet is the outstanding principal (plus accrued interest); and interest charged to the CIES is the amount payable for the period according to the loan agreement. For investments, the amount presented in the Balance Sheet is the outstanding principal receivable and interest credited to the CIES is the amount receivable for the period.

**Expected Credit Loss Model**

The Combined Authority recognises expected credit losses on all of its financial assets held at amortised cost on a lifetime basis applying the simplified approach which measures the loss allowance at an amount equal to lifetime expected credit losses. This applies to non statutory receivables (Debtors) held.

**(i) Fair Value**

The Combined Authority and Group measures its assets and liabilities at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell an asset to transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Combined Authority and Group measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Combined Authority and Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant known data (observable outputs) and minimising the use of estimates or unknowns (unobservable inputs).

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the Combined Authority can access at the measurement date
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or

liability, either directly or indirectly
- Level 3 - unobservable inputs for the asset or liability

**(n) Exceptional and Extraordinary items and Prior Period Adjustments**

Exceptional and extraordinary items are disclosed on the face of the CIES and fully explained in the notes to the financial statements.

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 and future periods 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 Combined Authority's and Group's financial position performance. Where a change is made, it is accounted for retrospectively by adjusting the opening balances and comparative amounts for the prior period as if the new policy had and been applied.

**(o) Reserves**

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

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

From 2024/25 onwards, the Combined Authority has kept memorandum accounts to hold the ring fenced reserves and balances relating to the new Mayoral General Fund and the Mayoral Police Fund.

**(p) Employee Benefits**

**(i) Benefits Payable During Employment**

Short-term employee benefits are those due to be settled within 12 months of the period-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the period in which employees render service to the Combined Authority and Group.

**(ii) Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the Combined Authority and Group to terminate an officer's employment before the normal retirement date, or, an officer's decision to accept redundancy and are charged on an accruals basis to the CIES at the earlier of when the Authority can no longer withdraw the offer of those benefits or when it recognises costs for a restructuring.

**(q) Pensions**

The Combined Authority and Group participates in three different pension schemes, two of which meet the needs of Operational staff and the third the needs of Support staff. Both schemes provide members with defined benefits related to pay and services. Employees' and employers' contribution levels are based on percentages of pay set nationally and are subject to Actuarial triennial review. The schemes are as follows:

**Firefighter & Police Pension Schemes**
The Combined Authority and Group meets the pension payments by the payment of an employer's pension contributions based upon a percentage of pay into the Pension Fund. Employee contribution are also paid into the fund which is topped up as necessary by Government Grant if the contributions are insufficient to meet the pension payments due. In the event of a surplus, this will be recouped by Government.

Firefighter & Police Schemes are unfunded and do not take into account the liabilities to pay pensions and other benefits after the reporting period end.

**Local Government Pension Scheme** for Support staff is administered by North Yorkshire Pension Fund - this is a funded scheme, meaning that the employers and employees pay contributions into a fund calculated at a level intended to balance the pension liabilities with investment assets. The pension costs charged to the accounts equate to the employer's contributions paid to the fund on behalf of eligible employees.
Pension schemes are accounted for in accordance with IAS 19 Employee Benefits. IAS19 is based upon the principle that an organisation should account for all retirement benefits when it is committed to give them even if the actual giving will be many periods into the future. This includes the recognition of a net asset/liability and a pensions reserve in the Balance Sheet and entries in the CIES for movements in the asset/liability.

A net pensions asset indicates that an authority has effectively overpaid contributions relative to the future benefits earned by employees. A net liability shows an effective underpayment. The assets and liabilities are assessed by Scheme Actuaries being based upon the latest full valuation of Schemes as at 31st March 2025.

The change in the net pensions liability for all Pension Schemes is analysed into the following components:
- Current service cost - the increase in liabilities as a result of periods of service earned this period.
- Past service cost - the increase in liabilities arising from current period decisions whose effect relates to periods of service earned in earlier periods.
- Net interest on the defined benefit liability/asset, i.e. net interest expense for the Combined Authority and Group.
- Gains or Losses on settlements and curtailments - the result of actions to relieve the Combined Authority and Group of liabilities or events that reduce the expected future service or accrual of benefits of employees.

Remeasurements comprising:
- Expected return on plan assets - excluding amounts included in net interest on the net defined benefit
- 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 actuaries have updated assumptions. These include movements due to applying an asset ceiling adjustment under IFRIC14 (International Financial Reporting Interpretations Committee) to adjust for the value of the LGPS asset that cannot be realised either through refunds or by reducing employer contributions.
- Contributions paid to the Pension Fund - cash paid as employer's contributions to the fund in settlement of liabilities.

The Code requires the following accounting policies to be applied to the various elements of the net asset/liability:
- Where a Combined Authority participates in more than one scheme, schemes with net assets should be shown separately from those with net liabilities.
- The assets of each scheme should be measured at fair value, which is based on bid value.

- The liabilities of each scheme should be measured 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 and projections of projected earnings for current employees.
- Scheme liabilities should be discounted to their value at current prices using a discount rate reflecting the time value of money and the characteristics of the liability.
- The current service cost should be based on the most recent actuarial valuation at the beginning of the period, with the financial assumptions updated to reflect conditions at that date.
- The past service cost should be disclosed on a straight line basis over which the increases in benefit rest.
- The interest cost should be based upon the discount rate and the present value of the scheme liabilities at the beginning of the period.
- The expected rate of return on assets is based upon the long term expectations at the beginning of the period and is expected to be reasonably stable.
- Actuarial gains and losses arise from any new valuation and from updating the latest actuarial valuation to reflect conditions at the balance sheet date.
- Losses arising on settlement or curtailment not allowed for in the actuarial assumptions should be measured at the date on which the employer becomes demonstrably committed to the transaction and disclosed in the notes to the accounts covering that date. Gains arising from settlement/curtailments not allowed for in the actuarial assumptions should be measured at the date on which all parties are irrevocably committed to the transaction.

**Pensions Grant - Firefighters Pension Schemes**
The Code of Practice identifies Pension top up grant as a separate asset, which is excluded from IAS 19 entries in the CIES. Top up grant is credited directly to the pension Fund account, not the CIES. The grant is taken through the Movement in Reserves Statement (and movement in reconciliation of scheme assets) as an actuarial gain.

**Pensions Grant - Police Pension Schemes**
The top-up grant receivable in respect of the Police Pension Fund is credited to both the Police Pension Fund Accounts and the CIES. This treatment is in line with the requirements of the Police Pension Fund Regulations 2007 (SI 1932/2007) (updated by SI 1887/2008).

**Change in Estimation Technique - Disclosure of effect of change in discount rate for liabilities**
In assessing liabilities for retirement benefits, Actuaries are required to use a discount rate appropriate to each authority's circumstances, with the rate potentially changing each period with fluctuations in market circumstances. The effect of this change on the Combined Authority's and Group 's pension schemes, liabilities are:

**Local Government Pension Scheme**
In assessing liabilities for retirement benefits for the 2024/25 Statement of Accounts, the Actuary advised a discount rate of 5.8%, a rate based upon the current rate on a high quality corporate bond of equivalent currency and term to scheme liabilities. For the 2025/26 Accounts, the Actuary advised a rate of 6.2% is appropriate. Within the YNYCA LGPS, application of this rate has resulted in a decrease in liabilities at today's prices of £2.4m (6.4% of liabilities). Within the CCNY LGPS, application of this has resulted in a decrease in liabilities at today's prices of £14.6m (6.8% of liabilities). These are adjusted by a remeasurement gain recognised for the period in the Other Comprehensive Income and Expenditure section of the CIES.
**Firefighters Pension Schemes**
In assessing liabilities for retirement benefits for the 2024/25 Statement of Accounts, the Actuary assumed a discount rate of 5.65%, based upon the current rate on a high quality corporate bond of equivalent currency and term to scheme liabilities. For the 2025/26 Accounts, the Actuary has advised

that a rate of 6.1% is appropriate. Application of this rate has resulted in a decrease in liabilities at today's prices of £15.2m (5.3% of liabilities), adjusted by a remeasurement gain recognised in the Other Comprehensive Income and Expenditure section of the CIES.

**Police Pension Schemes**
In assessing liabilities for retirement benefits for the 2024/25 Statement of Accounts, the Actuary assumed a discount rate of 5.65%, based upon the current rate on a high quality corporate bond of equivalent currency and term to scheme liabilities. For the 2025/26 Accounts, the Actuary has advised that a rate of 6.29% is appropriate. Application of this rate has resulted in a decrease in liabilities at today's prices of £80.1m (6.3% of liabilities), adjusted by a remeasurement gain recognised in the Other Comprehensive Income and Expenditure section of the CIES.

**Injury Awards**
Injury awards are payable to those Firefighters and Police Officers who have sustained a qualifying injury in the exercise of their duties. All injury awards are payable from the Income and Expenditure account, rather than the Pension Fund.

**(r) <u>Private Finance Initiative (PFI)</u>**
PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Combined Authority is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the Authority at the end of the contract for a nominal charge, the Authority carries the assets used under the contract on its Balance Sheet as property, plant and equipment.

The original recognition of these assets on the balance sheet at fair value (based on an external valuation of the buildings and land) was balanced by the recognition of a liability for amounts due to the scheme as part of operator to pay for the capital investment.

The amounts payable to the PFI operator each period are analysed into four elements:
- Fair value of the services received during the period - debited to net cost of services in the CIES.
- Finance cost - an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the CIES.
- Contingent rent - increases in the amount to be paid for the property arising during the contract are debited to the Financing and Investment Income and Expenditure line in CIES.
- Payment towards the liability - applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease).

IFRS16 Leases also applies to the measurement of the lease liability for PFI arrangements. Under IFRS16, where indexation or changes in a rate affect future payments, the lease liability is remeasured. Instead of expensing the additional (or reduced) payment, the net present value of future payments that comprise the liability is recalculated.

**(s) <u>VAT</u>**
VAT is included in the accounts only if it is irrecoverable from His Majesty's Revenue and Customs (HMRC).

**(t) <u>Revenue Expenditure Funded from Capital under Statute</u>**
Expenditure incurred by the Combined Authority that may be capitalised under statutory provisions but does not result in the creation of a non current asset is charged to the CIES. The Combined Authority and Group meets this expenditure from existing capital resources with capital grants reversed against the expenditure charged to revenue so that there is no impact on the revenue account.

**(u) <u>Post Balance Sheet Events</u>**

Events after the Balance Sheet date are reflected by the Combined Authority up to the date when the accounts are authorised for issue: Two types of event can be identified:

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

## 2. Prior Period Adjustments

There are four prior period adjustments to report within these financial statements:

### (a) Revenue Expenditure Funded under Capital Statute (REFCUS)

Whilst producing the 2025/26 financial statements, a material error was discovered in the reporting of Revenue Expenditure Funded under Capital Statute (REFCUS) in the 2024/25 statements totalling £9.6m. The error impacted on figures reported within the Movement in Reserves statement, Comprehensive Income and Expenditure Statement and related notes, but had no effect on the Surplus/Deficit on the Provision of Services, nor the net worth of the Authority in the Balance Sheet as as at 31st March 2025:

| | £000 |
|---|---|
| Incorrectly reported in Combined Authority Programmes (Capital) | **(9,682)** |
| Restated to: | |
| Core Operating Costs: | |
| Non REFCUS items reported in Combined Authority Programmes (Capital) | 9,079 |
| Capital expenditure charged against the general fund | 185 |
| | **9,264** |
| Taxation and Non-Specific Grant Income: | |
| Remove REFCUS funding from CGU Reserve - not through I&E | 603 |
| Remove Capital expenditure charged against the general fund | (185) |
| | **418** |

Restatements to Single Entity and Group financial statements and notes:

| **Movement in Reserves Statement** | As Stated | Restatement | Correction |
|---|---|---|---|
| Adjustments between accounting basis & funding basis under | £000 | £000 | £000 |
| regulations | 5,697 | 6,300 | 603 |
| Transfers to / (from) Earmarked Reserves | - | (603) | (603) |

| **Comprehensive Income & Expenditure Statement** | As Stated | Restatement | Correction |
|---|---|---|---|
| | £000 | £000 | £000 |
| Combined Authority Programmes | (9,079) | 603 | 9,682 |
| Core Operating Costs | 1,224 | (8,040) | (9,264) |
| **Net Cost of Services** | **(7,855)** | **(7,437)** | **418** |
| Taxation and Non-Specific Grant Income | (5,882) | (6,300) | (418) |

| **Adjustments between accounting basis & funding basis under regulations (Note 6):** | As Stated £000 | Restatement £000 | Correction £000 |
|---|---|---|---|
| Capital Grants & Contributions credited to the CIES in year applied to capital financing | (48,113) | (41,627) | 6,486 |
| Capital expenditure charged against the general fund | - | (185) | (185) |
| Revenue Expenditure Funded by Capital under Statute | 47,928 | 42,231 | (5,697) |
| Transfer of capital grants and contributions to capital grants unaplied | (5,697) | (6,300) | (603) |

| **Expenditure and Funding Analysis (Note 7)** | As Stated | Restatement | Correction |
|---|---|---|---|
| | £000 | £000 | £000 |
| Net Cost of Services | (185) | 418 | 603 |
| Taxation and Non-Specific Grant Income | (5,697) | (6,300) | (603) |

| **Capital Financing Requirement (Note 15)** | As Stated | Restatement | Correction |
|---|---|---|---|
| | £000 | £000 | £000 |
| REFCUS Expenditure | 47,928 | 42,231 | (5,697) |
| Government grants and other contributions | (48,113) | (42,231) | 5,882 |
| Capital expenditure charged against the general fund | - | (185) | (185) |

| **Capital Adjustment Account (note 26a)** | As Stated | Restatement | Correction |
|---|---|---|---|
| | £000 | £000 | £000 |
| REFCUS Expenditure | (47,928) | (42,231) | 5,697 |
| Capital Grants credited to the I&E - REFCUS | 48,113 | 41,627 | (6,485) |
| Capital Grants unapplied - REFCUS | - | 603 | 603 |
| Capital expenditure charged against the general fund | - | 185 | 185 |

**(b) Defined Benefit Pension Schemes**

During the audit of the 2024/25 group financial statements, an error was discovered in the reporting of interest on the restricted asset. This was presented as charged to Other Comprehensive Income & Expenditure, rather than a charge to the (Surplus) or Deficit on Provision of Services. Due to timing, the required restatement of figures was not reflected within the published financial statements. The comparative figures for 2024/25 have been restated during production of the 2025/26 financial statements impacting on the Movement in Reserves statement, Comprehensive Income and Expenditure Statement and related notes, but has no effect on the net worth of the Authority in the Balance Sheet as at 31st March 2025.

Restatements to Group financial statements and notes:

| **Movement in Reserves Statement** | As Stated | Restatement | Correction |
|---|---|---|---|
| | £000 | £000 | £000 |
| (Surplus)/Deficit on Provision of Services | (47,182) | (50,626) | (3,444) |
| Other Comprehensive Income and Expenditure | 122,332 | 125,776 | 3,444 |
| Adjustments between accounting basis & funding basis under regulations | 48,906 | 52,350 | 3,444 |

| **Comprehensive Income & Expenditure Statement** | As Stated | Restatement | Correction |
|---|---|---|---|
| | £000 | £000 | £000 |
| Financing & Investment Operating / (Income) and Expenditure | 69,992 | 73,436 | 3,444 |
| **(Surplus) or Deficit on Provision of Services** | **38,792** | **42,236** | **3,444** |
| Remeasurements of the net defined benefit liability/(asset) | (142,310) | (145,754) | (3,444) |
| **Other Comprehensive Income and Expenditure** | **(143,643)** | **(147,087)** | **(3,444)** |

**Adjustments between accounting basis & funding basis under regulations - YNYCA and Group (Note 6)**

| | As Stated | Restatement | Correction |
|---|---|---|---|
| | £000 | £000 | £000 |
| Pension costs transferred to/(from) the Pensions Reserve | 41,956 | 45,400 | 3,444 |
| **Total Adjustments to Revenue Resources CCNY** | **41,625** | **45,069** | **3,444** |
| **Total Adjustments to Revenue Resources GROUP** | **49,731** | **53,175** | **3,444** |

| **Expenditure and Funding Analysis - Group (Note 7)** | As Stated | Restatement | Correction |
|---|---|---|---|
| | £000 | £000 | £000 |
| Financing & Investment Income & Expenditure | 72,024 | 75,468 | 3,444 |
| **(Surplus)/Deficit on Provision of Services** | **48,724** | **52,168** | **3,444** |

**Financing & Investment Operating / (Income) and Expenditure for YNYCA and Group (Note 9a)**

| | As Stated | Restatement | Correction |
|---|---|---|---|
| | £000 | £000 | £000 |
| Chief Constable - Net Pensions interest cost | 58,352 | 61,796 | 3,444 |
| **Sub Total CCNY** | **58,347** | **61,791** | **3,444** |
| **Total Group at 31st March 2026** | **69,992** | **73,436** | **3,444** |

| **Pension Reserve - Group (Note 26c)** | As Stated | Restatement | Correction |
|---|---|---|---|
| | £000 | £000 | £000 |
| Remeasurement of the net defined benefit liability | 142,310 | 145,754 | 3,444 |
| Reversal of items relating to retirement benefits debited or credited to the Surplus or (Deficit) on the Provision of Service in the CIES | (81,618) | (85,062) | (3,444) |

**Defined Benefit Pension Schemes for YNYCA and Group (Note 30)**

| | As Stated | Restatement | Correction |
|---|---|---|---|
| **Comprehensive Income & Expenditure Statement** | £000 | £000 | £000 |
| Net Interest Expense | 3,821 | 377 | (3,444) |
| **Total Post Employment Benefits charged to the Surplus or (Deficit) on the Provision of Services** | **3,242** | **(202)** | **(3,444)** |
| Changes in effect of the asset ceiling | (50,928) | (47,484) | 3,444 |
| **Movement in Reserves Statement** | | | |
| Services for post employment benefits in accordance with IAS19 | (3,242) | 202 | 3,444 |

To be compliant with code requirements, the changes in effect of the asset ceiling included within the transferred in LGPS figure & settlement gain have been removed from the 'Reconciliation of the present value of the scheme liabilities' table:

| **Reconciliation of present value of scheme liabilities** | As Stated | Restatement | Correction |
|---|---|---|---|
| | £000 | £000 | £000 |
| Transferred in 7th May | 265,663 | 259,361 | (6,302) |
| Settlement (Gain)/Loss | (6,302) | 0 | 6,302 |

**(c) Pensions Mitigation Grant Income**

Whilst producing the 2025/26 financial statements, a material error was discovered in the reporting of Government Grant income credited to the CIES against services in the 2024/25 statements totalling £5.6m. Pension Mitigation Grant had been presented as Targeted Grant income within the CIES, rather tha as Taxation and Non-Specific Grant Income.

The error has impacted on figures reported within the Comprehensive Income and Expenditure Statement and related notes, but has no effect on the reported Surplus/Deficit on the Provision of Services, nor the net worth of the Authority in the Balance Sheet as at 31st March 2025:

Restatements to Single Entity and Group financial statements and notes:

| **Comprehensive Income & Expenditure Statement** | As Stated | Restatement | Correction |
|---|---|---|---|
| | £000 | £000 | £000 |
| Mayoral Policing Services (OPFCC) | (14,166) | (9,722) | 4,444 |
| Funding provided by the Mayor to the Chief Constable to fund Police & Crime Services | 180,139 | 180,139 | - |
| Fire & Rescue Services | 27,068 | 28,272 | 1,204 |
| Taxation and Non-Specific Grant Income | (238,720) | (244,368) | (5,648) |

| **Expenditure and Funding Analysis - Group (Note 7)** | As Stated | Restatement | Correction |
|---|---|---|---|
| | £000 | £000 | £000 |
| Mayoral Policing Services (OPFCC) | 165,974 | 170,418 | 4,444 |
| Fire & Rescue Services | 27,067 | 28,271 | 1,204 |
| Taxation and Non-Specific Grant Income | (238,720) | (244,368) | (5,648) |

| **Taxation & Non-Specific Grant Income for YNYCA and Group (Note 10)** | As Stated | Restatement | Correction |
|---|---|---|---|
| | £000 | £000 | £000 |
| Pension Grant | 0 | (5,648) | (5,648) |

| **Government Grant Income credited to the CIES against services (Note 11)** | As Stated | Restatement | Correction |
|---|---|---|---|
| | £000 | £000 | £000 |
| Pension Grant | (5,648) | 0 | 5,648 |

### (c) Capital Grants received within the Cashflow Statement

Whilst producing the 2025/26 financial statements, a material error of was discovered in the calculation of Capital Grants cash receipts in the 2024/25 Cashflow Statement. Capital Grants of £9.9m held within income in advance as at 31st March 2025 had not been included within the calculation to determine cash receipts in the year. This did not impact on any other financial statement reported in in 2024/25.

Restatements to Single Entity and Group financial statements and notes:

| **Cashflow Statement and Note 35 - Single Entity and Group** | As Stated | Restatement | Correction |
|---|---|---|---|
| | £000 | £000 | £000 |
| Adjustments for items included in the net (surplus)/deficit on the provision of services that are investing and financing activities | (47,961) | (57,894) | (9,933) |
| Net cash flows from Investing Activities | 31,352 | 41,285 | 9,933 |
| **Sub Total - Single Entity** | **(16,609)** | **(16,609)** | **-** |
| Sub Total - CC | (330) | (330) | - |
| **Total Group at 31st March 2026** | **(16,939)** | **(16,939)** | **-** |

**3. Critical Judgements in Applying Accounting Policies**

In applying the accounting policies set out in Note 1, the Combined Authority has had to make certain judgement about complex transactions or those involving uncertainty about future events. The following are the significant management judgements made:

**(i)** Transfer of Functions:
The functions of the Police, Fire and Crime Commissioner (PFCC) in North Yorkshire, were transferred by Parliamentary Order (The York and North Yorkshire Combined Authority Order 2023) to the Elected Mayor of York and North Yorkshire Combined Authority from 7th May 2024. The transfer of the PFCC functions to the Mayor mean that the legal entity known as the North Yorkshire Police, Fire and Crime Commissioner (Fire and Rescue Authority) ceased to exist as of 6th May 2024 and all staff, rights and liabilities transferred to the Combined Authority. As the functions of the PFCC continued upon transfer, the accounts have been prepared on a going concern basis.

**(ii)** The Police Fund elements, and Fire elements of the Combined Authority's General Fund, within the comparator year 2024/25, cover the period 7th May 2024 to 31st March 2025 and for the continued Combined Authority services, 1st April 2024 to 31st March 2025.

**(iii)** The Combined Authority is deemed to control the services provided under its PFI arrangement and is also able to control the residual value of these buildings at the end of the agreement. The accounting policies for PFI schemes and similar contracts have been applied to the arrangement and the assets (valued at £7.9m) are recognised as Land and Buildings on the Balance Sheet.

**(iv)** A judgement is made on the expenditure allocated between the Mayor and the Chief Constable to reflect financial resources consumed at the request of the Chief Constable.

**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 Combined Authority and Group about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because these balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Authority's Balance Sheet at 31st 2025 for which there is a significant risk of material adjustment in the forthcoming financial period are:

**(i) Pensions Liability - net carrying amount 31st March 2026 £(1.552m)**
Estimation of the net liability to pay pensions depends on a number of complex judgements and projections advised by the Actuaries, which include; the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected future returns on pension fund assets where applicable. Note 30 to the financial statements provides more detail.

**(ii) Property Plant & Equipment - net carrying amount 31st March 2026 £107.6m**
Assets are depreciated over the useful life that they will be operational. The useful life is dependent on assumptions about the level of repairs and maintenance expenditure in relation to individual assets. Should insufficient expenditure be incurred to properly maintain an asset, it may be the case that the useful economic life of that asset is reduced; this might give rise to an impairment or accelerated depreciation being required, and a resultant decrease in the carrying amount of the asset. It is estimated that the annual depreciation charge for non current assets would increase by £2m for every year that useful lives are reduced.

Valuation of assets and consideration of impairment depends on a number of complex judgements and a firm of Valuers is engaged to provide expert advice about the assumptions to be applied. The valuation (and any impairment review) is commissioned in accordance with the Royal Institution of Chartered Surveyors (RICS) valuation standards.

From 1st April 2025, the Code requirements changed in respect of revaluations of property, plant and equipment allowing authorities to revalue their assets every five years with annual indexation applied to assets in the four intervening years. Indexation is an approximation of market changes and not a valuation of a specific asset. CIPFA do not mandate the use of a particular index and the Code states that the choice of indices is a matter of judgement that should be made in the context of providing a reasonable estimate of the value of an asset from the prior year.

The Authority has considered the use of indices which are most suitable for it's specific context and location choosing those which utilise transactional evidence where available, in discussion with it's Valuers.

The indices used in 2025/26 are:
- Properties subject to DRC valuations - Building Consumer Price Index
- Land - Industrial Market Report (whilst not a direct index, CIPFA does allow and accept valuers may have to rely upon market reports at possible a regional level for land assessments)
- Assets valued at Existing Use Value - CoStar Market Sales Index

The calculations applied in the Group's valuation of Land and Buildings resulted in changes in asset values as set out in the table below along with the impact of a 0.5% and 1% change in indices applied:

| Fire Service Land & Buildings: | Average change | Evaluation change £000 | Impact of 0.5% change in index | Impact of 1% change in index |
|---|---|---|---|---|
| DRC - BCIS | 10.7% | 3,073 | 144 | 287 |
| Land - Market Report | - | - | - | - |
| EUV - Co Star | 2.6% | 97 | 19 | 37 |
| Total Indexation applied | 8.4% | 3,170 | 162 | 325 |

| Police Service Land & Buildings: | | | | |
|---|---|---|---|---|
| Land - Market Report | - | - | - | - |
| EUV - Co Star | 0.14% | 277 | 989 | 1,979 |
| Mixed DRC and EUV basis | 0.1% | 187 | 935 | 1,870 |
| Total Indexation applied | 0.2% | 464 | 1,924 | 3,849 |

## 5. Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Director of Resources on 29th June 2026. Events taking place after that date are not reflected in the financial statements. However, where events take place after the Balance Sheet date and the date the statements are authorised for issue, and these provide information about conditions existing at 31st March 2026, the figures in the financial statements and notes have been adjusted in all material respects.

**(a)** At the reporting date of 31st March 2026, the Combined Authority is subject to a legal claim brought by the Fire Brigades Union (FBU) regarding a failure to consult on a measure affecting pay dates. The claim relate to compensation for affected employees, with a wide exposure range from £0 to up to 13 weeks' pay per individual. Legal counsel has assessed the likelihood of the claim succeeding as being possible but not probable. As a result, no provision had been recognised in the financial statements and a contingent liability reported in Note 33.

On 31st March 2026, the claim remained unresolved, a date for the tribunal hearing date being awaited. The hearing commenced on 22nd June 2026 and on 24th June 2026, the tribunal concluded that the Authority ha no liability to pay compensation arising from the claim.

**(b)** Following the end of the financial year, Cllr Peter Kilbane resigned from his position as Deputy Leader of City of York Council. As a consequence of this change in City of York Council's executive arrangements, Cllr Kilbane also resigned as a Member of the York and North Yorkshire Combined Authority and from his role as the Deputy Mayor.

At the Annual Meeting of the Combined Authority on 5 June 2026, Cllr Bob Webb, newly appointed Deputy Leader of City of York Council, was appointed as a Member of the Combined Authority. At the same meeting, it was announced that the Mayor had appointed Cllr Claire Douglas to the position of Deputy Mayor.

This event does not affect the figures reported within the 2025/26 financial statements, it being classed as a non-adjusting event within the Code.

## 6. Adjustments between accounting basis & funding basis under regulations - YNYCA and Group

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Combined Authority and Group in the period in accordance with proper accounting practice to arrive at the amounts that are specified by statutory provisions as being available to the Group to meet future capital and revenue expenditure:

| 2025/26 | Usable Reserves: Combined Authority General Fund Balance | Police General Fund Balance | Combined Authority Usable Capital Receipts reserve | Police Fund Usable Capital Receipts reserve | Combined Authority Capital Grants Unapplied | **Movement in Usable Reserves** |
|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | **£000** |
| **Amounts by which income and expenditure included in the CIES are different from revenue for the period calculated in accordance with statutory requirements** | | | | | | |
| Pension costs transferred to/(from) the Pensions Reserve | 10,661 | (42) | - | - | - | **10,619** |
| Council Tax and NDR transferred to/(from) the Collection Fund Adjustment Account | (8) | 330 | - | - | - | **322** |
| Holiday Pay (transferred to/(from) the Accumulated Absences Adjustment Account | 133 | (4) | - | - | - | **129** |
| Reversal of entries included in the surplus or deficit on the provision of services in relation to capital expenditure (these items are charged to the Capital Adjustment Account | 89,925 | 8,039 | - | - | - | **97,964** |
| Capital grants and contributions credited to the CIES that have been applied to capital financing | (85,322) | (412) | - | - | - | **(85,734)** |
| **Total Adjustments to Revenue Resources YNYCA** | **15,389** | **7,911** | **-** | **-** | **-** | **23,300** |
| Pension costs transferred to/(from) the Pensions Reserve | - | 50,395 | - | - | - | **50,395** |
| Holiday Pay (transferred to/(from) the Accumulated Absences Adjustment Account | - | 510 | - | - | - | **510** |
| **Total Adjustments to Revenue Resources Chief Constable** | **-** | **50,905** | **-** | **-** | **-** | **50,905** |
| **Total Adjustments to Revenue Resources GROUP** | **15,389** | **58,816** | **-** | **-** | **-** | **74,205** |
| **Adjustments between Revenue and Capital Resources** | | | | | | |
| Transfer of non current asset sale proceeds from revenue to the Capital Receipts Reserve | (54) | (186) | 54 | 186 | - | **-** |
| Statutory provision for the repayment of debt | (1,720) | (643) | - | - | - | **(2,363)** |
| Capital expenditure financed from revenue resources | (1,134) | - | - | - | - | **(1,134)** |
| Transfer of capital grants and contributions to capital grants unapplied | (5,905) | - | - | - | 5,905 | **-** |
| **Total Adjustments between Capital and Revenue Resources YNYCA** | **(8,813)** | **(829)** | **54** | **186** | **5,905** | **(3,497)** |
| **Total Adjustments between Capital and Revenue Resources Chief Constable** | - | - | - | - | - | **-** |
| **Total Adjustments between Capital and Revenue Resources GROUP** | **(8,813)** | **(829)** | **54** | **186** | **5,905** | **(3,497)** |

*Continued overleaf*

## Adjustments between accounting basis & funding basis under regulations - YNYCA and Group

*Continued:*

| 2025/26 | Combined Authority General Fund Balance | Police General Fund Balance | Combined Authority Usable Capital Receipts reserve | Police Fund Usable Capital Receipts reserve | Combined Authority Capital Grants Unapplied | **Movement in Usable Reserves** |
|---|---|---|---|---|---|---|
| | | | Usable Reserves | | | |
| | £000 | £000 | £000 | £000 | £000 | **£000** |
| **Adjustments to Capital Resources** | | | | | | |
| Use of capital receipts reserve to finance new capital expenditure | - | - | (70) | - | - | **(70)** |
| Application of capital grants to finance capital expenditure | - | - | - | - | - | - |
| **Total Adjustments to Capital Resources YNYCA** | **-** | **-** | **(70)** | **-** | **-** | **(70)** |
| **Total Adjustments to Capital Resources Chief Constable** | - | - | - | - | - | - |
| **Total Adjustments to Capital Resources GROUP** | **-** | **-** | **(70)** | **-** | **-** | **(70)** |
| **Total Adjustments YNYCA** | **6,576** | **7,082** | **(16)** | **186** | **5,905** | **19,733** |
| **Total Adjustments CCNY** | **-** | **50,905** | **-** | **-** | **-** | **50,905** |
| **Total Adjustments GROUP** | **6,576** | **57,987** | **(16)** | **186** | **5,905** | **70,638** |

| Comparative figures in 2024/25 - Restated | Combined Authority General Fund Balance | Police General Fund Balance | Combined Authority Usable Capital Receipts reserve | Police Fund Usable Capital Receipts reserve | Combined Authority Capital Grants Unapplied | **Movement in Usable Reserves** |
|---|---|---|---|---|---|---|
| | Usable Reserves | | | | | |
| | £000 | £000 | £000 | £000 | £000 | **£000** |
| **Amounts by which income and expenditure included in the CIES are different from revenue for the period calculated in accordance with statutory requirements** | | | | | | |
| Pension costs transferred to/(from) the Pensions Reserve | 4,181 | (1,440) | - | - | - | **2,741** |
| Council Tax and NDR transferred to/(from) the Collection Fund Adjustment Account | (14) | (135) | - | - | - | **(149)** |
| Holiday Pay (transferred to/(from) the Accumulated Absences Adjustment Account | (14) | (10) | - | - | - | **(24)** |
| Reversal of entries included in the surplus or deficit on the provision of services in relation to capital expenditure (these items are charged to the Capital Adjustment Account | 52,128 | 9,811 | - | - | - | **61,939** |
| Capital grants and contributions credited to the CIES that have been applied to capital financing | (48,964) | (120) | - | - | - | **(49,084)** |
| **Total Adjustments to Revenue Resources YNYCA** | **7,317** | **8,106** | **-** | **-** | **-** | **15,423** |
| Pension costs transferred to/(from) the Pensions Reserve | - | 45,400 | - | - | - | **45,400** |
| Holiday Pay (transferred to/(from) the Accumulated Absences Adjustment Account | - | (331) | - | - | - | **(331)** |
| **Total Adjustments to Revenue Resources Chief Constable** | **-** | **45,069** | **-** | **-** | **-** | **45,069** |
| **Total Adjustments to Revenue Resources GROUP** | **7,317** | **53,175** | **-** | **-** | **-** | **60,492** |
| **Adjustments between Revenue and Capital Resources** | | | | | | |
| Transfer of non current asset sale proceeds from revenue to the Capital Receipts Reserve | - | (343) | - | 343 | - | **-** |
| Statutory provision for the repayment of debt | (1,554) | (482) | - | - | - | **(2,036)** |
| Capital expenditure financed from revenue resources | (286) | - | - | - | - | **(286)** |
| Transfer of capital grants and contributions to capital grants unapplied | (5,697) | - | - | - | 6,300 | **603** |
| **Total Adjustments between Capital and Revenue Resources YNYCA** | **(7,537)** | **(825)** | **-** | **343** | **6,300** | **(1,719)** |
| **Total Adjustments between Capital and Revenue Resources Chief Constable** | - | - | - | - | - | **-** |
| **Total Adjustments between Capital and Revenue Resources GROUP** | **(7,537)** | **(825)** | **-** | **343** | **6,300** | **(1,719)** |

*Continued overleaf*

**Adjustments between accounting basis & funding basis under regulations - YNYCA and Group**

*Continued:*

| **2024/25 - Restated** | Combined Authority General Fund Balance | Police General Fund Balance | Combined Authority Usable Capital Receipts reserve | Police Fund Usable Capital Receipts reserve | Combined Authority Capital Grants Unapplied | **Movement in Usable Reserves** |
|---|---|---|---|---|---|---|
| | **Usable Reserves** | | | | | |
| | £000 | £000 | £000 | £000 | £000 | **£000** |
| **Adjustments to Capital Resources** | | | | | | |
| Use of capital receipts reserve to finance new capital expenditure | - | - | - | (8,079) | - | **(8,079)** |
| Application of capital grants to finance capital expenditure | - | - | - | - | - | **-** |
| **Total Adjustments to Capital Resources YNYCA** | - | - | - | (8,079) | - | (8,079) |
| **Total Adjustments to Capital Resources Chief Constable** | - | - | - | - | - | - |
| **Total Adjustments to Capital Resources GROUP** | **-** | **-** | **-** | **(8,079)** | **-** | **(8,079)** |
| **Total Adjustments YNYCA** | **(220)** | **7,281** | **-** | **(7,736)** | **6,300** | **5,624** |
| **Total Adjustments CCNY** | **-** | **45,069** | **-** | **-** | **-** | **45,069** |
| **Total Adjustments GROUP** | **(220)** | **52,350** | **-** | **(7,736)** | **6,300** | **50,693** |

Descriptions of the reserves that the adjustments are made against:

**(a)** **General Fund Balances are** the main revenue funds from which the costs of services are met. It represents the accumulated credit balances i.e. the excess of income over expenditure, which provides a working balance to help manage uneven cash flows and avoid unnecessary borrowing. The General Fund balances also include a contingency element to manage unexpected and consequently unbudgeted events and circumstances.

**(b)** **Capital Receipts Reserves** record balances of receipts for capital disposals that can be retained for qualifying capital purposes, expenditure of a capital nature or repayment of borrowings.

**(c)** **Capital Grants Unapplied Reserve** holds the grants and contributions received towards capital projects for which the Group has met the conditions that would otherwise require repayment of monies but which have yet to be applied to meet expenditure.

## 7. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by the Combined Authority and Group in comparison with those resources consumed or earned in accordance with generally accepted accounting practices which is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

### Expenditure and Funding Analysis - Single Entity

| 2024/25 - Restated | | | | 2025/26 | | |
|---|---|---|---|---|---|---|
| Net Expenditure Chargeable to the General Fund Balance | Adjustment between the Funding and Accounting Basis (Note 6a) | Net Expenditure in the CIES | | Net Expenditure Chargeable to the General Fund Balance | Adjustment between the Funding and Accounting Basis (Note 6a) | Net Expenditure in the CIES |
| £000 | £000 | £000 | | £000 | £000 | £000 |
| 9,505 | (8,902) | 603 | Combined Authority Programmes (Capital) | - | 1,172 | 1,172 |
| - | - | - | Transport | - | (3) | (0) |
| - | - | - | Economic Development | 40 | (44) | (0) |
| (16,690) | 8,650 | (8,040) | Core Operating Costs | (5,965) | (115) | (6,080) |
| 178,642 | 8,497 | 187,139 | Mayoral Policing Services (OPFCC) | 207,518 | 7,681 | 215,199 |
| 36,122 | (7,851) | 28,271 | Fire & Rescue Services | 43,517 | (4,614) | 38,903 |
| **207,579** | **394** | **207,973** | **Net Cost of Services** | **245,110** | **4,076** | **249,193** |
| 22,961 | (1,045) | 21,916 | Other Income and Expenditure | 30,514 | (510) | 30,004 |
| (2,032) | 13,677 | 11,645 | Financing & Investment Income & Expenditure | (3,564) | 16,087 | 12,523 |
| (238,402) | (5,966) | (244,365) | Taxation and Non-Specific Grant Income | (288,753) | (5,996) | (294,749) |
| **(9,895)** | **7,060** | **(2,833)** | **(Surplus)/Deficit on Provision of Services** | **(16,693)** | **13,657** | **(3,029)** |

| Combined Authority | Police Fund | Total | | Combined Authority | Police Fund | Total |
|---|---|---|---|---|---|---|
| £000 | £000 | £000 | | £000 | £000 | £000 |
| 5,307 | - | 5,307 | **Opening General Fund and Earmarked Reserves** | 18,771 | 20,059 | 38,830 |
| 5,764 | 18,335 | 24,099 | Transfer of Balances 7th May 2024 | - | - | - |
| 8,171 | 1,724 | 9,895 | Plus/(Less) (Surplus)/Deficit on the General Fund | 12,366 | 4,319 | 16,693 |
| (471) | - | (471) | Transfers to/(from) Earmarked Reserves | (1,872) | (4,563) | (6,435) |
| **18,771** | **20,059** | **38,830** | **Closing General Fund and Earmarked Reserves** | **29,265** | **19,815** | **49,082** |

# Expenditure and Funding Analysis - Group

| 2024/25 - Restated | | | | 2025/26 | | |
|---|---|---|---|---|---|---|
| Net Expenditure Chargeable to the General Fund Balance | Adjustment between the Funding and Accounting Basis (Note 6a) | Net Expenditure in the CIES | | Net Expenditure Chargeable to the General Fund Balance | Adjustment between the Funding and Accounting Basis (Note 6a) | Net Expenditure in the CIES |
| £000 | £000 | £000 | | £000 | £000 | £000 |
| 9,505 | (8,902) | 603 | Combined Authority Programmes (Capital) | - | 1,172 | 1,172 |
| - | - | - | Transport | - | (3) | (0) |
| - | - | - | Economic Development | 40 | (44) | (0) |
| (16,690) | 8,650 | (8,040) | Core Operating Costs | (5,965) | (115) | (6,080) |
| 178,642 | (8,224) | 170,418 | Mayoral Policing Services (OPFCC) | 207,521 | (12,554) | 194,967 |
| 36,122 | (7,851) | 28,271 | Fire & Rescue Services | 43,517 | (4,614) | 38,903 |
| **207,579** | **(16,327)** | **191,252** | **Net Cost of Services** | **245,113** | **(16,159)** | **228,961** |
| 22,961 | (1,045) | 21,916 | Other Income and Expenditure | 30,514 | (510) | 30,004 |
| (2,032) | 75,468 | 73,436 | Financing & Investment Income & Expenditure | (3,564) | 87,227 | 83,663 |
| (238,399) | (5,966) | (244,365) | Taxation and Non-Specific Grant Income | (288,753) | (5,996) | (294,749) |
| **(9,895)** | **52,130** | **42,236** | **(Surplus)/Deficit on Provision of Services** | **(16,690)** | **64,563** | **47,879** |

| Combined Authority | Police Fund | Total | | Combined Authority | Police Fund | Total |
|---|---|---|---|---|---|---|
| £000 | £000 | £000 | | £000 | £000 | £000 |
| 5,307 | - | 5,307 | **Opening General Fund and Earmarked Reserves** | 18,771 | 20,059 | 38,830 |
| 5,764 | 18,335 | 24,099 | Transfer of Balances 7th May 2024 | - | - | - |
| 8,171 | 1,724 | 9,895 | Plus/(Less) (Surplus)/Deficit on the General Fund | 12,366 | 4,319 | 16,690 |
| (471) | - | (471) | Transfers to/(from) Earmarked Reserves | (1,872) | (4,563) | (6,435) |
| **18,771** | **20,059** | **38,830** | **Closing General Fund and Earmarked Reserves** | **29,265** | **19,815** | **49,082** |

## 7(a) Note to the Expenditure & Funding Analysis

Adjustments from General Funds to arrive at the Comprehensive Income and Expenditure amounts:

### Note to the Expenditure and Funding Analysis - Single Entity

| 2024/25 - Restated | | | | | 2025/26 | | | |
|---|---|---|---|---|---|---|---|---|
| Adjustments for Capital Purposes (see (i) below) | Net change for the Pensions adjustment (see (ii) below) | Other Differences (see (iii) below) | Total Adjustments | | Adjustments for Capital Purposes (see (i) below) | Net change for the Pensions adjustment (see (ii) below) | Other Differences (see (iii) below) | Total Adjustments |
| £000 | £000 | £000 | £000 | | £000 | £000 | £000 | £000 |
| (8,902) | - | - | (8,902) | Combined Authority Programmes (Capital) | 1,172 | - | - | 1,172 |
| - | - | - | - | Transport | - | (9) | 6 | (3) |
| - | - | - | - | Economic Development | - | (86) | 42 | (44) |
| 8,535 | 115 | - | 8,650 | Core Operating Costs | (114) | (21) | 20 | (115) |
| 9,184 | (1,389) | 702 | 8,497 | Mayoral Policing Services (OPFCC) | 7,721 | (36) | (4) | 7,681 |
| 2,311 | (9,662) | (500) | (7,851) | Fire & Rescue Services | 636 | (5,315) | 65 | (4,614) |
| **11,128** | **(10,936)** | **202** | **394** | **Net Cost of Services** | **9,415** | **(5,467)** | **129** | **4,077** |
| (1,045) | - | - | (1,045) | Other Income and Expenditure | (510) | - | - | (510) |
| - | 13,677 | - | 13,677 | Financing & Investment Income & Expenditure | - | 16,087 | - | 16,087 |
| (5,966) | - | - | (5,966) | Taxation and Non-Specific Grant Income | (6,318) | - | 322 | (5,996) |
| **4,117** | **2,741** | **202** | **7,060** | **Difference between General Fund Surplus/(Deficit) and CIES Surplus/(Deficit)** | **2,587** | **10,620** | **451** | **13,657** |

### Note to the Expenditure and Funding Analysis - Group

| 2024/25 - Restated | | | | | 2025/26 | | | |
|---|---|---|---|---|---|---|---|---|
| Adjustments for Capital Purposes (see (i) below) | Net change for the Pensions adjustment (see (ii) below) | Other Differences (see (iii) below) | Total Adjustments | | Adjustments for Capital Purposes (see (i) below) | Net change for the Pensions adjustment (see (ii) below) | Other Differences (see (iii) below) | Total Adjustments |
| £000 | £000 | £000 | £000 | | £000 | £000 | £000 | £000 |
| (8,902) | | - | (8,902) | Combined Authority Programmes (Capital) | 1,172 | - | - | 1,172 |
| | | | | Transport | - | (9) | 6 | (3) |
| | | - | | Economic Development | - | (86) | 42 | (44) |
| 8,535 | 115 | - | 8,650 | Core Operating Costs | (114) | (21) | 20 | (115) |
| 9,184 | (17,785) | 377 | (8,224) | Mayoral Policing Services (OPFCC) | 7,721 | (20,795) | 520 | (12,554) |
| 2,311 | (9,662) | (500) | (7,851) | Fire & Rescue Services | 636 | (5,315) | 65 | (4,614) |
| **11,128** | **(27,332)** | **(123)** | **(16,327)** | **Net Cost of Services** | **9,415** | **(26,226)** | **653** | **(16,158)** |
| (1,045) | - | - | (1,045) | Other Income and Expenditure | (510) | - | - | (510) |
| - | 75,475 | (5) | 75,470 | Financing & Investment Income & Expenditure | - | 87,241 | (14) | 87,227 |
| (5,966) | - | - | (5,966) | Taxation and Non-Specific Grant Income | (6,318) | - | 322 | (5,996) |
| **4,117** | **48,143** | **(128)** | **52,130** | **Difference between General Fund Surplus/(Deficit) and CIES Surplus/(Deficit)** | **2,587** | **61,015** | **961** | **64,563** |

**(i) Adjustments for Capital Purposes**
Adjustments for capital purposes - 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 amounts 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 period to those receivable without conditions or for which conditions were satisfied throughout the period. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the period without conditions or for which conditions were satisfied in the period.

**(ii) Net Change for the Pensions 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 which are replaced with current and past service costs.

For **Financing and investment income and expenditure** - the net interest on the defined benefit liability is charged to the CIES.

**(iii) Other differences**
Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

**For services,** this represents the adjustment for timing differences in relation to accumulated staff absences earned but not taken in the period e.g. annual leave entitlement carried forward at 31st March. The charge under **Taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax and NNDR that was projected to be received at the start of the period 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.

## 7(b) Expenditure & Income analysed by nature

The Combined Authority and Group's expenditure and income is analysed as follows:

| | Single Entity | | Group | |
|---|---|---|---|---|
| | 2025/26 | 2024/25 | 2025/26 | 2024/25 |
| | | Restated | | Restated |
| | £000 | £000 | £000 | £000 |
| **Expenditure:** | | | | |
| Employee benefits expenses | 56,216 | 39,844 | 224,205 | 188,367 |
| Other service expenses | 139,593 | 63,402 | 183,304 | 107,404 |
| Depreciation, amortisation, revaluations and impairment | 10,404 | 12,908 | 10,404 | 12,908 |
| Interest Payments | 1,356 | 1,222 | 72,496 | 59,573 |
| (Gain) or Loss on Disposal of non current assets | 847 | (194) | 847 | (194) |
| Payments to ESMCP Transition central pool | - | 167 | - | 167 |
| **Total expenditure** | **208,416** | **117,349** | **491,256** | **368,225** |
| **Income:** | | | | |
| Fees, charges & other service income | (2,939) | (3,045) | (11,687) | (11,984) |
| Interest and investment income | (4,944) | (3,304) | (4,958) | (3,309) |
| Income from council tax and non domestic rates | (142,115) | (115,139) | (142,115) | (115,139) |
| Government grants and contributions | (61,445) | 1,306 | (284,618) | (195,555) |
| **Total income** | **(211,443)** | **(120,182)** | **(443,378)** | **(325,987)** |
| **(Surplus) or Deficit on Provision of Services** | **(3,029)** | **(2,833)** | **47,879** | **42,236** |

## 8 Other Operating (Income) and Expenditure for YNYCA and Group

| | 2025/26 | 2024/25 |
|---|---|---|
| | £000 | £000 |
| (Gains)/Losses on the disposal of non current assets | 847 | (193) |
| Movement in fair value of Assets Held for Sale | - | - |
| Payments to ESMCP Transition central pool | - | 167 |
| Police Pension Top-up Grant paid to Pension Scheme | 29,157 | 21,942 |
| **TOTAL GROUP** | **30,004** | **21,916** |

## 9a Financing & Investment Operating / (Income) and Expenditure for YNYCA and Group

| | | *RESTATED* |
|---|---|---|
| | 2025/26 | 2024/25 |
| | £000 | £000 |
| Interest payable and similar charges | 1,012 | 949 |
| Interest receivable and similar income | (4,576) | (2,981) |
| Net Pensions interest cost | 16,087 | 13,679 |
| **Sub Total YNYCA** | 12,523 | 11,645 |
| Chief Constable - Net Pensions interest cost | 71,154 | 61,796 |
| Chief Constable - Investment Properties | (14) | (5) |
| **Sub Total CCNY** | 71,140 | 61,791 |
| **Total Group at 31st March 2026** | **83,663** | **73,436** |

## 9b Investment Property Rentals

| | 2025/26 | 2024/25 |
|---|---|---|
| Gross and net rental income from Investment Properties: | £000 | £000 |
| **Properties let to tenants under operating leases:** | | |
| Gross rent receivable | (14) | (14) |
| Property operating expenses | - | 9 |
| **Net rental (income) / expenditure** | **(14)** | **(5)** |

## 10 Taxation and Non-Specific Grant Income for YNYCA and Group

| | 2025/26 | | 2024/25 Restated |
|---|---|---|---|
| | £000 | | £000 |
| Mayoral General Fund Services | | | |
| Precept Income | (34,784) | | (23,803) |
| Non Domestic Rates | (3,016) | | (2,509) |
| Revenue Support Grant | (4,889) | | (4,328) |
| Non Domestic Rates Top Up | (3,387) | | (3,021) |
| Rural Services Delivery Grant | - | | (630) |
| PFI Grant (to match interest charge) | (107) | | (110) |
| Capital Grants & Contributions | (5,923) | | (7,151) |
| National Insurance Mitigation Grant | (389) | | - |
| Pension Mitigation Grant | (1,337) | | (1,204) |
| **Total Mayoral General Fund Services** | (53,832) | | (42,756) |
| Mayoral Crime & Policing Services: | | | |
| Precept Income | (104,315) | | (88,825) |
| Police Grant | (92,069) | | (79,159) |
| Capital Grants & Contributions | - | | (120) |
| Home Office grant payable towards the cost of retirement benefits | (29,157) | | (21,942) |
| Legacy Council Tax Grants | (7,898) | | (7,119) |
| Pension Grant | (4,622) | | (4,444) |
| National Insurance Mitigation Grant | (2,856) | | - |
| **Total Police Fund** | **(240,917)** | **-** | **(201,609)** |
| **TOTAL GROUP** | **(294,749)** | **-** | **(244,365)** |

## 11 Government Grant Income credited to the CIES against services for YNYCA and Group

| | 2025/26 | 2024/25 Restated |
|---|---|---|
| | £000 | £000 |
| YNYCA Continuing Services | | |
| Mayoral Investment Fund | 11,700 | 27,306 |
| Mayoral Capacity Fund | 3,000 | 11,700 |
| Skills Trailblazer | 8,280 | 6,300 |
| Adult Skills Board | 5,836 | 1,000 |
| In-Actives Programme | 2,250 | 451 |
| Boot Camps | 1,717 | 355 |
| Business Support Programme | 1,165 | 234 |
| Local Energy Advice Partnership | 776 | 494 |
| Mayoral Renewables Fund | 1,063 | - |
| Bus Grant | 3,697 | - |
| Bus Service Operators Grant | 1,040 | - |
| Local Transport Resource Fund | 670 | - |
| Capital Transport | 62,181 | - |
| Combined Authority Programmes (Capital) | 23,123 | - |
| Other Transport Grants | 4,818 | - |
| Other Economic Development Grants | 565 | - |
| Core Finance & Resources Grants | 37 | - |
| Mayoral Policing Services (OPFCC) | | |
| Operation Uplift Grant | 4,934 | 5,026 |
| Pension Grant | - | - |
| Commissioning of Victim Support Services | 1,884 | 1,743 |
| Home Office Pay Award Grant | 1,167 | 1,593 |
| Special Police Grant | - | 1,423 |
| Home Office PS Grant | 1,327 | 1,278 |
| Apprenticeship Levy Grant | 912 | 1,231 |
| Criminal Records Bureau | 821 | 882 |
| Counter-Terrorism | 880 | 877 |
| Hotspot Policing Grant | 939 | 821 |
| PPS Compensation Grant | 275 | 381 |
| Safer Streets Targeted Grant | - | 274 |
| Serious Violence Duty Grant | 260 | 241 |
| Incentivisation Grant | 245 | 206 |
| Neighbourhood Policing Guarantee | 1,947 | - |
| Other (Grants under £200k individually) | 465 | 712 |
| Fire & Rescue Services | | |
| Sec 31 NDR Grant | 2,053 | 1,965 |
| Funding Guarantee Grant | - | 603 |
| PFI Grant | 542 | 475 |
| Protection Uplift Grant | 242 | 218 |
| Belwin Grant | 2,515 | - |
| ESMCP Staff Costs | 205 | - |
| Other (Grants under £200k individually) | 379 | 471 |
| **TOTAL GROUP** | **153,910** | **69,465** |

## 12. Property, Plant and Equipment for YNYCA and Group

| | Land & Buildings | Vehicles | Plant & Equipment | Surplus Assets | Assets under Construction | **Total** | PFI Assets (Note 16) Included in Land & Buildings |
|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | **£000** | £000 |
| **Cost or Valuation (GCA):** | | | | | | | |
| **As at 1st April 2025** | 72,408 | 32,861 | 20,537 | - | 2,287 | **128,093** | 7,899 |
| Additions | 3,253 | 7,006 | 3,928 | - | 968 | **15,155** | 43 |
| Accumulated Depreciation & Impairment written off to Gross Carrying Amount | (1,946) | - | - | - | - | **(1,946)** | (126) |
| Revaluation increases / (decreases) recognised in the Revaluation Reserve | 3,233 | - | - | - | - | **3,233** | 944 |
| Revaluation increases / (decreases) recognised in the Surplus/Deficit on the provision of Services | (708) | - | - | - | - | **(708)** | - |
| Derecognition - disposals | - | (1,661) | (2,405) | - | - | **(4,066)** | - |
| Derecognition - other | - | - | - | - | - | **-** | - |
| Assets reclassified (to)/from Held for Sale | - | - | - | - | - | **-** | - |
| Other movements in cost or valuation | 223 | 742 | 1,516 | - | (2,481) | **-** | - |
| Transfer of Assets between Group bodies | - | - | - | - | - | **-** | - |
| **As at 31st March 2026** | **76,463** | **38,948** | **23,576** | **-** | **774** | **139,761** | **8,760** |
| | £000 | £000 | £000 | £000 | £000 | **£000** | £000 |
| **Accumulated Depreciation & Impairment:** | | | | | | | |
| **As at 1st April 2025** | - | (18,293) | (9,441) | - | - | **(27,734)** | - |
| Depreciation Charge | (1,978) | (4,369) | (3,075) | - | - | **(9,422)** | - |
| Accumulated Depreciation & Impairment written off to Gross Carrying Amount | 1,946 | - | - | - | - | **1,946** | - |
| Impairment losses / (reversals) recognised in the Revaluation Reserve | - | - | - | - | - | **-** | - |
| Impairment losses / (reversals) recognised in the Surplus/Deficit on the provision of services | - | - | - | - | - | **-** | - |
| Derecognition - disposals | - | 1,580 | 1,433 | - | - | **3,013** | - |
| Other Movements in Depreciation and Impairment | - | - | - | - | - | **-** | - |
| Transfers of Assets between Group bodies | - | - | - | - | - | **-** | - |
| **As at 31st March 2026** | **(32)** | **(21,082)** | **(11,083)** | **-** | **-** | **(32,197)** | **-** |
| **Net Book Value** | | | | | | | |
| **At 31st March 2026** | **76,430** | **17,866** | **12,495** | **-** | **775** | **107,566** | **8,760** |
| **At 31st March 2025** | **72,408** | **14,568** | **11,096** | **-** | **2,287** | **100,359** | **7,899** |

## Property, Plant and Equipment for YNYCA and Group

**Comparative Movements in 2024/25**

| | Other Land & Buildings | Vehicles | Plant & Equipment | Surplus Assets | Assets under Construction | **Total** | PFI Assets (Note 16) Included in Other Land & Buildings |
|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | **£000** | £000 |
| **Cost or Valuation:** | | | | | | | |
| **As at 1st April 2024** | - | - | 78 | - | - | **78** | - |
| Transferred in on 7th May 2024 | 71,450 | 31,609 | 15,373 | | 1,750 | **120,182** | 6,380 |
| Additions | 3,755 | 4,631 | 5,185 | - | 3,888 | **17,459** | - |
| Accumulated Depreciation & Impairment written off to Gross Carrying Amount | (2,713) | (886) | - | - | - | **(3,599)** | (169) |
| Revaluation increases / (decreases) recognised in the Revaluation Reserve | 1,273 | 60 | - | - | - | **1,333** | 725 |
| Revaluation increases / (decreases) recognised in the Surplus/Deficit on the provision of services | (5,566) | - | - | - | - | **(5,566)** | - |
| Derecognition - disposals | - | (2,653) | (99) | - | - | **(2,752)** | - |
| Derecognition - other | - | - | - | | - | **-** | - |
| Assets reclassified (to)/from Held for Sale | (500) | - | - | - | - | **(500)** | - |
| Other movements in cost or valuation | 4,709 | 99 | - | - | (3,350) | **1,458** | 962 |
| Transfer of Assets between Group bodies | - | - | - | | | | - |
| **At 31st March 2025** | **72,408** | **32,860** | **20,537** | **-** | **2,288** | **128,093** | **7,898** |
| | £000 | £000 | £000 | £000 | £000 | **£000** | £000 |
| **Accumulated Depreciation & Impairment:** | | | | | | | |
| **As at 1st April 2024** | - | - | (13) | - | - | **(13)** | - |
| Transferred in on 7th May 2024 | (671) | (18,644) | (7,124) | | | **(26,439)** | |
| Depreciation Charge | (2,042) | (3,042) | (2,400) | - | - | **(7,484)** | - |
| Accumulated Depreciation & Impairment written off to Gross Carrying Amount | 2,713 | 886 | - | - | - | **3,599** | - |
| Impairment losses/ (reversals) recognised in the Revaluation Reserve | - | - | - | - | - | **-** | - |
| Impairment losses/ (reversals) recognised in the Surplus/Deficit on the Provision of Services | - | - | - | - | - | **-** | - |
| Derecognition - Disposals | - | 1,815 | 8 | - | - | **1,823** | - |
| Other movements in Depreciation and Impairment | - | 692 | 88 | - | - | **780** | - |
| Transfers of Assets between Group bodies | - | | | | | | |
| **At 31st March 2025** | **-** | **18,293** | **(9,441)** | **-** | **-** | **(27,734)** | **-** |
| | | | | | | | |
| **Net Book Value** | | | | | | | |
| **At 31st March 2025** | **72,408** | **14,567** | **11,096** | **-** | **2,288** | **100,359** | **7,898** |
| | | | | | | | |
| **Net Book Value** | | | | | | | |
| **At 31st March 2024** | **-** | **-** | **65** | **-** | **-** | **65** | **-** |

**Depreciation**

The following useful lives have been used in the calculation of depreciation:

- Land - not depreciated
- Buildings 15 - 50 years
- Vehicles 2 - 15 years
- Plant & Equipment 5 - 15 years

**Capital Commitments**

At 31st March 2026, the Group is within contracts for capital schemes for which the expenditure commitment in future years is estimated at £5,308k:

| | £000 |
|---|---|
| Plant and Equipment | 1,801 |
| Fleet Vehicles | 1,822 |
| Estates Transformation Programme Improvements | 845 |
| Intangibles | 5,308 |
| **Total** | **9,776** |

**Revaluations**

Assets are carried in the Balance sheet using the asset management bases set out in Accounting Policy Note 1 (b). Valuations of the full estate were last carried out in 2024/25 by NPS Property Consultants, an independent external valuer in accordance with the methodologies and bases for estimation set out in the professional standards of the Institution of Chartered Surveyors. The effective date of the valuation was 31st March 2025.

The Authority revalues its assets every five years with annual indexation applied to Land and Buildings with annual indexation applied to assets in the four intervening years. Where authorities cannot obtain indicies without undue cost or effort, authorities revalue those assets using a quinquennial revaluation with a desktop revaluation in year three.

The Authority has considered the use of indices which are most suitable for it's specific context and location choosing those which utilise transactional evidence where available, in discussion with it's Valuers.

The indices used in 2025/26 are:

- Properties subject to DRC valuations - Building Consumer Price Index
- Land - Industrial Market Report (whilst not a direct index, CIPFA does allow and accept valuers may have to rely upon market reports at possible a regional level for land assessments)
- Assets valued at Existing Use Value - CoStar Market Sales Index

| **Current Value of Assets** | Land & Buildings | Vehicles | Plant & Equipment | Surplus Assets | Assets under Construction | **Total** |
|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | **£000** |
| Carried at historical cost | - | 17,866 | 12,496 | - | 355 | **30,716** |
| Valued using indexation as at: | | | | | | |
| 31 March 2026 | 76,430 | - | - | - | 420 | **76,850** |
| Total Cost or Valuation | **76,430** | **17,866** | **12,496** | **-** | **775** | **107,566** |

The Combined Authority recognised no impairment losses on non current assets in 2025/26, or 2024/25.

## 13. Intangible Assets for YNYCA and Group

The Group's Intangible assets consist wholly of software and licences for IT systems. The useful lives of assets are based on assessment of the period that they are expected to be of use to the Combined Authority. The useful lives assigned to the software licences range from 3 - 30 years. The carrying amount of intangible assets is amortised on a straight line basis. Amortisation of £275k in 2025/26 was charged to the relevant services line in the Comprehensive Income and Expenditure Statement.

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

| | 2025/26 | 2024/25 |
|---|---|---|
| | £000 | £000 |
| **Balance at 1st April 2025** | | |
| Gross carrying amounts | 5,479 | - |
| Accumulated amortisation | (4,820) | - |
| **Net carrying amount at start of period** | 659 | - |
| Net carrying amount transferred in 7th May 2024 | - | 845 |
| Additions | - | 189 |
| Disposals | - | - |
| Impairment losses/(reversals) recognised in the Revaluation Reserve | - | - |
| Impairment losses/(reversals) recognised in the Surplus/Deficit on the | - | - |
| Provision of Services | - | - |
| Amortisation for the period | (275) | (375) |
| Derecognition - Disposals | - | - |
| Other movements in cost or valuation | - | - |
| **Net carrying amount at end of period** | **383** | **659** |
| Comprising: | | |
| Gross carrying amount | 5,479 | 5,479 |
| Accumulated amortisation | (5,095) | (4,820) |
| | **383** | **659** |

## 14. Investment Properties for YNYCA and Group

The movement on Investment Property during the year is as follows:

| | 2025/26 | 2024/25 |
|---|---|---|
| | £000 | £000 |
| **Balance at 1st April** | **181** | **-** |
| Transferred in on 7th May 2024 | - | 181 |
| Reclassification from/(to) Assets Held For Sale | - | - |
| Disposals | - | - |
| Revaluations | - | - |
| **Balance as at 31st March** | **181** | **181** |

appreciation or both, rather than for use in the provision of services or for administrative purposes. Investment properties are either unlet or let to tenants under operating leases. At the balance sheet date, the Combined Authority held a total of 2 investment properties (2024/25, 2). Both of these properties, were previously operational properties but are no longer required for operational purposes.

100% (2024/25 100%) of investment properties were measured at fair value at 31st March 2025 using significant unobservable inputs (Level 3 of the Fair Value Hierarchy) by an external valuer in accordance with the RICS Valuation Standards. As an appropriate index could not be obtained for valuation as at 31st March 2026, investment properties will be valued every five years with a desktop revaluation in year three (2027/28).

## 15. Assets Held for Sale for YNYCA and Group

The movement on Assets Held for Sale during the year is as follows:

| | 2025/26 | 2024/25 |
|---|---|---|
| | £000 | £000 |
| **Balance at 1st April** | **500** | **-** |
| Transferred in on 7th May 2024 | - | - |
| Reclassification from/(to) Property, Plant & Equipment | - | 500 |
| Reclassification from/(to) Investment Properties | - | - |
| Disposals | - | - |
| Revaluation increases / (decreases) recognised in the Revaluation Reserve | (50) | - |
| Revaluation increases / (decreases) recognised in the (Surplus)/Deficit on the provision of Services | - | - |
| **Balance as at 31st March** | **450** | **500** |

## 16. Capital Expenditure and Capital Financing for YNYCA and Group

The total amount of capital expenditure incurred in the period is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), 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 Group, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Combined Authority that has yet to be financed. The CFR can be analysed as follows:

| | 2025/26 | 2024/25 Restated |
|---|---|---|
| | £000 | £000 |
| **Opening Capital Financing Requirement** | **37,769** | **-** |
| Transferred in at 7th May 2024 | - | **30,271** |
| **Capital investment** | | |
| Property, Plant and Equipment | 15,155 | 16,649 |
| Intangible Assets | - | 189 |
| Revenue expenditure funded from capital under statute | 86,424 | 42,231 |
| IFRS16 Remeasurements | - | 2,267 |
| **Sub total Capital investment** | 101,579 | 61,336 |
| **Sources of finance** | | |
| Capital receipts | (1,260) | (8,079) |
| Government grants and other contributions | (86,821) | (42,231) |
| Sums set aside from revenue | - | - |
| Direct revenue contributions | (7,570) | (942) |
| Minimum Revenue Provision | (2,363) | (2,036) |
| Donated Assets | - | - |
| IFRS16 Remeasurements | - | (550) |
| **Sub total Sources of Finance** | (98,014) | (53,838) |
| **Closing Capital Financing Requirement** | **41,334** | **37,769** |
| | | |
| **Explanation of movements in period** | | |
| Transferred in at 7th May 2024 | - | (30,271) |
| Increase/(decrease) in underlying borrowing (supported by Government) | (199) | (187) |
| Increase/(decrease) in underlying borrowing (unsupported by Government) | 4,473 | 6,627 |
| Assets acquired under finance leases | (4) | (13) |
| Assets acquired under PFI contracts | (658) | 426 |
| IFRS16 Remeasurements | (47) | 645 |
| **Increase/(decrease) in Capital Financing Requirement** | **3,565** | **37,769** |

## 17. Private Finance Initiatives and Similar Contracts for YNYCA and Group

The PFI Scheme is an arrangement under which a contractor designs, builds, finances and operates a Fire Station (at Huntington) and a Fire Training School and Fire Station (at Easingwold) for North Yorkshire Fire and Rescue Service. The contract was signed in July 2001 and the fire station and training centre opened in May 2002. The contract period is for 25 years and commenced in May 2002. During the contract period the Contractor is responsible for maintaining the assets and for the provision facilities, management services (cleaning, catering, janitorial, grounds maintenance, waste management and pest control). The contract specifies minimum standards for the services to be provided by the contractor with deductions from the fee payable being made if facilities are unavailable or below minimum if facilities are unavailable or below the minimum standards. The contract may be extended by mutual agreement between the two parties. Should the contract run to its natural close, the Service can purchase the land and buildings at a nominal cost of £10 per site. The element of the contract payable for Facilities Management Service is market tested at five yearly intervals throughout the contract period. The testing is based upon the basket of services being supplied by the contractor at the time.

### Right of Use Assets

The assets used to provide services at the sites are recognised on the Combined Authority's Balance Sheet. Movements in their value over the period are detailed in the analysis in Note 12.

The table below shows the change in the value of right-of use assets held under the PFI contract by the Service:

| | Land £000 | Buildings £000 | **Total £000** |
|---|---|---|---|
| **Balance at 1st April 2025** | - | - | **-** |
| Transferred in on 7th May 2024 | 1,587 | 6,312 | **7,899** |
| Additions | **-** | **42** | **42** |
| Revaluations | - | 944 | **944** |
| Depreciation and Amortisation | - | (126) | **(126)** |
| Disposals | - | - | **-** |
| **Balance as at 31st March 2026** | **1,587** | **7,172** | **8,760** |

### Payments

The Combined Authority makes an agreed payment each period which is increased annually by RPI and can be reduced if the contractor fails to meet availability and performance standards in any period but which otherwise is fixed unless the agreed maximum usage is exceeded. The total payment in the period to 31st March 2026 was £1,905k (£1,685k in 2024/25). Payments remaining to be made under the PFI contract at 31st March 2026 (excluding any estimation of inflation and availability/performance deductions) are set out in the following table:

| | Reimbursement of capital expenditure £000 | Interest Charge £000 | Payment for Services £000 | **Total £000** |
|---|---|---|---|---|
| Payable within one year (to 31st March 2027) | 764 | 58 | 1,102 | **1,924** |
| Payable in the 2nd year (final) | - | - | - | **-** |
| | **764** | **58** | **1,102** | **1,924** |

Although the payments made to the contractor are described as unitary payments, they have been calculated t compensate the contractor for the fair value of the services they provide, whilst the capital expenditure remains to be reimbursed. The liability outstanding to pay the contractor for capital expenditure is as follows:

| | 2025/26 | 2024/25 |
|---|---|---|
| | £000 | £000 |
| Balance outstanding at 1st April | 1,422 | 996 |
| IFRS16 remeasurement | - | 962 |
| Payments during the period | (658) | (536) |
| Capital expenditure incurred in the period | - | - |
| Balance outstanding at 31st March | **764** | **1,422** |

Mandatory implementation of IFRS16 Leases is required by all Local Authorities from the financial year 2025/26. The standard also applies to the measurement of the lease liability for PFI arrangements. Under the previous standard for PFI contracts (IAS17), liabilities were not remeasured when the value of payments changed in a way which is not predetermined in the lease contract, for example, payments are increased in line with an inflation index such as RPI. Under IFRS 16, where indexation or changes in a rate affect future payments, the lease liability is remeasured. Instead of expensing the additional (or reduced) payment, the net present value of future payments that comprise the liability is recalculated.

The application of IFRS 16 in 2025/26 results in finance costs arising from the unwinding of the discount on the lease liability and reductions in the liability through principal repayments. No remeasurement of the liability has been required in the year, and accordingly there are no adjustments in respect of changes in RPI or revisions to the unitary charge attributable to the assets.

The balance outstanding as at 31st March 2026 is disclosed as follows on the Balance Sheet:

| | £000 |
|---|---|
| Payable within one year - included with Short Term Creditors | 764 |
| PFI Obligations - long term liability | - |
| | **764** |

## 18. Leases for YNYCA and Group

### (a) Group as Lessee

The Combined Authority's lease contracts as at 31st March 2026 comprise leases of operational land upon which two fire stations are built and Police buildings and masts are situated.

### Right of Use Assets

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

| | 2025/26 | | |
|---|---|---|---|
| | Land & Buildings | Vehicles, Plant & Equipment | **Total** |
| | £000 | £000 | **£000** |
| **Balance at 1st April 2025** | **607** | **-** | **607** |
| Additions | - | - | - |
| Revaluations | - | - | - |
| Depreciation and Amortisation | - | - | - |
| Disposals | - | - | - |
| Other movements | - | - | - |
| **Balance as at 31st March 2026** | **607** | **-** | **607** |

| | 2024/25 | | |
|---|---|---|---|
| | Land & Buildings | Vehicles, Plant & Equipment | **Total** |
| | £000 | £000 | **£000** |
| **Balance at 1st April 2025** | **-** | **-** | **-** |
| Transferred in on 7th May 2024 | **-** | **27** | **27** |
| Additions | **809** | **-** | **809** |
| Revaluations | **(698)** | **-** | **(698)** |
| Depreciation and Amortisation | **-** | **(27)** | **(27)** |
| Disposals | **-** | **-** | **-** |
| Other movements | **496** | **-** | **496** |
| **Balance as at 31st March 2026** | **607** | **-** | **607** |

## Transactions under leases

| | 2025/26 | 2024/25 |
|---|---|---|
| **Comprehensive income and expenditure statement:** | £000 | £000 |
| Interest expenses on lease liabilities | 30 | **33** |
| Expense relating to short-term leases | 1,144 | **408** |
| Expense relating to exempt leases of low value items | 3,462 | **1,262** |
| Income from subletting of right of use assets | - | **-** |
| Gains or losses arising from sale and lease back transactions | - | **-** |
| | **4,636** | **1,703** |

| | | |
|---|---|---|
| **Cashflow statement** | | |
| Minimum lease payments | **(47)** | **(77)** |

**Maturity Analysis of lease liabilities**

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

| | 2025/26 | 2024/25 |
|---|---|---|
| | £000 | £000 |
| No later than one year | - | - |
| Later than one year and not later than five years | (162) | (198) |
| Later than five years | (437) | (447) |
| | **(598)** | **(645)** |

## 19. Inventories for YNYCA and Group

| **2025/26** | Uniform | inc. Fuel | Operational Equipment | Other | **Total** |
|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | **£000** |
| **Balance at 1st April 2025** | 34 | 138 | 58 | 21 | **251** |
| Purchases | 95 | 946 | 562 | 251 | **1,854** |
| Recognised as an expense in period | (84) | (933) | (458) | (245) | **(1,720)** |
| Written off balances | - | - | - | - | **-** |
| Reversal of write offs in prior years | - | - | - | - | **-** |
| **Sub Total YNYCA** | **45** | **151** | **162** | **27** | **385** |
| CCNY | 760 | 249 | - | - | **1,009** |
| **Total Group at 31st March 2026** | **805** | **400** | **162** | **27** | **1,394** |

### Inventories for YNYCA and Group

| 2024/25 | Uniform | inc. Fuel | Operational Equipment | Other | **Total** |
|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | **£000** |
| **Balance at 1st April 2024** | - | - | - | - | **-** |
| Transferred in on 7th May 2024 | 42 | 149 | 52 | 12 | **255** |
| Purchases | 61 | 550 | 438 | 93 | **1,142** |
| Recognised as an expense in period | (69) | (561) | (431) | (85) | **(1,146)** |
| Written off balances | - | - | - | - | **-** |
| Reversal of write offs in prior years | - | - | - | - | **-** |
| **Sub Total YNYCA** | **34** | **138** | **59** | **20** | **251** |
| CCNY | 831 | 263 | - | - | **1,093** |
| **Total Group at 31st March 2026** | **865** | **401** | **59** | **20** | **1,344** |

## 20. Debtors for YNYCA and Group

| | Long Term | | Short Term | |
|---|---|---|---|---|
| | 31st March 2026 | 31st March 2025 | 31st March 2026 | 31st March 2025 |
| | £000 | £000 | £000 | £000 |
| Central Government bodies | - | - | 26,474 | - |
| Other Local Authorities | - | - | 8,037 | - |
| NHS Bodies | - | - | 16 | - |
| Other entities and individuals | - | - | 8,822 | - |
| **Total Group** | **-** | **-** | **43,349** | **31,325** |

## 21. Cash and Cash Equivalents for YNYCA and Group

| The balance of Cash and Cash Equivalents is made up of the following elements: | 31st March 2026 | 31st March 2025 |
|---|---|---|
| | £000 | £000 |
| Cash held by the Authority | 12 | 12 |
| Bank current accounts | 15,959 | 1,053 |
| Short-term deposits with banks and financial institutions | 96,282 | 59,848 |
| **Sub Total YNYCA** | **112,253** | **60,913** |
| Cash held by CCNY | 18 | 31 |
| **Total Group at 31st March 2026** | **112,271** | **60,944** |

## 22. Short-Term Creditors

| | Long Term | | Short Term | |
|---|---|---|---|---|
| | 31st March 2026 | 31st March 2025 | 31st March 2026 | 31st March 2025 |
| | £000 | £000 | £000 | £000 Restated |
| Central Government Bodies | - | - | (42,941) | - |
| Other Local Authorities | - | - | (34,002) | - |
| NHS Bodies | - | - | (95) | - |
| Other entities and individuals | - | - | (26,231) | - |
| **Sub Total YNYCA** | **-** | **-** | **(103,270)** | **-** |
| CCNY - Other Entities and Individuals | - | - | (4,397) | - |
| **Total Group at 31st March 2026** | **-** | **-** | **(107,667)** | **-** |

## 23. Provisions for YNYCA and Group

| | Salaries | Insurance Claims | Municipal Mutual Insurance (MMI) | Pensions | **Total** |
|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | **£000** |
| **Balance as at 1 April 2025** | **(1,524)** | **(1,925)** | **(118)** | **(1,262)** | **(4,829)** |
| Provisions Made 2025/26 | (451) | (372) | 25 | (3,842) | **(4,640)** |
| Amounts used in 2025/26 | 276 | 398 | 9 | - | **683** |
| Unused amounts reversed in 2025/26 | - | 38 | - | 1,262 | **1,300** |
| **Balance as at 31st March 2026** | **(1,699)** | **(1,861)** | **(84)** | **(3,842)** | **(7,486)** |
| Of which short term (less than 12 months) | (1,699) | (604) | - | (3,842) | (6,145) |
| Of which long term (over 12 months) | - | (1,257) | (84) | - | (1,341) |

| | Salaries | Insurance Claims | Municipal Mutual Insurance (MMI) | Pensions | **Total** |
|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | **£000** |
| **Balance as at 1 April 2025** | - | - | - | - | **-** |
| Transferred in on 7th May 2024 | - | (3,393) | (56) | - | **(3,449)** |
| Provisions Made 2025/26 | (141) | (683) | (118) | (1,262) | **(2,204)** |
| Amounts used in 2025/26 | (26) | 653 | 36 | - | **663** |
| Unused amounts reversed in 2025/26 | 141 | - | 20 | - | **161** |
| **Balance as at 31st March 2026** | **(26)** | **(3,423)** | **(118)** | **(1,262)** | **(4,829)** |
| Of which short term (less than 12 months) | (26) | (2,269) | - | (1,262) | (3,557) |
| Of which long term (over 12 months) | - | (1,154) | (118) | - | (1,272) |

**Insurance Claims:**

Sums have been set aside to provide for the settlement of claims covered under insurance policies and cases not covered by insurance. These covered both employee and non employee related claims. The Insurers have advised that at 31st March 2026, there are claims requiring provision of £1.9m.

Municipal Mutual Insurance (MMI) was the predominant insurer of public sector bodies, including the Authority, until it stopped underwriting operations in 1992. The 1993 implementation of a 'Scheme of Arrangement' means that even today, these public sector bodies have exposure to MMI due mainly to subsequent and much higher than expected levels of industrial disease type claims. MMI's deteriorating solvency position has led to insolvent liquidation. As a result of the Scheme of Arrangement, following advice from the Insurers, a provision of £84k is considered sufficient at 31st March 2026.

**Pensions - Matthews:**
In November 2018, a ruling on the legal case involving part-time judges (O'Brien v MoJ) had a direct impact on the equivalent case for On Call Firefighters (Matthews). Home Office Ministers have agreed to extend the pension entitlement for On Call firefighters to cover service pre-July 2000. An options exercise to increase the pensions entitlement for some current special on call members and allow access to the scheme for additional historic on call members is underway. Where members have returned election forms to extend pension entitlement on or before 31st March 2026, provision for benefits has been made within the payment of benefits owed to, reduced by contributions due from members in respect of said benefits, has been made within the accounts. The net payment to members is estimated to be £3,842k.

## 24. Movements in Earmarked Reserves for YNYCA and Group

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2025/26:

| **2025/26** | **Balance as at 1st April 2025** | Transfers In 2025/26 £000 | Transfers Out 2025/26 £000 | Net Transfers 2025/26 £000 | **Balance as at 31st March 2026** £000 |
|---|---|---|---|---|---|
| Combined Authority General Fund Reserves | | | | | |
| Mayoral Investment Fund | 11,943 | 12,710 | (11,943) | 767 | 12,710 |
| Additional Resources Grant | 47 | - | (30) | (30) | 17 |
| Housing Capacity Fund | 304 | - | (55) | (55) | 249 |
| Election Awareness Grant | 48 | - | - | - | 48 |
| Boot Camps | 74 | - | (74) | (74) | - |
| Connect to Work grant | 100 | - | (100) | (100) | - |
| Local Transport Resource Fund | - | 290 | - | 290 | 290 |
| Local Transport Resource Fund M&A | - | 87 | - | 87 | 87 |
| Risk & Resource Model | 206 | - | - | - | 206 |
| Capital Expenditure | 1,759 | 1,414 | (2,816) | (1,401) | 357 |
| Pensions, Pay & Price | 464 | 910 | - | 910 | 1,374 |
| Collection Fund | 22 | - | (22) | (22) | 0 |
| New Developments | 132 | 1,000 | - | 1,000 | 1,132 |
| Insurance | 80 | - | - | - | 80 |
| Recruitment | 175 | - | - | - | 175 |
| Hydrants Repair & Maintenance | 100 | - | - | - | 100 |
| HO ESMCP | 0 | - | - | - | 0 |
| HO Protection Funding | 252 | - | (56) | (56) | 196 |
| Capital Reserve | 10,049 | 3,334 | (4,563) | (1,229) | 8,820 |
| Insurance Reserve | 36 | - | - | - | 36 |
| Incentivisation Grant | 461 | 245 | (172) | 73 | 534 |
| Misuse of Drugs Act 1971 Reserve | 77 | 69 | (16) | 53 | 130 |
| Cost of Change Reserve | - | - | - | - | - |
| Commissioned Services Reserve | 380 | 179 | (335) | (156) | 224 |
| Major Incident Reserve | 432 | - | - | - | 432 |
| Payroll and Pensions Reserve | 1,069 | 283 | - | 283 | 1,352 |
| Firearms Reserve | 404 | 6 | - | 6 | 410 |
| Investments Reserve | 64 | - | (23) | (23) | 41 |
| Training Reserve | 63 | - | - | - | 63 |
| ESCMP Reserve | 739 | - | - | - | 739 |
| Tax Income Guarantee Reserve | 112 | - | (91) | (91) | 21 |
| Police Property Act Reserve | - | 781 | - | 781 | 781 |
| PCC Technical | 143 | 63 | (101) | (38) | 105 |
| **Total** | **30,648** | **21,371** | **(21,040)** | **330** | **30,978** |

The net transfers from Earmarked Reserves in period as shown in the Movements in Reserves is £0.3m.

### Movements in Earmarked Reserves for YNYCA and Group

| 2024/25 | **Balance as at 1st April 2024** | Transfers in 7th May 2024 £000 | Transfers In 2024/25 £000 | Transfers Out 2024/25 £000 | Net Transfers 2024/25 £000 | **Balance as at 31st March 2025** £000 |
|---|---|---|---|---|---|---|
| <u>Combined Authority General Fund Reserves</u> | | | | | | |
| Additional Restrictions Grant | 80 | - | 47 | (80) | (33) | 47 |
| Boot Camps | 74 | - | - | - | - | 74 |
| Core Costs | 3,488 | - | 8,605 | - | 8,605 | 12,093 |
| Housing Challenge Fund | 174 | - | 130 | - | 130 | 304 |
| Transport Challenge Fund | 491 | - | 422 | - | 422 | 913 |
| <u>Transferred in Fire and Rescue Service Reserves</u> | | | | | | |
| Risk & Resource Model | - | 206 | - | - | - | 206 |
| Capital Expenditure | - | 2,230 | 286 | (757) | (471) | 1,759 |
| Pensions, Pay & Price | - | 878 | - | (414) | (414) | 464 |
| Collection Fund | - | 20 | 2 | - | 2 | 22 |
| New Developments | - | 457 | 31 | (357) | (326) | 131 |
| Insurance | - | 80 | - | - | - | 80 |
| Recruitment | - | 175 | - | - | - | 175 |
| Hydrants Repair & Maintenance | - | 100 | - | - | - | 100 |
| HO ESMCP | - | 129 | 94 | (223) | (129) | - |
| HO Protection Funding | - | 414 | 14 | (176) | (162) | 252 |
| <u>Transferred in Police Fund Reserves</u> | | | | | | |
| Capital Reserve | - | 6,322 | 3,119 | 608 | 3,727 | 10,049 |
| Insurance Reserve | - | 638 | 6 | (608) | (602) | 36 |
| Incentivisation Grant | - | 451 | 219 | (209) | 10 | 461 |
| Misuse of Drugs Act 1971 Reserve | - | 19 | 63 | (5) | 58 | 77 |
| Cost of Change Reserve | - | 156 | 17 | (173) | (156) | - |
| Commissioned Services Reserve | - | 514 | 214 | (348) | (134) | 380 |
| Major Incident Reserve | - | 432 | - | - | - | 432 |
| Payroll and Pensions Reserve | - | 1,773 | 77 | (781) | (704) | 1,069 |
| Firearms Reserve | - | 437 | 3 | (36) | (33) | 404 |
| Investments Reserve | - | 87 | - | (23) | (23) | 64 |
| Training Reserve | - | 90 | 2 | (29) | (27) | 63 |
| ESCMP Reserve | - | 739 | - | - | - | 739 |
| Tax Income Guarantee Reserve | - | 173 | 8 | (69) | (61) | 112 |
| PCC Technical | - | 474 | - | (331) | (331) | 143 |
| **Total** | **4,307** | **16,995** | **13,359** | **(4,011)** | **9,348** | **30,648** |

## 25. Usable Reserves YNYCA and Group

| | 2025/26 | 2025/26 | 2024/25 | 2024/25 |
|---|---|---|---|---|
| | £000 | | £000 | £000 |
| | | | | Restated |
| General Fund Balance | 11,974 | | | 2,151 |
| Police General Fund Balance | 6,130 | | | 6,029 |
| Capital Receipts Reserve | - | | | 1,021 |
| **Sub Total** | | **18,104** | | **9,201** |
| Earmarked Reserves for the CA and Group | | | | |
| Mayoral Investment Fund | 12,710 | | 47 | |
| Additional Resources Grant | 17 | | 74 | |
| Housing Capacity Fund | 249 | | 12,093 | |
| Transport Capacity Fund | 269 | | 303 | |
| Election Awareness Grant | 48 | | 913 | |
| Boot Camps | - | | - | |
| Connect to Work Grant | - | | - | |
| Local Transport Resource Fund | 290 | | - | |
| Local Transport Resource Fund M&A | 87 | | - | |
| Risk & Resource Model | 206 | | 206 | |
| Capital Expenditure | 357 | | 1,759 | |
| Pensions, Pay & Prices | 1,374 | | 464 | |
| Collection Fund | - | | 22 | |
| New Developments | 1,132 | | 131 | |
| Insurance | 80 | | 80 | |
| Recruitment | 175 | | 175 | |
| Hydrants Repair & Maintenance | 100 | | 100 | |
| HO Protection Funding | 196 | | 252 | |
| Earmarked Police Fund Reserves | | | | |
| Insurance Reserve | 36 | | 36 | |
| Incentivisation Grant | 534 | | 461 | |
| Misuse of Drugs Act 1971 Reserve | 130 | | 77 | |
| Commissioned Services Reserve | 224 | | 380 | |
| Major Incident Reserve | 432 | | 432 | |
| Payroll and Pensions Reserve | 1,352 | | 1,069 | |
| Firearms Reserve | 410 | | 404 | |
| Investments Reserve | 41 | | 64 | |
| Training Reserve | 63 | | 63 | |
| ESCMP Reserve | 739 | | 739 | |
| Tax Income Guarantee Reserve | 21 | | 112 | |
| Police Property Act Reserve | 781 | | 143 | |
| PCC Technical | 105 | | - | |
| Capital Reserve | 8,820 | | 10,049 | |
| **Sub Total Earmarked Reserves** | | **30,978** | | **30,648** |
| Capital Grants Unapplied | | 14,751 | | 10,018 |
| **Total Usable Reserves YNYCA and Group** | | **63,833** | | **49,867** |

Movement in the Combined Authority's usable reserves are detailed in the Movement in Reserves Statement.

## 26. Unusable Reserves for YNYCA and Group

| | 31st March 2026 £000 | 31st March 2025 Restated £000 |
|---|---|---|
| Revaluation Reserve | 19,593 | 16,779 |
| Capital Adjustment Account | 47,234 | 46,733 |
| Pensions Reserve | (286,460) | (291,950) |
| Collection Fund Adjustment Account | 400 | 721 |
| Accumulated Absences Adjustment Account | (139) | (10) |
| **Sub Total YNYCA** | **(219,372)** | **(227,727)** |
| CCNY - Pensions Reserve | (1,265,172) | (1,286,340) |
| CCNY - Accumulated Absences Adjustment Account | (3,370) | (2,860) |
| **Total Group at 31st March 2026** | **(1,487,914)** | **(1,516,927)** |

The Movement in Reserves Statement provides details of the source of all transactions posted to the reserves above.

### (a) Revaluation Reserve for YNYCA and Group

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

| **Revaluation Reserve** | 31st March 2026 £000 | 31st March 2025 £000 |
|---|---|---|
| **Balance at 1st April** | **16,779** | **-** |
| Transferred in on 7th May 2024 | - | 15,810 |
| Upward revaluation of assets and impairment losses not charged to the (Surplus)/Deficit on the Provision of Services | 3,416 | 4,067 |
| Downward revaluation of assets and impairment losses not charged to the (Surplus)/Deficit on the Provision of Services | (234) | (2,735) |
| Surplus/Deficit on the Provision of Services | **3,182** | 1,333 |
| Surplus or deficit on revaluation/impairment of non-current assets not posted to the (Surplus)/Deficit on the Provision of Services | - | - |
| Difference between fair value depreciation and historical cost depreciation | (369) | (364) |
| Accumulated gains on assets sold or scrapped | - | - |
| Amounts written off to the Capital Adjustment Account | **(369)** | (364) |
| Amounts written off to the Capital Adjustment Account | **19,593** | **16,779** |
| **Balance at 31st March 2026** | | |

### (b) Capital Adjustment Account for YNYCA and Group

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisation are charged to the CIES with reconciling posting from the Revaluation Reserve to convert fair value figures to a historical cost basis. The account is credited with the amounts set aside as finance for the costs of acquisition, construction and enhancement. The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1st April 2007, the date the Revaluation Reserve was created to hold such gains.

| **Capital Adjustment Account** | 2025/26 | 2024/25 Restated |
|---|---|---|
| | £000 | £000 |
| **Balance at 1st April** | **46,733** | **65** |
| Transferred in on 7th May 2024 | - | 48,285 |
| Reversal of items relating to capital expenditure debited or credited to the CIES: | | |
| Charges for depreciation and impairment of non-current assets | (9,420) | (7,484) |
| Revaluation Gains/(Losses) on Property, Plant and Equipment | (709) | (5,565) |
| Amortisation of intangible assets | (275) | (375) |
| Revenue expenditure funded from capital under statute | (86,475) | (53,640) |
| Amounts of non-current assets written off on disposal or sale as part of gain/(loss) on disposal to the CIES | (1,053) | (149) |
| | (97,932) | (67,213) |
| Adjusting amounts written out of the Revaluation Reserve | 369 | (364) |
| Net written out amount of the cost of non current assets consumed in period | (97,563) | (61,152) |
| | | |
| Capital financing applied in the period: | | |
| Use of the Capital Receipts Reserve to finance new capital expenditure | 1,021 | - |
| Capital Receipts received in year | 240 | |
| Use of the Earmarked Capital Reserve to finance new capital expenditure | 6,435 | 471 |
| Capital grants and contributions credited to the CIES that have been applied to capital financing | 85,701 | 41,813 |
| Application of grants to capital financing from the Capital Grants Unapplied Account | 1,172 | 603 |
| Statutory provision for the financing of Capital investment charged against the General Fund balance | 2,363 | 2,036 |
| Capital expenditure charged against the General Fund | 1,134 | 8,179 |
| IFRS 16 - Recognition of Finance Leases | - | 550 |
| | 98,066 | 59,534 |
| **Balance at 31st March 2026** | **47,234** | **46,733** |

**(c) Pensions Reserve for YNYCA and Group**

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 (CIES) 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 Combined Authority and Group 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 to meet them. However, the statutory arrangements ensure that the funding will have been set aside by the time the benefits come to be paid.

**Pensions Reserve - YNYCA**

| | 2025/26 | 2024/25 |
|---|---|---|
| | £000 | £000 |
| **Balance at 1st April** | **(291,950)** | **(93)** |
| Transferred in on 7th May 2024 | - | (308,520) |
| Remeasurement of the net defined benefit liability | 16,108 | 19,404 |
| Pensions costs transferred to the Pensions Reserve: | | |
| Reversal of items relating to retirement benefits debited or credited to the Surplus or (Deficit) on the Provision of Service in the CIES | (18,553) | (10,725) |
| Employer's pensions contributions and payments to pensioners in the period | 7,935 | 7,984 |
| | (10,618) | (2,741) |
| **Balance at 31st March 2026** | **(286,460)** | **(291,950)** |

**Pensions Reserve - Group**

| | 2025/26 | 2024/25 |
|---|---|---|
| | | Restated |
| | £000 | £000 |
| **Balance at 1st April** | (1,578,290) | (93) |
| Transferred in on 7th May 2024 | - | (1,675,810) |
| Remeasurement of the net defined benefit liability | 87,672 | 145,754 |
| Pensions costs transferred to the Pensions Reserve: | | |
| Reversal of items relating to retirement benefits debited or credited to the Surplus or (Deficit) on the Provision of Service in the CIES | (104,311) | (85,062) |
| Employer's pensions contributions and payments to pensioners in the period | 43,297 | 36,921 |
| | (61,014) | (48,141) |
| **Balance at 31st March 2026** | **(1,551,632)** | **(1,578,290)** |

### (d) Collection Fund Adjustment Account for YNYCA and Group

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement (CIES) as it falls due from Council Tax and Non Domestic Rate (NDR) payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

| | 2025/26 | 2025/26 | **2025/26** |
|---|---|---|---|
| | £000 | £000 | **£000** |
| | Council Tax | NDR | **Total** |
| **Balance at 1st April** | - | - | - |
| Amount by which council tax and NDR income credited to the CIES is different from that calculated in accordance with statutory requirements | 495 | (95) | 400 |
| **Balance at 31st March 2026** | **495** | **(95)** | **400** |

### Collection Fund Adjustment Account for YNYCA and Group

| | 2024/25 | 2024/25 | **2024/25** |
|---|---|---|---|
| | £000 | £000 | **£000** |
| | Council Tax | NDR | **Total** |
| **Balance at 1st April 2024** | - | - | 730 |
| Transferred in on 7th May 2024 | 730 | - | 730 |
| Amount by which council tax and NDR income credited to the CIES is different from that calculated in accordance with statutory requirements | 176 | (184) | (8) |
| **Balance at 31st March 2025** | **906** | **(184)** | **721** |

## (d) Accumulated Compensated Absences Account for YNYCA and Group

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

| **Accumulated Absences Adjustment Account - YNYCA** | 2025/26 | 2024/25 |
|---|---|---|
| | | Restated |
| | £000 | £000 |
| **Balance at 1st April** | **(10)** | **-** |
| Transferred in on 7th May 2024 | - | (35) |
| Settlement/cancellation of accrual made at the end of the preceding year | 10 | 35 |
| Amounts accrued at the end of the current period | (139) | (10) |
| Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in period in accordance with statutory requirements | (129) | 25 |
| **Balance at 31st March 2026** | **(139)** | **(10)** |

| **Accumulated Absences Adjustment Account - Group** | 2025/26 | 2024/25 |
|---|---|---|
| | | Restated |
| | £000 | £000 |
| **Balance at 1st April** | **2,870** | **-** |
| Transferred in on 7th May 2024 | - | (3,225) |
| Settlement/cancellation of accrual made at the end of the preceding year | 2,870 | 3,225 |
| Amounts accrued at the end of the current period | (3,509) | (2,870) |
| Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in period in accordance with statutory requirements | (639) | - |
| **Balance at 31st March 2026** | **(3,509)** | **(2,870)** |

## 27. Officers' Remuneration

### (a) Senior Employees

The Accounts and Audit Regulations 2015 requires the Combined Authority and Group to disclose information on the remuneration of senior officers, being those who have the power to direct or control the major activities of the Combined Authority and Group either solely or collectively with others. Those senior officers with a salary of £150,000 or more are required to be named. In addition, the remuneration of the Mayor and also the Deputy Mayor for Policing, Fire and Crime is disclosed.

The remuneration paid to senior officers in the table below includes remuneration covers the period 1st April to 31st March 2026:

| | 2025/26 | | | | | |
|---|---|---|---|---|---|---|
| **Senior Employees:** | Date | Salary (including allowances) £000 | Termination Benefits £000 | Expenses Chargeable to Income Tax £000 | Employer Pension Contributions £000 | **Total £000** |
| Mayor of York & North Yorkshire | 1/4/25-31/3/26 | 81 | - | 2 | - | **83** |
| Chief Executive Officer | 1/4/25-31/3/26 | 125 | - | 0 | 18 | **143** |
| Director of Legal & Governance & Monitoring Officer | 1/4/25-31/3/26 | 99 | - | 0 | 14 | **114** |
| Director of Resources & S73 Officer | 1/4/25-31/3/26 | 106 | - | - | 15 | **121** |
| Director of Economy | 1/4/25-31/3/26 | 112 | - | - | 16 | **128** |
| Director of People & Transformation | 1/1/26-31/3/26 | 22 | - | - | 3 | **26** |
| Director of Transport | 5/1/26-31/3/26 | 27 | - | 0 | 4 | **31** |
| Deputy Mayor for Policing, Fire & Crime | 1/4/25-31/3/26 | 69 | - | - | 10 | **79** |
| Head of Partnerships & Commissioning | 1/4/25 - 4/9/26 | 63 | 27 | - | 8 | **98** |
| Chief Fire Officer - J Dyson | 1/4/25-31/3/26 | 163 | - | - | 61 | **224** |
| Deputy Chief Fire Officer | 1/4/25-30/9/25 | 68 | - | - | 25 | **93** |
| Deputy Chief Fire Officer | 2/2/26-31/3/26 | 22 | - | - | 8 | **30** |
| **North Yorkshire Police:** | | | | | | |
| Chief Constable - T Forber | 1/4/25-31/3/26 | 203 | - | - | 72 | **275** |
| Deputy Chief Constable - S Bissett | 1/4/25-31/3/26 | 152 | - | - | 54 | **206** |
| Assistant Chief Constable (Local Policing & Safeguarding) | 1/4/25-31/3/26 | 135 | | | 48 | **183** |
| Assistant Chief Constable (Crime & Specialist Operations) | 1/4/25-31/3/26 | 129 | | 42 | 46 | **217** |
| Assistant Chief Constable (Crime & Specialist Operations) | 1/4/25 - 15/5/25 | 19 | | | 7 | **26** |
| Assistant Chief Constable (Crime & Specialist Operations) | 23/6/2025-13/7/25 and 9/3/26 - 31/3/26 | 20 | | | 7 | **27** |
| Assistant Chief Officer (Support Services) | 1/4/25-31/3/26 | 147 | | | 13 | **160** |
| Chief Constable's Chief Finance Officer & S151 Officer | 1/4/25-31/3/26 | 116 | | | 10 | **126** |

| Senior Employees - comparative figures: | 2024/25 | | | | | |
|---|---|---|---|---|---|---|
| | Date | Salary (including allowances) £000 | Termination Benefits £000 | Expenses Chargeable to Income Tax £000 | Employer Pension Contributions £000 | **Total £000** |
| Mayor of York and North Yorkshire | 7/5/24 - 31/3/25 | 73 | - | 2 | - | **75** |
| Deputy Mayor | 8/7/24 - 31/3/25 | 52 | - | - | - | **52** |
| Chief Executive | 1/7/24 - 31/3/25 | 93 | - | - | 12 | **106** |
| Director of Economy and Interim Head of Paid Service | 1/4/24 - 30/6/24 | 30 | - | - | 4 | **34** |
| Director of Economy | 24/12/24 - 31/3/25 | 29 | - | 1 | 4 | **34** |
| Head of Legal Monitoring Officer | 3/10/24 - 31/3/25 | 38 | - | - | 6 | **44** |
| Director of Resources | 22/7/24 - 31/3/25 | 69 | - | 1 | 10 | **80** |
| OPFCC Chief Executive Officer | 7/5/24 - 31/3/25 | 83 | 54 | - | 6 | **143** |
| Chief Fire Officer - J Dyson | 7/5/24 - 31/3/25 | 142 | - | - | 53 | **196** |
| Deputy Chief Fire Officer | 7/5/24 - 31/3/25 | 116 | - | - | 43 | **159** |
| **North Yorkshire Police:** | 7/5/24 - 31/3/25 | | | | | |
| Chief Constable - T Forber | 7/5/24 - 31/3/25 | 171 | - | - | 60 | **231** |
| Deputy Chief Constable | 7/5/24 - 31/3/25 | 130 | - | - | 45 | **175** |
| Assistant Chief Constable (Local Policing & Safeguarding) | 7/5/24 - 31/3/25 | 88 | - | - | 31 | **119** |
| Assistant Chief Constable (Local Policing & Safeguarding) | 7/5/24 - 10/7/24 | 23 | - | - | 8 | **31** |
| Assistant Chief Constable (Crime & Specialist Operations) | 9/9/24 - 31/3/25 | 80 | - | - | 24 | **104** |
| Assistant Chief Constable (Crime & Specialist Operations) | Acting 24/2/25 - 31/3/25 | 71 | - | - | 24 | **95** |
| Assistant Chief Constable (Support Services) | 7/5/24 - 31/3/25 | 121 | - | - | 11 | **132** |
| Chief Constable's Chief Finance /S151 Officer | 7/5/24 - 31/3/25 | 95 | - | - | 9 | **104** |

**(b)** The following table sets out the number of employees whose total remuneration, excluding pension contributions, was more than £50,000 (excluding employees included in the table above):

| | YNYCA | | Group | |
|---|---|---|---|---|
| Band: | 12 month period ended 31/3/26 | 12 month period ended 31/3/25 - Restated | 12 month period ended 31/3/2026 | 12 month period ended 31/3/25 - Restated |
| £50,000 - £54,999 | 77 | 67 | 472 | 228 |
| £55,000 - £59,999 | 31 | 28 | 284 | 130 |
| £60,000 - £64,999 | 5 | 16 | 128 | 64 |
| £65,000 - £69,999 | 12 | 7 | 107 | 26 |
| £70,000 - £74,999 | 8 | 6 | 56 | 13 |
| £75,000 - £79,999 | 1 | 10 | 17 | 11 |
| £80,000 - £84,999 | 7 | 2 | 14 | 3 |
| £85,000 - £89,999 | 1 | 2 | 7 | 6 |
| £90,000 - £94,999 | - | - | 5 | 4 |
| £95,000 - £99,999 | - | 3 | 4 | 1 |
| £100,000 - £104,999 | 3 | - | 7 | - |
| £105,000 - £109,999 | - | 1 | 2 | 1 |
| £110,000 - £119,999 | 1 | - | 2 | - |
| | **146** | **142** | **1,105** | **487** |

Remuneration is all amounts receivable by an employee, including expenses and allowances chargeable to tax and the estimated money value of any other benefits received. The comparator figures for 2024/25 cover a shorter period for the Services which transferred into the Combined Authority on 6th May 2024. Hence, the number of employees receiving more than £50,000 in that period is not wholly comparable to the 12 month period ended 31st March 2026.

**(c) Costs of redundancies and other leavers**

The Code requires authorities to disclose any costs it has incurred as a result of compulsory and voluntary redundancies. Termination benefits of £147k were paid by the Combined Authority in 2025/26 (£54k in 2024/25

| | 2025/26 | | 2024/25 | |
|---|---|---|---|---|
| Band: | Number | £000 | Number | £000 |
| £15,000 - £19,999 | 1 | 17 | - | - |
| £25,000 - £29,999 | 2 | 55 | - | - |
| £35,000 - £39,999 | 2 | 75 | - | - |
| £50,000 - £59,999 | - | - | 1 | 54 |

## 28. Audit Fees for the YNYCA and Group

The Combined Authority and Group has incurred the following costs in relation to fees payable to auditors appointed under the Local Audit and Accountability Act 2014 with regard to external audit services carried out under the Code of Audit Practice prepared by the Comptroller and Audit General in accordance with s18 of the 2014 Act.

| | 2025/26 | 2024/25 |
|---|---|---|
| | £000 | £000 |
| Fees payable to Forvis Mazars LLP appointed under the Local Audit and Accountability Act 2014 with regard to external audit services for YNYCA | - | 313 |
| Fees payable in respect of any other services provided by Forvis Mazars LLP during the year | 237 | - |
| **Sub Total YNYCA** | **237** | **313** |
| Fees payable to Forvis Mazars LLP appointed under the Local Audit and Accountability Act 2014 with regard to external audit services for CCNY | 60 | 82 |
| **Total Group** | **297** | **395** |

## 29. Related Parties

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

In this context, related parties include Central Government, Members, the Chief Constable for North Yorkshire and key management and senior officers, including their close family members.

All intercompany balances have been removed upon consolidation of the Combined Authority Group which leaves none for disclosure within this note.

**Central Government**

Central government has effective control over the general operations of the Combined Authority - it is responsible for providing the statutory framework within which the Combined Authority operates, providing the majority of funding in the form of grants to the Combined Authority and Mayor regarding the Policing function, and prescribes the terms of many of the transactions that the Combined Authority and

Group has with other parties. Grants received from Government are set out in Note 11. Grant receipts outstanding at 31st March 2026 are included in Debtors (Note 20).

**The Chief Constable of North Yorkshire**

Under the legislative framework and local arrangements, the Combined Authority under sole instruction from the Mayor, is responsible for the finances of the Mayoral Police Fund including assets, liabilities and reserves. The Authority has responsibility for entering into contracts and establishing the contractual framework under which the Chief Constable's officers and staff operate. The Authority receives all income and funding and makes all the payments for the policing activity from the Mayoral Police Fund.

**Key Management**

Key management are also classed as related parties. Key management are considered to be the Mayor, Deputy Mayor and other Senior Officers (as defined in Note 23) having the authority for planning, directing and controlling the activities of the Authority either solely or collectively. No interests in related parties have been declared by key management. The Combined Authority has sound arrangements for internal control and corporate governance including a scheme of delegations and purchase, contract and procurement regulations) which minimise the potential for a single officer to constrain the actions of the Combined Authority, and which seek to ensure that the Group obtains value for money in all transactions. No interest in related parti have been declared by key management.

Jo Coles, Deputy Mayor for Policing, Fire and Crime, is also an elected member of City of York Council. As both bodies are constituent members of the York and North Yorkshire Combined Authority, this dual role is disclosed as a related party in accordance with the Code. Details of income and expenditure with City of York Council are presented below.

**Members**

Members of the Combined Authority have direct control over the Combined Authority's financial and operating polices. The leaders of the two constituent Local Authorities serve as members of York and North Yorkshire Combined Authority. Details of income and expenditure (excluding statutory payments for example, council tax and business rates) with the two authorities are out in the table below:

| | Income Received | Expenditure | Income Received | Expenditure |
|---|---|---|---|---|
| | 2025/26 | 2025/26 | 2024/25 | 2024/25 |
| | £000 | £000 | £000 | £000 |
| North Yorkshire Council | 4,463 | 47,851 | 1,873 | 5,491 |
| City of York Council | 391 | 13,571 | 302 | 953 |
| **Total** | **4,854** | **61,422** | **2,175** | **6,444** |

As at 31st March 2026, the balances below were held within the Group Balance Sheet:

| | Short term Debtors | Short Term Creditors | Short term Debtors | Short Term Creditors |
|---|---|---|---|---|
| | 2025/26 | 2025/26 | 2024/25 | 2024/25 |
| | £000 | £000 | £000 | £000 |
| North Yorkshire Council | 1,873 | 4,087 | 740 | 681 |
| City of York Council | 1,751 | 5,176 | 1,186 | 37 |
| **Total** | **3,624** | **9,263** | **1,926** | **718** |

## 30. Defined Benefit Pension Schemes for YNYCA and Group

### (a) Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Combined Authority and Group make contributions towards the cost of post employment benefits. Although these benefits will not be payable until employees retire, the Group has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The Group participates in three pension schemes:

(i) **Local Government Pension Scheme** for Support staff is administered by North Yorkshire Pension Fund - this is a funded scheme, meaning that the Group and employees pay contributions into a fund calculated at a level intended to balance the pension liabilities with investment assets. The pension costs which are charged to the accounts equate to the employers' contributions paid to the fund on behalf of eligible employees. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis, and cash has to be generated to meet these payments as they fall due.

(ii) **Firefighters Pension Schemes -** these are unfunded schemes, meaning that there are no assets built up to meet pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. There are three schemes administered by the Group - the Firefighters Pension Scheme 1992 (FPS), the New Firefighters Pension Scheme 2006 (NFPS) and the Firefighters Pension Scheme 2015.

Under the Firefighters Pension Fund Regulations 2007, if the amounts receivable by the pension fund for the year is less than the amounts payable, the fund is topped up as necessary by central government grant to meet the pensions payments due. In the event of a surplus, this will be recouped by the Government.

(iii) **Injury Allowances - Firefighters Compensation Scheme 2006** - injury awards payable on the retirement of a firefighter attributable to a qualifying injury are not part of the Firefighters Pension Fund because they are payable irrespective of whether an employee is a member of the scheme. All injury awards are paid from the Income and Expenditure account, rather than the Pension Fund.

(iv) **Police Officer Pension Schemes -** these are unfunded schemes, meaning that there are no assets built up to meet pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. Two schemes (1987 & 2006) are final salary schemes and the third scheme (2015) is a Career Average Revalued Earnings Scheme.

(v) **Injury Allowances - Police Officers** - injury awards payable on the retirement of a Police Officer are not part of the Police Pension Fund because they are payable irrespective of whether an employee is a member of the scheme. All injury awards are paid from the Income and Expenditure account, rather than the Pension Fund.

Under the Police Pension Fund Regulations 2007, if the amounts receivable by the pension fund for the year is less than the amounts payable, CCNY must annually transfer to the pension fund an amount required to meet the deficit. Subject to parliamentary scrutiny and approval, up to 100% of this cost is met by a central government pension top-up grant which is paid to YNYCA (Police & Crime Function) and transferred to CCNY. If, however, the pension funds are in surplus for the year, the surplus is required to be transferred from the pension fund to CCNY which must then repay the amount to central government, via YNYCA (Police & Crime Function).
The principal risks to the Group of the Schemes are the longevity assumptions, statutory changes to the

schemes, structural changes to the schemes (i.e. large scale withdrawals from the schemes), changes to inflation, bond yields and the performance of the equity investments held by the LGPS. The impact of the assumptions, and how they interact, is detailed within this note. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund with the amounts set out overleaf.

**Transactions relating to Retirement and Injury Benefits**

The Combined Authority and Group recognises the cost of retirement and injury benefits in the Net Cost of Services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge the Combined Authority Group is required to make against council tax is based on the cash payable in the period, so the real cost of benefits is reversed out of the General Fund via the Movement in Reserves Statement (MIRS). The transactions below have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the MIRS during the period:

| | Local Government Pension Scheme | Firefighters Pension Schemes | Police Pension Schemes | **Group Pension Schemes Total** | YNYCA Pension Schemes |
|---|---|---|---|---|---|
| **Comprehensive Income & Expenditure Statement** | 2025/26 | 2025/26 | 2025/26 | 2025/26 | 2025/26 |
| **Cost Of Services:** | £000 | £000 | £000 | **£000** | £000 |
| Service Cost comprising: | | | | | |
| Current Service Cost | (6,610) | (1,220) | (8,880) | **(16,710)** | (2,419) |
| Gain/(Loss) from Curtailments | - | - | - | **-** | - |
| Past Service (Cost)/Gain | (360) | - | - | **(360)** | (48) |
| **Financing and Investment Income and Expenditure:** | | | | | |
| Net Interest Expense | 169 | (16,130) | (71,280) | **(87,241)** | (16,087) |
| **Total Post Employment Benefits charged to the Surplus or (Deficit) on the Provision of Services** | (6,801) | (17,350) | (80,160) | **(104,311)** | (18,554) |
| | | | | | |
| **Other Post Employment Benefits Charged to the CIES** | | | | | |
| Remeasurement of the net defined benefit liability comprising: | | | | | |
| Return on plan assets (excluding the amount included within net interest expense) | 5,567 | - | - | **5,567** | 955 |
| Experience gains/(losses) arising on pension liabilities | (10,433) | 370 | (9,220) | **(19,283)** | (2,793) |
| Actuarial gains/(losses) arising on changes in financial and demographic assumptions | 1,565 | 16,049 | 70,979 | **88,593** | 16,230 |
| Changes in effect of the asset ceiling | 12,795 | - | - | **12,795** | 1,717 |
| **Total Post Employment Benefits charged to the CIES** | 9,494 | 16,419 | 61,759 | **87,672** | 16,109 |
| **Movement in Reserves Statement** | | | | | |
| Reversal of net charges to the Surplus or (Deficit) for the Provision of Services for post employment benefits in accordance with IAS19 | 6,801 | 17,350 | 80,160 | **104,311** | 18,554 |
| | | | | | |
| **Actual Amount charged to the General Fund Balance for pensions in the period** | | | | | |
| Employers contributions and benefits payable to pensioners | (5,905) | (6,421) | (30,971) | **(43,297)** | (7,935) |

| 2024/25 Comparative Figures | Local Government Pension Scheme Restated 2024/25 | Firefighters Pension Schemes 2024/25 | Police Pension Schemes 2024/25 | **Group Pension Schemes Total** Restated 2024/25 | YNYCA Pension Schemes 2024/25 |
|---|---|---|---|---|---|
| **Comprehensive Income & Expenditure Statement** | £000 | £000 | £000 | £000 | £000 |
| **Cost Of Services:** | | | | | |
| Service Cost comprising: | | | | | |
| Current Service Cost | (6,877) | (1,860) | (7,150) | **(15,887)** | (3,350) |
| Gain/(Loss) from Curtailments | 6,302 | - | - | **6,302** | 6,302 |
| Past Service Cost | (4) | - | - | **(4)** | - |
| **Financing and Investment Income and Expenditure:** | | | | | |
| Net Interest Expense | 377 | (13,970) | (61,880) | **(75,473)** | (13,677) |
| **Total Post Employment Benefits charged to the Surplus or (Deficit) on the Provision of Services** | (202) | (15,830) | (69,030) | **(85,062)** | (10,725) |
| **Other Post Employment Benefits Charged to the CIES** | | | | | |
| Remeasurement of the net defined benefit liability comprising: | | | | | |
| Return on plan assets (excluding the amount included within net interest expense) | (3,420) | - | - | **(3,420)** | (450) |
| Experience gains/(losses) arising on pension liabilities | 721 | (190) | (6,320) | **(5,789)** | (198) |
| Actuarial gains/(losses) arising on changes in financial and demographic assumptions | 45,276 | 25,752 | 131,419 | **202,447** | 31,738 |
| Changes in effect of the asset ceiling | (47,484) | - | - | **(47,484)** | (11,686) |
| **Total Post Employment Benefits charged to the CIES** | (4,907) | 25,562 | 125,099 | **145,754** | 19,404 |
| **Movement in Reserves Statement** | | | | | |
| Reversal of net charges to the Surplus or (Deficit) for the Provision of Services for post employment benefits in accordance with IAS19 | 202 | 15,830 | 69,030 | **85,062** | 10,725 |
| **Actual Amount charged to the General Fund Balance for pensions in the period** | | | | | |
| Employers contributions and benefits payable to pensioners | (5,202) | (6,838) | (24,881) | **(36,921)** | (7,984) |

The amount included in the Balance Sheet arising from the Combined Authority's and Group's obligation to meet its benefit schemes is as follows:

| | Local Government Pension Scheme | Firefighters Pension Schemes | Police Pension Schemes | **Group Pension Schemes Total** | YNYCA Pension Schemes |
|---|---|---|---|---|---|
| | 2025/26 | 2025/26 | 2025/26 | 2025/26 | 2025/26 |
| | £000 | £000 | £000 | **£000** | £000 |
| Present value of the Defined Benefit Obligation | 252,838 | 286,460 | 1,273,770 | **1,813,068** | 323,934 |
| Fair value of plan assets | (381,777) | - | - | **(381,777)** | (48,120) |
| Changes in effect of asset ceiling | 120,341 | - | - | **120,341** | 10,646 |
| **Net liability - Defined Benefit Obligation** | (8,598) | 286,460 | 1,273,770 | **1,551,632** | 286,460 |

| | Local Government Pension Scheme | Firefighters Pension Schemes | Police Pension Schemes | **Group Pension Schemes Total** | YNYCA Pension Schemes |
|---|---|---|---|---|---|
| **2024/25 Comparative Figures:** | 2024/25 | 2024/25 | 2024/25 | 2024/25 | 2024/25 |
| | £000 | £000 | £000 | **£000** | £000 |
| Present value of the Defined Benefit Obligation | 230,892 | 291,950 | 1,286,340 | **1,809,182** | 324,399 |
| Fair value of plan assets | (356,730) | - | - | **(356,730)** | (44,135) |
| Changes in effect of asset ceiling | 125,838 | - | - | **125,838** | 11,686 |
| **Net liability - Defined Benefit Obligation** | - | 291,950 | 1,286,340 | **1,578,290** | 291,950 |

**Reconciliation of the Movements in the Fair Value of the Scheme Assets**

| | Local Government Pension Scheme | Firefighters Pension Schemes | Police Pension Schemes | **Group Pension Schemes Total** | YNYCA Pension Schemes |
|---|---|---|---|---|---|
| | 2025/26 | 2025/26 | 2025/26 | 2025/26 | 2025/26 |
| | £000 | £000 | £000 | **£000** | £000 |
| Opening Fair Value | 356,730 | - | - | **356,730** | 44,135 |
| Interest Income | 20,668 | - | - | **20,668** | 2,575 |
| Remeasurement loss - the return on plan assets, excluding the amount included in the interest expense | 5,566 | - | - | **5,566** | 954 |
| Other | - | 7,889 | 28,449 | **36,338** | 7,889 |
| Employer contributions | 5,905 | 6,421 | 30,971 | **43,297** | 7,935 |
| Employee contributions | 3,716 | 2,130 | 9,730 | **15,576** | 2,845 |
| Benefits paid | (10,809) | (16,440) | (69,150) | **(96,399)** | (18,213) |
| Closing Fair Value | 381,777 | - | - | **381,776** | 48,120 |

**Reconciliation of the Movements in the Fair Value of the Scheme Assets**

| **2024/25 Comparative Figures:** | Local Government Pension Scheme | Firefighters Pension Schemes | Police Pension Schemes | **Group Pension Schemes Total** | YNYCA Pension Schemes |
|---|---|---|---|---|---|
| | 2024/25 | 2024/25 | 2024/25 | 2024/25 | 2024/25 |
| | £000 | £000 | £000 | £000 | £000 |
| Opening Fair Value | 3,778 | - | - | **3,778** | 3,778 |
| Transferred in 7th May | 340,573 | - | - | **340,573** | 38,659 |
| Interest Income | 15,697 | - | - | **15,697** | 1,852 |
| Remeasurement loss - the return on plan assets, excluding the amount included in the interest expense | (3,420) | - | - | **(3,420)** | (450) |
| Other | - | 4,252 | 25,939 | **30,191** | 4,252 |
| Employer contributions | 5,202 | 6,838 | 24,881 | **36,921** | 7,984 |
| Employee contributions | 3,147 | 1,880 | 7,530 | **12,557** | 2,420 |
| Benefits paid | (8,247) | (12,970) | (58,350) | **(79,567)** | (14,361) |
| Closing Fair Value | 356,730 | - | - | **356,730** | 44,135 |

## Reconciliation of present value of scheme liabilities

| | Local Government Pension Scheme | Firefighters Pension Schemes | Police Pension Schemes | **Group Pension Schemes Total** | YNYCA Pension Schemes |
|---|---|---|---|---|---|
| | 2025/26 | 2025/26 | 2025/26 | 2025/26 | 2025/26 |
| | £000 | £000 | £000 | **£000** | £000 |
| Opening Balance 1 April | 230,892 | 291,950 | 1,286,340 | **1,809,182** | 324,398 |
| Current Service Cost | 6,610 | 1,220 | 8,880 | **16,710** | 2,419 |
| Past Service Cost | 360 | - | - | **360** | 48 |
| Interest Cost | 13,201 | 16,130 | 71,280 | **100,611** | 17,985 |
| Contributions by members | 3,716 | 2,130 | 9,730 | **15,576** | 2,845 |
| Re-measurement (gains)/losses: | | | | | |
| Experience (gains)/losses on pension liabilities | 10,433 | (370) | 9,220 | **19,283** | 2,793 |
| Actuarial (gains)/losses arising on changes in financial and demographic assumptions | (1,565) | (8,160) | (42,530) | **(52,255)** | (8,341) |
| Benefits paid | (10,809) | (16,440) | (69,150) | **(96,399)** | (18,213) |
| Closing Balance 31st March | 252,838 | 286,460 | 1,273,770 | **1,813,068** | 323,934 |

| 2024/25 Comparative Figures | Local Government Pension Scheme Restated 2024/25 £000 | Firefighters Pension Schemes 2024/25 £000 | Police Pension Schemes 2024/25 £000 | **Group Pension Schemes Total** Restated 2024/25 £000 | YNYCA Pension Schemes 2024/25 £000 |
|---|---|---|---|---|---|
| Opening Balance 1 April | 3,871 | - | - | **3,871** | 3,871 |
| Transferred in 7th May | 259,361 | 308,520 | 1,367,290 | **1,935,171** | 340,877 |
| Current Service Cost | 6,877 | 1,860 | 7,150 | **15,887** | 3,350 |
| Past Service Cost | 4 | 0 | 0 | **4** | - |
| Settlement (Gain)/Loss | - | 0 | 0 | **-** | - |
| Interest Cost | 11,876 | 13,970 | 61,880 | **87,726** | 15,529 |
| Contributions by members | 3,147 | 1,880 | 7,530 | **12,557** | 2,420 |
| Re-measurement (gains)/losses: | | | | | |
| Experience (gains)/losses on pension liabilities | (721) | 190 | 6,320 | **5,789** | 198 |
| Actuarial (gains)/losses arising on changes in financial and demographic assumptions | (45,276) | (21,500) | (105,480) | **(172,256)** | (27,486) |
| Benefits paid | (8,247) | (12,970) | (58,350) | **(79,567)** | (14,361) |
| Closing Balance 31st March | 230,892 | 291,950 | 1,286,340 | **1,809,182** | 324,398 |

**Asset Ceiling Adjustment**

Following the LGPS valuation by the Actuary as at 31st March 2026, it was determined that the fair value of the LGPS schemes outweighed the present value of the plan obligations, resulting in a plan net asset of £128.9m. IAS19 requires that, where a pensions asset exists, it is measured at the lower of:

**a)** the surplus in the defined benefit plan; and

**b)** the asset ceiling

The asset ceiling is the present value of the maximum economic benefit available to the Combined Authority and Group in the form of refunds or reduced future employer contributions. The Actuary's calculation of the asset ceiling in accordance with IFRIC14 for 2025/26 is £8.6m. Hence, the net asset of the LGPS is restricted to the lower of £128.9m and £8.6m.

Reconciliation of the LGPS funded status to the Balance Sheet:

| | 2025/26 £000 |
|---|---|
| Fair Value of Assets | 381,777 |
| Present value of funded defined benefit obligation | (252,838) |
| Funded status | 128,939 |
| Unrecognised asset (application of asset ceiling) | (120,341) |
| Asset/Liability recognised on the Balance Sheet | **8,598** |

Reconciliation from the opening to closing effect of the asset ceiling adjustment in the period:

| | 2025/26 £000 |
|---|---|
| Effect of the asset ceiling at 31 Mar 25 | 125,838 |
| Interest on the effect of the asset ceiling | 7,299 |
| Changes in the effect of the asset ceiling | (12,796) |
| Effect of the asset ceiling at 31 March 2026 | **120,341** |

**Local Government Pension Scheme assets comprised:**

The Firefighter & Police Pension Schemes have no assets to cover liabilities.

Assets in the Local Government Pension Scheme consist of the following categories:

| | Quoted | Unquoted | Quoted | Unquoted |
|---|---|---|---|---|
| | 2025/26 | 2025/26 | 2024/25 | 2024/25 |
| Asset Category | £000 | £000 | £000 | £000 |
| Equities | 140,493 | 0 | 181,933 | 34,246 |
| Property | 24,434 | | 21,047 | - |
| Government Bonds | 75,210 | | 52,796 | - |
| Corporate Bonds | 29,397 | | 27,111 | - |
| Multi Asset Credit | 20,998 | | 18,907 | - |
| Cash | 7,254 | | 5,351 | - |
| Other | 23,288 | 60,702 | 15,339 | 0 |
| | **321,074** | **60,702** | **322,484** | **34,246** |

* Other unquoted is the Fund's investment in Private Debt and Insurance Linked Securities.

**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 the future years dependent on assumptions about mortality rates, salary levels etc. The Local Government Pension Scheme liability has been assessed by Aon Limited, and the Firefighters and Police Pension Schemes' liabilities by the Government Actuary Department, both firms of Actuaries.

The estimates for the Local Government Pension Scheme are based upon the latest full valuation of the scheme as at 31st March 2025. For the Firefighters Pension Schemes, the estimates are based upon a detailed valuation by the Actuary of the most recent data (as at 31st March 2024) provided to them.
The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table below. The sensitivity analyses below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumptions analysed remains 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 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 type of assumptions used in preparing the sensitivity analysis did not change from those used in the previous period.

The significant assumptions advised by the Actuaries are:

| | | Local Government Pension Scheme | Local Government Pension Scheme | Firefighters Pension Schemes | Police Pension Schemes |
|---|---|---|---|---|---|
| Mortality Assumptions (years): | | 2025/26 | 2024/25 | 2025/26 | 2025/26 |
| Member aged 65 for current pensioners: | | | | | |
| | Males | 22.7 | 21.9 | 22.7 | 22.0 |
| | Females | 24.9 | 24.5 | 24.9 | 24.0 |
| Member aged 45 for future pensioners : | | | | | |
| | Males | 23.2 | 22.5 | 23.2 | 23.4 |
| | Females | 25.6 | 25.2 | 25.6 | 25.3 |
| Rate of CPI inflation % | | 2.80 | 2.50 | 2.80 | 2.95 |
| Rate of increase in salaries % | | 4.05 | 3.75 | 4.05 | 3.70 |
| Rate of increase in pensions % | | 2.80 | 2.50 | 2.80 | 2.95 |
| Rate for discounting scheme liabilities % | | 6.20 | 5.80 | 6.20 | 6.10 |

| **Impact on Defined Benefit Obligation:** | Local Government Pension Scheme | | | |
|---|---|---|---|---|
| | YNYCA | | CCNY | |
| | £m | £m | £m | £m |
| | increase | decrease | increase | decrease |
| Longevity (increase or decrease in one year) | 0.8 | (0.8) | 4.7 | (4.7) |
| Rate of inflation (increase or decrease by 0.1%) | 0.6 | (0.6) | 3.4 | (3.4) |
| Rate of increase in salaries (increase or decrease by 0.1%) | 0.0 | (0.0) | 0.2 | (0.2) |
| Rate of increase in pensions (increase or decrease by 0.1%) | 0.6 | (0.6) | 3.4 | (3.4) |
| Rate of discounting scheme liabilities (increase or decrease by 0.1%) | (0.6) | 0.6 | (3.7) | 3.7 |

## Impact on Defined Benefit Obligation:

| | Firefighters Pension Schemes | |
|---|---|---|
| | increase | decrease |
| | £m | £m |
| Longevity (increase or decrease in one year) | (8.0) | 8.0 |
| Rate of inflation (increase or decrease by 0.1%) | 3.6 | (3.6) |
| Rate of increase in salaries (increase or decrease by 0.1%) | 0.6 | (0.6) |
| Rate of increase in pensions (increase or decrease by 0.1%) | 3.6 | (3.6) |
| Rate of discounting scheme liabilities (increase or decrease by 0.1%) | (3.8) | 3.8 |

## Impact on Defined Benefit Obligation:

| | Police Pension Schemes | |
|---|---|---|
| | increase | decrease |
| | £m | £m |
| Longevity (increase or decrease in one year) | (30.0) | 30.0 |
| Rate of inflation (increase or decrease by 0.1%) | 17.8 | (17.8) |
| Rate of increase in salaries (increase or decrease by 0.1%) | 1.8 | (1.8) |
| Rate of increase in pensions (increase or decrease by 0.1%) | 17.8 | (17.8) |
| Rate of discounting scheme liabilities (increase or decrease by 0.1%) | (17.8) | 17.8 |

**Asset and Liability Matching (ALM Strategy):**

**Local Government Pension Scheme**

The pension committee of North Yorkshire Council has determined the investment strategy aimed at growing North Yorkshire Pension Fund's assets to meet obligations when they fall due. As required by the regulations, the suitability of various classes of investments have been considered including the benefit of asset class diversification. The fund is primarily invested in equities (37% of scheme assets) and fixed income (27%) with investments also in property and alternatives, the proportions being not materially dissimilar to last year. This strategy is reviewed periodically, dependent on changes to market conditions and the solvency of the fund.

**Impact on the Authority's Cash Flows:**

**Local Government Pension Scheme**

The objectives of the schemes are to keep employers' contributions at as constant a rate as possible. The Council has agreed a strategy with the Scheme's actuary to achieve a funding level of 100% over 15 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31st March 2029.

The weighted average duration of the defined benefit obligation for LGPS scheme members is
YNYCA - 16.2 years in 2025/26. (20.1 years 2024/25).
CCNY - 17.2 years in 2025/26. (17.4 years 2024/25).

**Firefighter & Police Pension Schemes**

The Firefighter & Police Pension Schemes have no assets to cover their liabilities. Finance is only required to be raised to cover payments when the pensions are actually due to be paid. The weighted average duration of the defined benefit obligation for scheme members is:
Firefighters Pension Schemes - 14 years in 2025/26.
Police Pension Schemes - 15 years in 2025/26.
The Combined Authority's Group's pension liability as at 31st March 2026 calculated by its Actuaries, in accordance with IAS19 of £1551.6m shows the underlying commitments that the Group has in the long term to pay retirement benefits. The liability has a substantial impact on the net worth of the Group reported in the Balance Sheet. The impact results in a negative net worth of £1424.1m. However, statutory arrangements in place for funding the deficit mean that the financial position of the Combined Authority and Group remains healthy because:

**(i)** finance is only required to be raised to cover Firefighter & Police pensions when the pensions are actually due to be paid. Regular monitoring of movements relating to retirements is carried out in order to reliability forecast when retirements and payments will occur.

**(ii)** any deficit on the LGPS will be made good by increased contributions over the remaining working life of employees, as assessed by the Scheme Actuary.

The Group anticipates to pay the following contributions into the pension schemes in the 12 month period to 31st March 2027.

| | Local Government Pension Scheme | Firefighters Pension Schemes | Police Pension Schemes |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| Employer contributions expected to be paid in 2026/27 | 3,455 | 7,046 | 26,475 |

## 31. Financial Instruments for YNYCA and Group

**(a)** The Authority has adopted CIPFA's Treasury Management in the Public Services Code of Practice and has a set of treasury management indicators to control key financial instrument risks in accordance with CIPFA's Prudential Code.

### Categories of Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet:

| **Financial Assets** | **Non Current** | | **Current** | | |
|---|---|---|---|---|---|
| | Investments | Debtors | Cash and Cash Equivalents | Debtors | **Total** |
| | 2025/26 | 2025/26 | 2025/26 | 2025/26 | 2025/26 |
| | £000 | £000 | £000 | £000 | **£000** |
| Amortised Cost | - | - | 112,253 | 28,216 | **140,469** |
| Non Financial Assets | - | - | - | - | - |
| **Sub Total YNYCA** | **-** | **-** | **112,253** | **28,216** | **140,469** |
| CCNY | - | - | 18 | - | **18** |
| **Total Group at 31st March 2026** | **0** | **0** | **112,271** | **28,216** | **140,487** |

| **Financial Assets - comparative figures:** | **Non Current** | | **Current** | | |
|---|---|---|---|---|---|
| | Investments | Debtors | Cash and Cash Equivalents | Debtors | **Total** |
| | 2024/25 | 2024/25 | 2024/25 | 2024/25 | 2024/25 |
| | £000 | £000 | £000 | £000 | **£000** |
| Amortised Cost | - | - | 60,913 | 17,009 | **77,921** |
| Non Financial Assets | - | - | - | - | - |
| **Sub Total YNYCA** | **-** | **-** | **60,913** | **17,009** | **77,921** |
| CCNY | - | - | 31 | - | **31** |
| **Total Group at 31st March 2025** | **0** | **0** | **60,944** | **17,009** | **77,952** |

| **Financial Liabilities** | **Non Current** | | **Current** | | |
|---|---|---|---|---|---|
| | Borrowings | Creditors | Borrowings | Creditors | **Total** |
| | 2025/26 | 2025/26 | 2025/26 | 2025/26 | 2025/26 |
| | £000 | £000 | £000 | £000 | **£000** |
| Amortised Cost | 21,281 | - | 1,011 | 33,316 | **55,608** |
| Non Financial Liabilities: | | | | | |
| PFI | - | - | - | 764 | **764** |
| Finance Leases | - | 598 | - | - | **598** |
| **Sub Total YNYCA** | **21,281** | **598** | **1,011** | **34,080** | **56,970** |
| CCNY | - | - | - | - | - |
| **Total Group at 31st March 2026** | **21,281** | **598** | **1,011** | **34,080** | **56,970** |

**Financial Liabilities - comparative figures:**

| | Non Current | | Current | | |
|---|---|---|---|---|---|
| | Borrowings | Creditors | Borrowings | Creditors | **Total** |
| | 2024/25 | 2024/25 | 2024/25 | 2024/25 | 2024/25 |
| | £000 | £000 | £000 | £000 | **£000** |
| Amortised Cost | 22,180 | - | 522 | 19,212 | **41,914** |
| Non Financial Liabilities: | | | | | |
| PFI | - | 764 | - | 658 | **1,422** |
| Finance Leases | - | 645 | - | - | **645** |
| **Sub Total YNYCA** | **22,180** | **1,409** | **522** | **19,870** | **43,981** |
| CCNY | - | - | - | - | **-** |
| **Total Group at 31st March 2025** | **22,180** | **1,409** | **522** | **19,870** | **43,981** |

## (b) Income, Expense, Gains and Losses for YNYCA and Group

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

| | Surplus or Deficit on Provision of Services | Other Comprehensive Income & Expenditure | Surplus or Deficit on Provision of Services | Other Comprehensive Income & Expenditure |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| | 2025/26 | 2025/26 | 2024/25 | 2024/25 |
| **Net gains/losses on:** | | | | |
| Financial Assets measured at amortised cost | 838 | - | 1,140 | - |
| **Interest revenue:** | | | | |
| Financial Assets measured at amortised cost | (3,923) | - | (2,028) | - |
| **Interest Expense** | 835 | - | 784 | - |

### The Fair Value of Financial Assets and Financial Liabilities that are not measured at Fair Value (but for which Fair Value Disclosures are Required)

All financial assets and liabilities held by the Group are classified as loans and receivables and long term debtors and creditors and are carried in the Balance Sheet at amortised cost. The fair values calculated are as follows:

| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
|---|---|---|---|---|
| | 2025/26 | 2025/26 | 2024/25 | 2024/25 |
| **Financial Assets** | £000 | £000 | £000 | £000 |
| Loans and Receivables | 112,253 | 112,253 | 60,912 | 2,569 |
| Debtors | 28,216 | 28,216 | 17,009 | 2,569 |
| **Sub Total YNYCA** | **140,469** | **140,469** | **77,921** | **77,921** |
| CCNY - Loans and Receivables | 18 | 18 | **31** | **31** |
| **Total Group at 31st March 2026** | **140,487** | **140,487** | **77,952** | **77,952** |

Short term Loans and Receivables and Debtors are carried at cost as this is a fair approximation of their value.

| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
|---|---|---|---|---|
| | 2025/26 | 2025/26 | 2024/25 | 2024/25 |
| | | | Restated | Restated |
| **Financial Liabilities** | £000 | £000 | £000 | £000 |
| Financial Liabilities held at amortised cost: | | | | |
| Public Works Loan Board (PWLB) Loans | 22,322 | 24,966 | 22,733 | 24,252 |
| Other liabilities: | | | | |
| PFI | 764 | 627 | 1,422 | 1,108 |
| Finance Leases | 598 | 598 | 645 | 645 |
| Creditors | 33,316 | 33,316 | 19,212 | 19,212 |
| **Sub Total YNYCA** | **57,000** | **59,507** | **44,012** | **45,217** |
| CCNY - Financial Liabilities | - | - | - | - |
| **Total Group at 31st March 2026** | **57,000** | **59,507** | **44,012** | **45,217** |

### Valuation Techniques used to Determine Level 2 Fair Values for the liabilities and assets

PWLB Loans:
The Combined Authority assessed the fair value of PWLB loans by calculating the present value of the cash flows that will take place over the remaining life of the loans applying the following rates:

**(a)** For the fair value measured according to the requirements of the Code - new borrowing available from the PWLB, rates as at the balance sheet date of 31st March 2026; and

**(b)** for the value reflecting the amount that the Combined Authority would have to pay to repay the loans as at 31st March 2026 - PWLB premature repayment rates as at 31st March 2026.

**(c)** The fair value, as calculated in accordance with the Code, of £24.9m measures the economic effect of the past terms agreed with the PWLB compared with new borrowing rates from the PWLB as at 31st March. This is because the Combined Authority has the ability to borrow at concessionary rates from the PWLB rather than from the markets and therefore this provides a more useful figure for users of the financial statements as opposed to a value using prevailing market rates. The fair value of the liabilities is greater than the carrying amount because the Authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than PWLB rates as at 31st March 2026. This shows a notional future loss (based upon economic conditions as at the date) arising from a commitment to pay interest to the PWLB below its current rates.

**(d)** However, it is important for users of the accounts to recognise that if the Combined Authority were to seek to avoid the projected loss by repaying the loans early, the PWLB would charge a premium to reflect the additional interest that would not then be paid. The amount that would have to be paid to repay the loans early using premature repayment rates as at 31st March 2026 is £25m being the outstanding debt including accrued interest plus a premium of £1.2m. The fact that this repayment amount is higher than the carrying amount of the liability demonstrates why the Authority has not undertaken any debt rescheduling exercise to date.

PFI Liabilities
The difference between the fair value and the carrying value of the PFI liability is due to the differing required accounting treatments of the corresponding asset and liability in the accounts of the PFI Provider and the Group. The carrying value in the Balance Sheet of the Group as at 31st March 2026 is

reported in accordance with IFRS Interpretations Committee (IFRIC) 12 Service Concession Arrangements as required by the Code. The fair value of the PFI Liability represents the costs arising on the construction of the assets including initial tender costs. During asset construction, interest on income to be received is capitalised within the finance debtor receivable. Once the assets were accepted by the Fire Service, a constant proportion of the planned net revenue (the unitary charge paid by the Group) is allocated to fully repay the debtor over the life of the contract.

Other Non Financial Liabilities

Finance Leases are exempt from the IFRS13 Fair Value measurement requirements. The carrying amount calculated in accordance with the requirements of IFRS17 Leases is taken to be a reasonable approximation of fair value. Short Term Creditors are carried at cost as this is a fair approximation of of their value.

| | Quoted prices in active markets for identical assets | Other significant observable inputs | Significant unobservable inputs | Fair Value as at 31st March 2026 |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | |
| | £000 | £000 | £000 | £000 |
| **Financial Assets** | | | | |
| Loans and Receivables | 112,253 | - | - | 112,253 |
| Debtors | 28,216 | - | - | 28,216 |
| **Sub Total YNYCA** | **140,469** | **-** | **-** | **140,469** |
| CCNY - Loans and Receivables | 18 | - | - | 18 |
| **Total Group at 31st March 2026** | **140,487** | **-** | **-** | **140,487** |
| | | | | |
| **Financial Liabilities** | | | | |
| PWLB Loans | - | 21,900 | - | 21,900 |
| PFI Liabilities | - | 627 | - | 627 |
| Finance Leases | - | 598 | - | 598 |
| Creditors | 15,731 | - | 17,585 | 33,316 |
| **Sub Total YNYCA** | **15,731** | **23,125** | **17,585** | **56,441** |
| CCNY | - | - | - | - |
| **Total Group at 31st March 2026** | **15,731** | **23,125** | **17,585** | **56,441** |

## Transfers between Levels of the Fair Value Hierarchy

There were no transfers between levels of the fair value hierarchy during the period.

## Changes in Liabilities arising from Financing Activities

To enable users of financial statements to evaluate changes in liabilities arising from financing changes arising from both cash flows and non-cash changes, below is a reconciliation of the opening and closing balances in the Balance Sheet:

| | Opening Balance | Cashflows | Non Cashflows | Closing Balance |
|---|---|---|---|---|
| | 2025/26 | 2025/26 | 2025/26 | 2025/26 |
| | £000 | £000 | £000 | £000 |
| **Financial Liabilities:** | | | | |
| Short and long term borrowing | 22,703 | (522) | 113 | 22,294 |
| Finance Lease Obligations | 645 | (47) | - | 598 |
| PFI Obligations | 1,422 | (658) | - | 764 |
| **Total YNYCA and Group** | **24,770** | **(1,227)** | **113** | **23,656** |

## 32. Nature and Extent of Risks Arising from Financial Instruments

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

(a) **Credit Risk** - the possibility that other parties might fail to pay amounts due to the Combined Authority Group.

(b) **Liquidity Risk** - the possibility that it might not have funds available to meet its commitments to make payments.

(c) **Market Risk** - the possibility that financial loss might arise f as a result of changes in such measures as interest rates and stock market movements.

The Combined Authority's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. The procedures are set through a legal framework in the Local Government Act 2003 and the associated regulations. These require the Authority to comply with CIPFA's Prudential Code and Treasury Management in the Public Services Code of Practice (both revised in 2021). Overall, these procedures require the Combined Authority to manage risks in the following ways:

- Adopt the requirements of the Code of Practice

- Approve annually in advance, prudential indicator limits for the following three years regarding:
  - Affordability of the Authority's capital investment plans including its borrowing limits;
  - Treasury Management, for example, the maturity structure of borrowing; and
  - maximum annual exposures to investments maturing beyond a year.

- Approve an investment strategy for the forthcoming year setting out the criteria for both investing and selecting investment counterparties in compliance with Government guidance.

- Approve a capital strategy for the forthcoming year setting out the context of which capital expenditure and investment decisions are made alongside how capital financing and treasury management activity contribute to the provision of services.

The Annual Treasury Management Strategy includes these procedures in order to manage the risks of the Authority's financial instrument exposure. It is approved by those charged with governance before the beginning of the financial year. In addition, it is a primary requirement that, as a minimum, a mid year review and a performance outturn report on the Group's investment and borrowing activity is produced.

### (a) Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures from customers. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined in the Treasury Management Strategies for 2024/25. North Yorkshire Council make short term investments of some of the Group's entity's daily balances under a Service Level Agreement, other balances are invested by North Yorkshire Police's finance team. All credit ratings of counterparties are monitored daily. The Group's investment priorities are security first, liquidity second and then yield (return).

**Loans and Receivables:**

Cash invested on 31st March 2026 has been classified within the Balance Sheet as cash and cash equivalents due to it being either recallable on demand, or in a maximum of three months notice. Due to the default risk of the investments being extremely low, nil impairment under IFRS 9 is deemed appropriate.

**Debtors:**

The Combined Authority does not generally allow credit for Customers. Information disclosed by Company Liquidators is circulated within the Authority by the Finance Team to ensure that such companies are not granted a chargeable service. The Authority had the following exposure to credit risk at 31st March 2026 based upon experience of default and uncollectability over the last three years adjusted to reflect current and forecast market conditions (i.e. the simplified approach):

| | Gross Value | Impairment Value | Net Value |
|---|---|---|---|
| | **2025/26** | **2025/26** | **2025/26** |
| | £000 | £000 | £000 |
| Deposits with banks and financial institutions | 112,253 | - | 112,253 |
| Customers | 12,881 | (4,257) | 8,624 |
| **Sub Total YNYCA** | **125,134** | **(4,257)** | **120,877** |
| CCNY - Deposits with banks and financial institutions | 18 | - | 18 |
| **Total Group at 31st March 2026** | **125,152** | **(4,257)** | **120,895** |

| | Gross Value | Impairment Value | Net Value |
|---|---|---|---|
| | **2024/25** | **2024/25** | **2024/25** |
| | £000 | £000 | £000 |
| Deposits with banks and financial institutions | 60,912 | - | 60,912 |
| Customers | 14,783 | (3,375) | 11,408 |
| **Sub Total YNYCA** | **75,695** | **(3,375)** | **72,320** |
| CCNY - Deposits with banks and financial institutions | 31 | - | 31 |
| **Total Group at 31st March 2025** | **75,726** | **(3,375)** | **72,351** |

**(b) Liquidity Risk**

The Combined Authority has ready access to borrowings from the money markets to cover day to day cashflow needs whilst the PWLB provides access to longer term funds. There is, therefore, no significant risk that it will be unable to meet commitments under financial instruments. The approved prudential indicator 'Limits for the Maturity Structure of Debt' is the key parameter used to address risk and is used in planning when new loans are to be taken and, when it is economic to do so, making early loan repayments. All long term borrowing as at 31st March 2026 was with the Public Works Loans Board (PWLB) at fixed rates between 2.1% and 5.4%.

**Analysis of loans by maturity - YNYCA and Group:**

| | 31st March 2026 | Maturity profile | 31st March 2025 | Maturity profile |
|---|---|---|---|---|
| | £000 | % | £000 | % |
| Less than 1 year | 899 | 4.1% | 409 | 1.8% |
| Between 1-2 years | 187 | 0.8% | 899 | 4.0% |
| Between 2-5 years | 6,139 | 27.7% | 4,026 | 17.8% |
| Between 5-10 years | 6,520 | 29.4% | 7,320 | 32.4% |
| Between 10-15 years | 6,435 | 29.0% | 7,935 | 35.1% |
| Between 15-20 years | 0 | 0.0% | - | - |
| Between 15-20 years | 2,000 | 9.0% | 2,000 | 8.9% |
| | **22,180** | 100.0% | **22,589** | **100.0%** |

Borrowing due within 1 year is disclosed in the Balance Sheet as a current liability including interest due on borrowing within one year:

| | £000 |
|---|---|
| Borrowing due within 1 year | 899 |
| Interest on borrowing due within 1 year | 111 |
| | 1,010 |

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

**(c) Market Risk**

**(i) Market Risk - Interest Rate risk**

The Combined 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 Group. For instance, a rise in interest rates would have the following effects:

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

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 payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund balance pound for pound.

The Combined Authority has a number of strategies for managing interest rate risk. The main strategy for borrowing over periods undertaking new borrowing is to take advantage of the lowest rates possible whilst also focusing on periods where there is currently no concentration of debt so as to achieve a balanced spread over the debt maturity profile. The debt position is reviewed as part of the annual budget setting process. This review also considers whether internal borrowing using cash balances be used as an alternative to new external borrowing. The use of internal borrowing which runs down investments maximises short term savings and reduces exposure of low interest rates on investments, and the credit risk of counterparties.

If interest rates had been 1% higher with all other variables held constant, the financial effect would be:

| | £000<br>+1% | £000<br>-1% |
|---|---|---|
| Change in interest receivable on variable rate investments (impact on Surplus/Deficit on Provision of Services) | 1,232 | (1,232) |

**(ii) Market Risk - Price risk**

The Combined Authority does not invest in equity shares and thus has no exposure to losses arising in movement in the price of shares.

**(iii) Market 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.

**(iv) PFI Contract - Management of Risks**

The PFI Contract allocates the majority of risks to the service provider. There are no significant risks arising from the contract. However, the affordability of the contract relies on an annual grant of £649k from Central Government. Any reduction in that provision would impact adversely on the Combined Authority's financial position.

## 33. Contingent Liabilities

**(a) Employee Claim:**

At the reporting date of 31st March 2026, the Combined Authority is subject to a legal claim brought by the Fire Brigades Union (FBU) regarding a failure to consult on a measure affecting pay dates. The claim relates to compensation for affected employees, with a wide exposure range from £0 to up to 13 weeks' pay per individual. Legal counsel has assessed the likelihood of the claim succeeding as being possible but not probable. As a result, no provision has been recognised in the financial statements.

On 31st March 2026, the claim remained unresolved, a date for the tribunal hearing date being awaited. The hearing commenced on 22nd June 2026 and on 24th June 2026, the tribunal concluded that the Authority has no liability to pay compensation arising from the claim.

**(b) Defined Benefit Pension Schemes:**

**(i) Special On Call Members (Matthews)**

In November 2018 a ruling on the legal case involving part-time judges (O'Brien v MoJ) had a direct impact on the equivalent case for On Call Firefighters (Matthews). Home Office Ministers have agreed to extend the pension entitlement for on call firefighters to cover service pre-July 2000. A Memorandum of Understanding signed in March 2022 set out the intended scope and operation of the options exercise required to enact remedy in this case.

The options exercise will increase the pensions entitlement for some current special on call members and also allow access to the scheme for additional historic on call members. Although the options exercise is underway, there is very significant data uncertainty in the calculation of this liability and significant assumptions have had to be made. Additionally, the options exercise has since been extended to 31st March 2027.

Based on the data available and an assumed uptake rate of 60%, the Actuary estimates a potential liability from the second Matthew's exercise to be £26m, however, at the same time, it recognises there is significant uncertainty in this estimate and it is very likely that actual experience will be different to the assumptions that have been made.

**(ii) Court of Appeal judgement - Virgin Media v NTL Pension Trustees II Limited**

In June 2023 the High Court ruled in the case of Virgin Media Limited v NTL Pension Trustees II Ltd. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by the correct actuarial confirmation. In July 2024, the Court of Appeal unanimously upheld the decision of the High Court.

Government is proposing to legislate to allow retrospective validation of certain scheme changes through the 2024 Pension Schemes Bill which is understood would be a significant step forward towards addressing issues potentially arising from the ruling. Until the legislation is passed, uncertainty will remain as to whether any liabilities might arise, and if they were, how they would be reliably measured.

## 34. Net cash flows from Investing Activities - YNYCA and Group

| | 2025/26 | 2024/25 |
|---|---|---|
| | £000 | £000 |
| | | Restated |
| Purchase of Non Current Assets | (12,883) | (19,452) |
| Purchase of Short Term Investments | - | - |
| Proceeds from sale of PPE and AHFS | 255 | 343 |
| Proceeds of Investments (Including Interest Received) | 4,245 | 2,533 |
| Capital Grants received | 100,182 | 57,861 |
| | **91,799** | **41,285** |

## 35. Net cash flows from Financing Activities - YNYCA and Group

| | 2025/26 | 2024/25 |
|---|---|---|
| | £000 | £000 |
| Cash receipts from short and long term borrowing | - | - |
| Cash payments for the reduction of outstanding liabilities relating to finance leases and PFI arrangements | (598) | (649) |
| Repayments of short and long term borrowing | (1,318) | (1,709) |
| | **(1,916)** | **(2,358)** |

## FIREFIGHTERS PENSION FUND ACCOUNT FOR PERIOD ENDED 31st MARCH 2026

| 2024/25 | | Note | | 2025/26 |
|---|---|---|---|---|
| £000 | | | £000 | £000 |
| | **CONTRIBUTIONS AND BENEFITS** | | | |
| | **Contributions receivable** | | | |
| (5,641) | Contributions in relation to pensionable pay | | (6,183) | |
| (296) | Early Retirements | | (352) | |
| (2,307) | Firefighters contributions | | (3,118) | |
| (371) | Other Firefighters contributions | | (813) | |
| **(8,615)** | | | | **(10,466)** |
| | **Transfers in** | | | |
| **(162)** | Individual transfers in from other schemes | | | **(71)** |
| | **Benefits payable** | | | |
| 11,724 | Pensions | | 16,176 | |
| 2,485 | Commutations & lump sum retirement benefits | | 4,348 | |
| - | Lump sum death benefits | | 2 | |
| **14,209** | | | | **20,526** |
| | **Payments to and an account of leavers** | | | |
| - | Individual transfers out to other schemes | | | - |
| | **Other payments** | | | |
| **4** | Scheme tax charges | | | **78** |
| **5,436** | **Deficit / (Surplus) for the period before top up grant receivable from/payable to Central Government** | | | **10,068** |
| (5,436) | Top up grant receivable from Government | | | (10,068) |
| **-** | **Net amount payable / (receivable) for the period** | | | **-** |

## FIREFIGHTERS PENSION FUND

## NET ASSETS STATEMENT FOR PERIOD ENDED 31st MARCH 2025

| 2024/25 | | Note | | 2025/26 |
|---|---|---|---|---|
| £000 | | | £000 | £000 |
| | **Current Assets** | 5a | | |
| 75 | Contributions due from Authority | | 54 | |
| 535 | Contributions due from Firefighters | | 1,784 | |
| 162 | Pension top up grant receivable from Government | | 1,319 | |
| 7,655 | General Fund | | 6,173 | |
| **8,428** | | | | **9,330** |
| | **Current Liabilities** | 5b | | |
| (6,392) | Government Grant paid in advance | | (3,638) | |
| (2,035) | Unpaid pension benefits | | (5,692) | |
| - | General Fund | | - | |
| **(8,428)** | | | | **(9,330)** |
| **-** | **Total Net Assets** | | | **-** |

## NOTES TO THE PENSION FUND ACCOUNTS

### 1. General Description of the Fund

There are three Pension Schemes currently administered by the Service:

**(a)** Firefighters Pension Scheme 1992 (FPS) operated under the Firefighters Pension Scheme (Amendment) (No. 2) (England) Order 2006
**(b)** New Firefighters Pension Scheme 2006 (NFPS) operated under the Firefighters' Pension Scheme (England) Order 2006
**(c)** The Firefighters Pension Scheme 2015 as set out in the Firefighters' Pension Scheme (England) Regulations 2014 (SI 2014/2848)

All three Schemes are unfunded meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual payments as they fall due.

Entrants to the Service since 1st April 2015 are eligible to join the 2015 Scheme, a career average scheme with a normal retirement age of 60. Other members have either transitioned to the 2015 Scheme, or in the case of firefighters who were within 10 years of retirement on 1st April 2012, remained in either the 1992 (FPS) or the 2006 (NFPS), both of which are final salary schemes.

The Service pays firefighters' pensions via a separate Firefighters Pension Fund Account. An employer's contribution based on a percentage of pay is paid into the fund. The Service is also required to make lump sum payments in respect of ill health retirements to meet locally, at least, some of the cost of retiring an employee on the grounds of ill health. Employee contributions are also paid into the fund. The fund is topped up as necessary by Government Grant if the contributions are insufficient to meet the pension payments due. In the event of a surplus, this will be recouped by the Government.

The Fund's transactions during the year include those made in respect of the McCloud Remedy and the Matthews Options Exercise where payments and receipts were due on or before 31st March 2025. Separate grant funding was received in advance in July 2024 and is being brought into the Fund to match net expenditure as it is incurred.

Each Fire and Rescue Service in England is required by legislation to operate a Pension Fund and the amounts that must be paid into and out of the fund are specified by regulations under statute. The fund is administered and managed for the Service by West Yorkshire Pension Fund via a service level agreement for Pensions Administration.

The contributions payable by Employees and Employers prescribed by the regulations above are:

| Scheme | 31/03/2026 Employer | 06/05/2025 Employer | 31/03/2026 Employee * | 06/05/2025 Employee * |
|---|---|---|---|---|
| 1992 (FPS) | - | - | - | - |
| 2006 (NFPS) | - | - | - | - |
| 2015 Scheme | 37.6% | 37.6% | 11.0%-14.5% | 11.0%-14.5% |

* Employee rates vary which are dependent upon pensionable pay bandings. From

1st April 2022 all active members were in the 2015 Scheme.

**2. Membership**

The following summarises the membership of the Pension Fund at 31st March 2026:

| Scheme | 31/03/2026 Contributors | Pensioners | Deferred Pensioners |
|---|---|---|---|
| 1992 (FPS) | 0 | 498 | 32 |
| 2006 (NFPS) | 0 | 127 | 310 |
| 2015 Scheme | 594 | 106 | 274 |

| Scheme | 01/04/2025 Contributors | Pensioners | Deferred Pensioners |
|---|---|---|---|
| 1992 (FPS) | 0 | 508 | 25 |
| 2006 (NFPS) | 0 | 95 | 175 |
| 2015 Scheme | 607 | 59 | 395 |

**3. Accounting Policies**

The Pension Fund Accounts for the period ended 31st March 2026 are presented in the format laid down in the Code of Practice on Local Service Accounting in the United Kingdom 2025/26 issued by the Chartered Institute of Public Finance and Accountancy, known as 'the Code'.

**4. Basis of Preparation**

Except where otherwise stated below, the accounts have been prepared on an accruals basis.

**5. Fund Account Transactions**

Benefits payable and withdrawal of contributions have been brought into the Accounts on the basis of all valid payments due in the period. Transfer values are those sums receivable from, or payable to, other pension schemes for individuals and relate to periods of previous pensionable employment. Where possible, transfer values within the financial year are brought into the accounts at the net assets statement date. In a small number of cases it is not possible to obtain sufficient information from other pension schemes and these transfers are accounted for on a cash basis.

**(a) Current Assets**

Debtors are raised for known contributions due to the Pension Fund at 31st March 2026:

| | 31 March 2026 £000 | 31 March 2025 £000 |
|---|---|---|
| Central Government Bodies | 1,319 | 162 |
| Other Local Authorities | - | - |
| Other entities and individuals | 1,838 | 611 |
| General Fund | 6,173 | 7,655 |
| **Total** | **9,330** | **8,428** |

**(b) Current Liabilities**

Creditors are raised for known contributions owing by the Pension Fund at 31st March 2026:

| | 31 March 2026 | 31 March 2025 |
|---|---|---|
| | £000 | £000 |
| Central Government Bodies | (3,638) | (6,392) |
| Other entities and individuals | (5,692) | (2,035) |
| **Total** | **(9,330)** | **(8,428)** |

No allowance has been made for liabilities to pay pensions and other benefits after the 31st March 2026.

**6. Long Term Pension Obligations**

Details of the Service's long term pension obligations in respects of the Firefighters' Pension Schemes can be found in Note 31 to the Group Accounts.

## POLICE PENSION FUND ACCOUNT FOR PERIOD ENDED 31st MARCH 2026

| 2024/25 | | | | 2025/26 |
|---|---|---|---|---|
| £000 | | Note | £000 | £000 |
| | **CONTRIBUTIONS AND BENEFITS** | | | |
| | **Contributions receivable** | | | |
| | From Employer: | | | |
| (23,304) | Normal | | (26,679) | |
| - | Early Retirement | | - | |
| (8,439) | From Members | | (9,672) | |
| (191) | Remedy Adjustments | | (196) | |
| (954) | Reimbursement for Unabated Pensions | | - | |
| **(32,888)** | | | | **(36,547)** |
| | **Transfers in** | | | |
| **(16)** | Individual transfers in from other schemes | | | **(60)** |
| | **Benefits payable** | | | |
| 46,171 | Pensions | | 53,044 | |
| 8,307 | Commutations & lump sum retirement benefits | | 12,438 | |
| 328 | Death grants & dependants gratuities | | 247 | |
| **(54,806)** | | | | **65,729** |
| | **Payments to and an account of leavers** | | | |
| 40 | Refund of contributions | | | 33 |
| - | Individual transfers out to other schemes | | | 4 |
| **21,942** | **Deficit / (Surplus) for the period before top up grant receivable from/payable to Central Government** | | | **29,159** |
| (21,942) | Top up grant receivable from Government | | | (29,159) |
| **-** | **Net amount payable / (receivable) for the period** | | | **-** |

## POLICE PENSION FUND
## NET ASSETS STATEMENT FOR PERIOD ENDED 31st MARCH 2026

| 2024/25 | | | | 2025/26 |
|---|---|---|---|---|
| £000 | | Note | £000 | £000 |
| | | **5** | | |
| - | Current Debtors | | - | |
| **-** | **Total Assets** | | | **-** |
| - | Current Creditors | **6** | - | |
| **-** | **Net Assets** | | | **-** |

## NOTES TO THE PENSION FUND ACCOUNTS

1. **Accounting Policies**
   The Pension Fund Accounts have been prepared in accordance with the IFRS Code and on an accruals basis. This means that sums due to or from the Pension Fund are included as they fall due, whether or not the cash has been received or paid. The accounting convention adopted is historical cost.

2. **Operation of Police Pension Schemes**
   The Chief Constable for North Yorkshire (CCNY) operates three Pension Schemes for police officers. These are unfunded defined benefit schemes, meaning that there are no investment assets built up to meet the pension liabilities and cash has to be generated to meet actual pension payments as they eventually fall due. The second scheme was introduced in April 2006, with the intention that joint contributions of employers and employees would finance the full costs of pension liabilities. All police officers recruited from April 2006 to April 2015 became members of the 2006 scheme. The third scheme came into effect for officers recruited on or after April 2015. A number of officers have been transferred from the previous schemes in the year and will continue to do so moving forward based on calculated taper dates.

   The charge in the CCNY accounts represents net cost of pensions and other benefits paid after deducting contributions receivable from members. Members contribution rates vary between 10.38% and 14.22% of pensionable pay.

3. **Funding of Police Pension Schemes**
   The funding arrangements for Police Pension Schemes changed on 1st April 2006 and again on 1st April 2015. Before 1 April 2006 the schemes did not have a percentage of pensionable pay type of contribution, rather the Police Authority was responsible for paying pensions of employees on a pay-as-you-go basis. Under the new funding arrangements, the schemes remain unfunded but CCNY no longer meets the pension outgoings directly, instead it pays an employer’s contribution, based on a percentage of pay, into the Pension Fund. Each individual Police and Crime Commissioner in England and Wales is is required by legislation to operate a Pension Fund for police officers and the amount that must be paid into and out of the Pension Fund are specified by regulation.

   Under the new arrangements, the Pension Fund will be balanced to nil at the end of the year by either a payment to or from the PCC. With effect from 1st April 2015, the Home Office does not fund the whole of difference between payments and receipts' and CCNY is required to make an additional contribution calculated according to regulations. PCC will either pay an amount equal to the amount received from the Pension Fund to the Home Office or receive a pension top-up grant from the Home Office equal to the amount paid to the Pension Fund.

## 4. Liabilities in Relation to Retirement Benefits

The Pension Fund Accounts do not take account of liabilities to pay pensions and other benefits after the period end. Details of the liabilities for retirement benefits attributable to CCNY at 31st March 2026, and of the basis for assessing those liabilities, are included in note 29 to the Group Accounts. The present value of the Police Pension Scheme liabilities, based on the most recent full valuation of the scheme (as at 31st March 2022) and updated to the balance sheet date is:

| | 31 March 2026<br>£000 | 31 March 2025<br>£000 |
|---|---|---|
| Police Pension Scheme 1987 | (1,120) | (1,119) |
| Police Pension Scheme 2006 | (40) | (34) |
| Police Pension Scheme 2015 | (114) | (134) |
| Total present value of liabilities | (1,274) | (1,287) |

## 5. Debtors

| | 31 March 2026<br>£000 | 31 March 2025<br>£000 |
|---|---|---|
| Short Term - Other Local Authorities | - | - |
| | - | - |

## 6. Creditors

| | 31 March 2026<br>£000 | 31 March 2025<br>£000 |
|---|---|---|
| Short Term - General | - | - |
| | - | - |

## GLOSSARY OF TERMS

**ACCOUNTING PERIOD**
The period of time covered by the accounts, normally a period of twelve months commencing on 1st April and ending as at the balance sheet date, 31st March.

**ACCRUALS**
The concept that income and expenditure is accounted for as it is earned or incurred, not as money is received or paid.

**AMORTISATION**
Written off over a suitable period of time, usually in line with the useful life of an asset.

**ASSET**
An item owned by the Authority, which has a monetary value. Assets are defined as **current or non current** :

- **Current assets** will be consumed or cease to have value within the next financial year, e.g. inventories and debtors
- **Non current assets** provide benefits to the Authority and to services it provides for a period of more than one year, for example, land, buildings, vehicles and equipment.

**AUDIT**
An independent examination of the Authority’s activities, either by internal audit or the Authority's external auditors.

**BALANCE SHEET**
A statement of the recorded assets, liabilities and other balances at the end of an 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 an existing non current asset.

**CAPITAL FINANCING**
The raising of money 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 contribution, revenue reserves and earmarked reserves.

**CAPITAL RECEIPTS**
The proceeds from the disposal of land or other 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 for general revenue purposes.

**CIPFA**
The Chartered Institute of Public Finance and Accountancy. This is the professional institute that develops and promotes proper accounting practice for Local Government in England and Wales.

**CONSISTENCY**
The concept that the accounting treatment of like items is the same from one accounting period to the next.

**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.

**CONSUMER PRICE INDEX (CPI)**
CPI is the official measure of inflation of consumer prices of the United Kingdom. It is a statistical estimate constructed using the prices of a sample of consumer goods, purchased by households whose prices are collected periodically

**COUNCIL TAX**
This is a banded property tax which is levied on domestic properties. The banding is based on estimated property values as at 1st April 1991.

**CREDITOR**
Amounts owed by the Authority for works done, goods received or services rendered before the end of the accounting period but for which payments have not been made by the end of that accounting period.

**DEBTOR**
Amounts due to the Authority for works done, goods received or services rendered before the end of the accounting period but for which payments have not been received by the end of that period.

**DEFINED BENEFIT OBLIGATION**
Future pension liabilities payable by the Authority that have been promised under the formal terms of the defined benefit pension schemes provided to employees.

**DEPRECIATION**
The amount charged to revenue accounts to represent the reducing value of non current assets through consumption.

**DEPRECIATED REPLACEMENT COST**
A method of valuation based on the gross cost of replacing the asset/building less an allowance for depreciation.

**EXISTING USE VALUE**
A method of valuation based on the amount that would be paid for an asset/building based on its existing use.

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

**GOVERNMENT GRANTS**
Grants made by the Government towards either revenue or capital expenditure to support the cost of the provision of the Authority's services. These grants may be given specifically towards the cost of particular defined schemes, or to support the revenue spend of the Authority (known as Revenue Support Grant).

**GROUP**
The term Group refers to the York and North Yorkshire Mayoral Combined Authority.

**GROSS CARRYING AMOUNT (GCA)**
The cost of a non current asset before the deduction of accumulated depreciation and/or impairment.

**IMPAIRMENT**
A reduction in the value of a non current asset, below it's carrying amount on the balance sheet.

**INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS)**
Standards for the presentation and preparation of financial statements set by the International Accounting Standards Board (IASB) that organisations must follow. These standards were previously called **International Accounting Standards (IAS)**.

**IFRS INTERPRETATIONS COMMITTEE (IFRIC)**
The Interpretations Committee are responsible for the maintenance of IFRS. Its objective is to interpret the application of IFRS and provide guidance on financial reporting issues that are not specifically addressed, or where concerns are expressed about poorly specified disclosure requirements.

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

**LIABILITY**
A liability is where an 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 BORROWING**
The main element of long term borrowing is comprised of loans that have been raised to finance capital investment projects.

**MARKET VALUE**
The monetary value of an asset as determined by current market conditions.

**MATERIALITY**
The concept that the Statement of Accounts should include all amounts which, if omitted, or mis-stated, could be expected to lead to distortion of the financial statements to a reader of the statements.

**MINIMUM REVENUE PROVISION (MRP)**
Represents the statutory minimum amount that must be charged to a revenue account in each financial year to repay external borrowings.

**NET BOOK VALUE**
The amount at which non current assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amount provided for depreciation.

**NET REALISABLE VALUE**
The open market value of the asset in its existing use, less expenses to be incurred in selling the asset.

**NON DOMESTIC RATES**
National non domestic rates (also known as Business Rates) are a tax on properties which are not used for domestic purposes such as shops, factories, offices and fire stations. Business rates collected by Local Authorities are the way that those who occupy non-domestic properties contribute to the cost of local services.

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

**PEPPERCORN RENT**
A very low or nominal rent payable for the use of an asset.

**PRECEPT**
The order made by Precepting Authorities on Billing Authorities, requiring the latter to collect income from council taxpayers on their behalf.

**PRIVATE FINANCE INITIATIVE (PFI)**
A means of securing new assets and associated services in partnership with the private sector.

**PROVISION**
An amount put aside in the accounts for liabilities or losses which have occurred but uncertainty surrounds the exact amounts involved or the dates on which they will arise.

**PRUDENCE**
The concept that revenue is not anticipated but is recognised only when realised in the form of either cash or other assets, the ultimate cash realisation of which can be assessed with reasonable certainty.

**PUBLIC WORKS LOAN BOARD (PWLB)**
This is 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 itself can borrow.

**RELATED PARTIES**
Two or more parties are related, when at any one time during the financial period:

- one party has direct or indirect control of the other party; or
- the parties are subject to common control from the same source; or
- one party has influence over the financial and operational policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or
- the parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

**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 are kept to manage the accounting processes for non current assets and retirement benefits and do not represent usable resources for the Authority.

**RETAIL PRICE INDEX (RPI)**
RPI is a measure of inflation published monthly by the Office for National Statistics. It measures the change in the cost of a representative sample of retail goods and services.

**REVENUE EXPENDITURE**
The day-to-day expenses of providing services. It is usually of a constantly recurring nature and produces no permanent asset, e.g. salaries, wages, supplies and services, and debt charges.

**REVENUE EXPENDITURE FUNDED UNDER CAPITAL STATUTE (REFCUS)**
Expenditure incurred by the Authority that may be capitalised under statutory provisions but does not result in the creation of a non current asset and is charged to the Comprehensive Income and Expenditure statement.

**REVENUE SUPPORT GRANT**
This is a Central Government grant to authorities, contributing towards the cost of their services. It is based on the Government's assessment of how much an authority needs to spend to provide a standard level of service.

**SHORT TERM INVESTMENT**
Short term investments are deposits of temporary surplus funds with banks or similar institutions.

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