



Creating a safer
Cambridgeshire

The Chief Constable of Cambridgeshire Constabulary

STATEMENT OF ACCOUNTS 2024/25

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PREFACE

Introduction to the 2024/25 Statement of Accounts by Nick Dean, Chief Constable of Cambridgeshire Constabulary

Preventing crime and making Cambridgeshire a safer place to live and work, is at the heart of the Constabulary's mission. The Constabulary's Corporate Plan was refreshed during 2024/25 ensuring support and due regard is afforded to assist in the delivery of the Police and Crime Commissioner's Police and Crime Plan. Our operational priorities are to Safeguard the Vulnerable, Combat Acquisitive Crime, Reduce Harm to Communities, Tackle Serious and Organised Crime and Increase Public Satisfaction. The operational priorities sit alongside the Constabulary's organisational focus, centred on People, Resources, Partnerships and Transformation. The Corporate Plan also sets out the values through which the Constabulary delivers policing to the communities of Cambridgeshire; those of fairness, integrity, diligence and impartiality. The Corporate Plan, importantly, includes a cultural statement with the Constabulary being one of the few forces to outline this so prominently within its Corporate Plan. The Plan also sets out the Constabulary's strategic ambitions and intent, regarding diversity, equality and inclusion. Keeping a focus on key national agendas, the Plan maintains the Constabulary's strategic ambitions and intent in respect of Violence Against Women and Girls (VAWG), the Harm to Hope Drug Strategy and our One More Step Prevention Strategy.

With a population at c0.9m Cambridgeshire continues to be one of the fastest growing counties with the population expected to grow well above 0.9m by 2031. Indeed, during the period between the 2011 census and 2021 census Cambridgeshire's population increased by 11.1% (89,500) compared to the East of England at 8.3% and the whole of England at 6.6%. The impacts of the population growth on policing cannot be underestimated. The county covers 1,309 square miles and is diverse: from the cities of Peterborough and Cambridge through to market towns and on to the rural Fens; it has major infrastructure projects on the county's road network, significant growth in housing development and is a key contributor to the overall economy through the business sector. All these characteristics, along with increasingly complex crimes, such as county lines and serious and organised crime make policing a challenge. However, the dedication and commitment of the Constabulary puts it in a place to meet these issues head on and provide a professional and inclusive policing service.

Following our last Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection two areas for improvement were raised by His Majesty's Inspectorate of Constabularies and Fire and Rescue Services (HMICFRS). One was in relation to managing offenders which I am pleased to report has been formally removed by HMICFRS following an intensive improvement plan that was put in place. The second was in relation to responding to the public

which at the time of compiling these accounts remains. However, I am confident in the work that the Constabulary has undertaken, changes implemented and resources allocated that this too will be removed when HMICFRS reassess our progress in this area.

The use of 999 calls has declined in recent months; 2024/25 saw 11.5% fewer 999 calls than 2023/24. The daily average over 2024/25 was 414 per day compared to 467 per day over 2023/24. The downward trend in 101 volumes also continued, with 2024/25 seeing 6.4% fewer 101 calls than 2023/24. The daily average for 101 calls was 629 per day over 2024/25, down from 670 per day over the previous year. The use of webchats increased, however, up 6.4% over 2024/25 relative to 2023/24 with a daily average of 75 per day compared to 70 per day the previous year.

The reduction in call volumes – and efforts to reduce discontinuance rates and improving secondary line handling - has helped the Demand Hub improve levels of call-handling service. National comparison data over 2024/25 shows improvements in national rankings relative to other forces, with Cambridgeshire ranked 2nd nationally for the average 999 answer time every month from November 2024 to March 2025. Cambridgeshire data shows an average wait time of 2 seconds for 999 calls over 2024/25 compared to 10 seconds over 2023/24. The 101 call handling also improved with average wait time down to 5 seconds, from 23 seconds over 2023/24.

Overall, victim satisfaction rates were stable year-on-year. Victims surveyed over 2024/25 were 78.4% (at least fairly) satisfied with their whole experience with Cambridgeshire Constabulary – comparable to 78.2% over 2023/24. The long-term indicator for recorded crime continued its recent gradual decline over 2024/25, with an overall 2.3% reduction year-on-year.

The Constabulary continues to meet its police officer baseline target of 1,732 officers ending 2024/25 17 officers above this baseline. We continue to strive to recruit officers from diverse backgrounds to enhance our organisational representation from Black, Asian, Mixed or Other ethnic groups. Looking forward the government has introduced the neighbourhood policing guarantee effective from 2025/26. This is similar to the previous uplift programme but targeted at increasing police officers, police community support officers (PCSO) and special constables working directly in neighbourhoods and local communities. The Constabulary plans to recruit an additional 30 officers, 7 PCSOs and 13 special constables – a total of 50 extra neighbourhood resources helping to create a safer Cambridgeshire.

We have continually challenged the efficiency and effectiveness of all areas of the Constabulary, yet we continue to remain one of the lowest cost forces in the country. This has been achieved through the collaboration with our Strategic Partners in Bedfordshire and Hertfordshire, the 7 force network in the eastern region and working with local partners in Cambridgeshire.

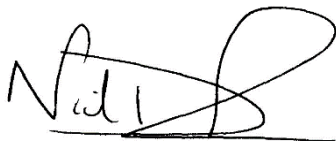
Policing nationally has faced real challenges to its integrity and public trust in recent years. Necessary work has been instigated by the Home Office and College of Policing to provide assurance on the vetting status of all police officers and staff nationally. Cambridgeshire has embraced this work in line with our Culture Statement and will continue to do so. During 2024/25 a new integrity health check was introduced for all officers and staff with which the Constabulary achieved 100% completion at the year end.

I therefore offer my ongoing thanks and gratitude to all police officers and staff within the Constabulary and our partners again for another year in which we have collectively progressed many aspects of the Constabulary's operations. Despite the progress we continue to make there are and always will be new challenges to rise to. The government's mission to reduce knife crime, reduce violence against women and girls, make our streets safe through the neighbourhood policing guarantee and Police Reform alongside devolution and local government reform being current examples of the complex landscape in which we operate.

Financial management and delivery of savings by the Constabulary has been and continues to be high on the agenda and places the Force in a strong position to respond to these ongoing challenges working with our partners to drive value for money policing services. We continue to link financial and business planning through our CamSTRA (strategic threat and risk assessment) process. The Constabulary has a balanced budget as we move into 2025/26, however the medium-term financial plan requires further savings to be identified. The Constabulary will continue to identify and deliver savings although our risk appetite may need to be adjusted in some areas to achieve this.

The combination of dedication and commitment of the Constabulary, its leadership and its workforce combined with strong and effective use of financial and non-financial resources will ensure we continue to deliver our vision of creating a safer Cambridgeshire.

I also thank the public of Cambridgeshire for their support in our delivery of the policing service across the county.

A handwritten signature in black ink, appearing to read 'Nick Dean', with a horizontal line underneath.

Nick Dean KPM Mst (Cantab)
Chief Constable

Narrative Report

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1. Foreword by the Chief Finance Officer

The Narrative Report provides an overview of Cambridgeshire Constabulary's financial and non-financial performance for the 2024/25 year. Context to the performance is set out along with key external factors and a summary of the financial outlook for future years.

Regulation 8 of the Accounts and Audit (England) Regulations 2015 requires local authorities (the definition of which includes police forces) to prepare a narrative statement to include comment by the authority on its financial performance and economy, efficiency, and effectiveness in its use of resources over the financial year.

Policing continues to face numerous challenges with ever changing complexity and sophistication of crime. These include serious and organised crime, county lines, cyber and fraud, modern day slavery, human trafficking and vulnerability victims and terrorist incidents. Advances in digital technology is also adding greater complexity to crimes committed. Coupled with the tight financial environment within which the Constabulary operates, like many public sector bodies, there must be a focus on economy, efficiency and effectiveness of policing with the resources available.

The landscape within which the Constabulary operates is changing and during 2024/25 several new considerations have emerged. Some of these affect the Constabulary directly such as the neighbourhood policing guarantee and police reform. Others may affect the Constabulary in a more indirect way such as local government reform and devolution. These initiatives alongside the ongoing evolution of criminal activity increase the complexity of the Constabulary's operating environment. These areas are commented on further in the Outlook section of the Narrative Statement.

During 2024/25 the Constabulary was required to maintain the Government's Police Uplift numbers where an additional 20,000 police officers were recruited to in recent years. The Force has continued its excellent performance to attract and recruit new officers to exceed the baseline establishment of 1,732 officers ending the year 17 officers above this baseline. This has been essential to secure £4.4m of government grant funding attached to maintaining the baseline. The expectation for 2025/26 is that the baseline continues to be maintained which the Constabulary will remain accountable for being incentivised through £3.6m of ring-fenced grant for that year.

The Force has continued to work with its Strategic Partners Bedfordshire Police (Beds) and Hertfordshire Constabulary (Herts) as part of the tri-force (BCH) collaboration. BCH delivers a range of shared services optimising the use of public money across the collaboration. The 7 Force Eastern Region Innovation Network (ERIN) consisting of BCH, Norfolk, Suffolk, Kent and

Essex continues to add value to the Constabulary in areas such as the development of robotic process automation (RPA). The focus of the ERIN is on agility to share knowledge, deliver innovation, explore collaborative opportunities and good practice, and to collaborate on services where a sound business case exists.

The Constabulary has continued to work with other local partners within Cambridgeshire. The Constabulary is proactive in national policing initiatives for the whole of policing in England and Wales. This continued focus on working together ensures the Constabulary's resources are achieving value for money. These arrangements place the Constabulary in a strong position to respond to the Labour Government's Police Reform proposals and the Police Efficiency and Collaboration Programme (PECP) aimed at setting national standards for policing such as procurement, enhancing cost recovery and establishing shared specialist functions.

The Statement of Accounts has been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA). It aims to provide information to help the reader understand the overarching financial position of the Chief Constable and have confidence that the Chief Constable has spent public money effectively and that it has been accounted for in an appropriate manner.

Readers of these accounts and the subsequent external audit opinion should be aware of the impact that the national audit backlog has had. The capacity of the previous auditors meant that the financial statements for 2021/22 and 2022/23 were not fully audited and received a disclaimed opinion. The impact of this meant that KPMG, the current auditors were not able to obtain assurance over the prior year accounts. The 2023/24 audit of the accounts were similarly concluded with a disclaimed opinion through no fault of the Constabulary. A consideration of the arrangements in place to secure value for money was also undertaken by KPMG for 2023/24, which assessed there to be no significant risks or weaknesses in the Constabulary's arrangements for securing economy, efficiency and effectiveness in the use of resources.

The Police & Crime Commissioner (PCC) and the Chief Constable are established as separate legal entities. The Chief Constable has a statutory responsibility for the control, direction, and delivery of operational policing services in Cambridgeshire. The PCC is elected by the public to secure the maintenance of an efficient and effective police force and to hold the Chief Constable to account for the exercise of his functions and those of persons under his direction and control. This set of accounts explains how the resources provided by the PCC to the Constabulary have been used to deliver operational policing services.

2. Cambridgeshire

Cambridgeshire Constabulary covers approximately 1,311 square miles. The county consists of the cities of Ely, Peterborough and Cambridge, market towns and sparsely populated rural communities.

Cambridgeshire has a population around 0.9m. This resident population is ethnically diverse, with 14.6% from Black, Asian, Mixed or Other ethnic group, and is increased by students who study in the area's universities and the large numbers who visit or travel through the county each year. Cambridgeshire continues to be one of the fastest growing counties with the population expected to grow well above 900,000 by 2031. Indeed, during the period between the 2011 census and 2021 census Cambridgeshire's population increased by 11.1% (89,500) compared to the East of England at 8.3% and the whole of England at 6.6%. The growth in Cambridgeshire will be further accelerated by the Government announcement to target 5,802 new homes per annum supported by a £10m investment to develop a plan for housing, transport, water and other infrastructure delivered by the Cambridge Growth Company.

The county borders 8 other counties and the Constabulary is in a strategic collaboration with the police forces of two of those counties (Bedfordshire and Hertfordshire) for the delivery of some policing services and works collaboratively with other bordering forces including Norfolk, Suffolk and Essex, and wider with Kent, Thames Valley, Surrey and Sussex in some areas of business.

During 2024/25 Cambridgeshire received the following on average:

- 999 calls per day 414
- 101 calls per day 629
- Web chats per day 75

3. Cambridgeshire Constabulary

Statutory Framework & Responsibilities

The Police Reform and Social Responsibility Act 2011 (the Act) provides the statutory framework under which the PCC and Chief Constable were established as separate legal entities. The Act prescribes the roles and responsibilities of which an overview is provided here.

“The Police and Crime Commissioner for a police area must:

- a) Secure the maintenance of the police force for that area; and
- b) Secure that the police force is efficient and effective.”

The PCC also has a role in holding the Chief Constable to account for the operational policing of Cambridgeshire.

The Chief Constable directs and controls the operations, police officers and police staff of the Constabulary to achieve the operational and organisational priorities contained within the Corporate Plan, in addition paying due regard to the PCC's Police and Crime Plan.

The financial management responsibilities differ in that the PCC has overall responsibility for the finance of the Constabulary's group accounts. All resources, grant and precept funding are received by the PCC and funding is provided to the Chief Constable to deliver the operational policing requirement. The Chief Constable prepares single entity accounts to demonstrate how the funding provided by the PCC has been used to achieve the operational policing objectives.

The Financial Management Code of Practice for the police forces of England and Wales (the Code) has also been issued under the Police Reform and Social Responsibility Act 2011. The Code provides the financial governance arrangements for police forces and the financial requirements that the PCC and Chief Constable must adhere to. The aim being to ensure the proper use, stewardship, and value for money in the use of public funds to deliver the policing service.

The Chartered Institute of Public Finance and Accountancy (CIPFA) has developed a Financial Management (FM) Code for Police and Fire Services. The CIPFA FM Code contains six overarching principles covering leadership, accountability, transparency, sustainability, standards and assurance. The Constabulary has undertaken an assessment of its compliance with the CIPFA FM Code for the 2024/25 financial year, which sets out the Constabulary's compliance with just 2 areas of improvements from the FM Code.

The Police and Crime Plan

The Police and Crime Plan (PCP) for Cambridgeshire sets the vision of the PCC for Cambridgeshire - 'Tackling Crime and Keeping Communities Safe'. The Plan is structured on strategic themes designed to ensure safe communities. The themes are: early intervention and prevention; tackling crime and anti-social behaviour; supporting victims and witnesses; and building trust and confidence.

The PCP can be found at the following link: [Police and Crime Plan 2025-2028](#)

(Link address: <https://www.cambridgeshire-pcc.gov.uk/the-police-and-crime-plan/a-new-police-and-crime-plan-for-Cambridgeshire-and-Peterborough/>)

The Corporate Plan

The vision of Cambridgeshire Constabulary is to create a safer Cambridgeshire. Our Corporate Plan for 2024/25 sets Organisational and Operational priorities. The Organisational priorities focus on People, Partnerships, Resources and Transformation. The Operational priorities are to:

- Safeguard the vulnerable,
- Combat acquisitive crime,
- Reduce harm to communities,
- Tackle serious and organised crime, and
- Increase public satisfaction.

The Corporate Plan also sets out the Constabulary's values of fairness, integrity, diligence, and impartiality. These ensure the Constabulary has and continues to deliver an inclusive and professional policing service. The 2024/25 Corporate Plan importantly sets out the Constabulary's strategic ambitions and intent regarding diversity, equality and inclusion setting Equality Objectives for the period 2021-2025. In addition, the Constabulary has a Culture Statement and is also a progressive organisation where innovation and enterprise are encouraged.

The 2024/25 Plan maintains the Constabulary's strategic ambitions and intent in respect of Violence Against Women and Girls (VAWG) and the Harm to Hope drug strategy. The Constabulary has continued work in 2024/25 to enhance the culture of the organisation through the development of cultural and leadership development underpinned by the Culture Statement. Our Prevention Strategy to take One More Step to reduce harm in our communities and prevent crime continues to be a focus of the Constabulary.

The Corporate Plan can be found at the following link: [Cambridgeshire Constabulary Corporate Plan 2024/25](#)

(Link address: <https://www.cambs.police.uk/police-forces/cambridgeshire-constabulary/areas/about-us/about-us/transparency/corporate-plan-24-25/>)

The Operating Model

The Constabulary maintains its commitment to the tri-force collaboration with Bedfordshire and Hertfordshire (BCH) as well as wider networking and collaboration across the Eastern Region (including Kent Police). However local policing remains at the centre of the Constabulary's operating model.

We continue to work with local partners across Cambridgeshire to have a joined-up response to tackling the cause of crime and continue to seek ways with our partners to prevent crime. Where possible the Constabulary also collaborates with the Cambridgeshire Fire and Rescue Service and the East

of England Ambulance Service to identify opportunities for joint working through the Strategic Interoperability Board.

The Constabulary is also part of national policing arrangements and initiatives where these are put in place for the benefit and consistency of policing nationally and to deliver the Strategic Policing Requirement.

An annual planning process is undertaken to determine whether the operating model and resources remain appropriate and always with a focus on achieving a sustainable operating model is at the fore of the business planning approach. The financial resources are considered alongside other resources which are deployed by the Chief Constable to meet the objectives of the Corporate Plan and where applicable, in supporting the PCC's Police and Crime Plan.

Workforce

The Constabulary employs police officers, police staff and police community support officers (PCSOs) and is supported by the special constabulary to deliver its policing model. The workforce is overseen by the monthly Strategic Workforce Planning meeting. The budget for 2024/25 included 1,721 budgeted full time equivalent (FTE) police officers with actual officer strength (FTE) at 31 March 2025 being 1,713.

The Home Office measure the maintenance of the officer Uplift baseline based on headcount. The Constabulary had 1,749 officers at 31 March 2025 which is 17 officers above the required baseline of 1,732. The turnover rate for the Constabulary for 2024/25 was 7.0% which has increased slightly compared to 2023/24 where the rate was 6.8%. Cambridgeshire's retention is in line with the national average for all forces which is also 7.0%.

The Black, Asian, Mixed and Other ethnic group population in the county of Cambridgeshire is 14.6% (based on census 2021 data). The percentage of police officers within the Force from Black, Asian, Mixed and Other Ethnic Groups for the year is 5.2%, compared to the previous year which was 5.1%. The Constabulary therefore remains below the percentage for the whole county identifying as Black, Asian, Mixed and Other ethnic groups.

Based on headcount female police officers total 667 (38.1%) at the 31 March 2025, an increase compared to 37.3% at the end of the prior year.

In addition to police officers the Constabulary employs police staff in various roles. The headcount of police staff numbers at the end of March 2025 totaled 962 of which 65.0% were female, an increase on 0.2% on the prior year. The Constabulary also employs Police Community Support Officers (PCSOs) which totaled 22 at the end of the year with 45.5% being female.

Overall, the headcount at the end of the year for the whole workforce (police officers, police community support officers, the special constabulary, and

police staff) was 2,803 with 1,325 (47.3%) female employees and 1,478 (52.7%) male.

The table below shows the headcount at 31 March 2025 of female and male police officers by rank, police community support officers and police staff.

	Headcount Strength				
Police Officers	Male	%	Female	%	Total
NPCC	3	75.0%	1	25.0%	4
Ch Supt	4	66.7%	2	33.3%	6
Supt	14	93.3%	1	6.7%	15
Ch Insp	19	73.1%	7	26.9%	26
Insp	55	74.3%	19	25.7%	74
Sgt	189	72.4%	72	27.6%	261
Cons	798	58.5%	565	41.5%	1363
TOTAL	1082	61.9%	667	38.1%	1749
<i>includes career break</i>	<i>3</i>	<i>42.9%</i>	<i>4</i>	<i>57.1%</i>	<i>7</i>

	Headcount Strength				
Police Staff	Male	%	Female	%	Total
Staff	337	35.0%	625	65.0%	962
PCSOs (All)	12	54.5%	10	45.5%	22

	Headcount Strength				
Specials (All)	Male	%	Female	%	Total
Specials	47	67.1%	23	32.9%	70

External Environment

The Constabulary provides a public service and has several key stakeholders and external influences. The public of Cambridgeshire are a key stakeholder who the Force strive to protect from crime and keep safe. With a growing population the demands on policing continue to grow. With increases in population, new technologies and the changing nature of crime, the environment within which the Constabulary operates and seeks to bring offenders to justice is becoming ever more complex. Policing therefore must adapt, innovate and transform to respond to these demands.

During 2024/25 inflation returned to a more stable level with the Consumer Prices Index (CPI) ending the year at 2.6% compared to more elevated levels in the preceding two years. Interest rates continue to remain high ending the year at 4.5%, although there has been some downward movement over the course of the year. Higher interest rates adversely impact the cost of external borrowing to the Constabulary but at the same providing an opportunity for returns on the investment of cash balances.

The Constabulary collaborates with other police forces. In addition, the Force takes seriously the role it plays in the wider public sector in Cambridgeshire by working closely with and supporting partnership arrangements with other public sector bodies. This work is evident through various initiatives and in particular the Constabulary's involvement in the Local Resilience Forum (LRF) and Strategic Coordinating Group (SCG) for Cambridgeshire.

The Constabulary is also involved in several collaborative initiatives which have a direct impact on the operational and financial environment. These range from local collaboration with neighbouring forces to regional arrangements and on national initiatives.

Central government through the Home Office also influences the environment within which the Constabulary operates. The Constabulary has a duty to ensure value for money and collaboration arrangements help to deliver this. The Home Office under the Labour government are driving forward further collaboration in policing through the Police Reform agenda and the Police Efficiency and Collaboration Programme (PECP).

The Police Reform agenda aims to establish:

- a new Police Performance Unit to track national data on local performance and drive-up standards.
- a Neighbourhood Policing Guarantee to get policing back to basics and rebuild trust between local forces and the communities they serve.
- a new National Centre of Policing to harness new technology and forensics, making sure policing is better equipped to meet the changing nature of crime.

The Police Efficiency and Collaboration Programme (PECP) aims to reduce costs and realise efficiencies to re-invest in operational policing. The intention is to achieve this through improved commercial practices, increasing shared services and collaboration on specialist functions, data reform, enabling productivity and setting up of the National Centre of Policing.

These new initiatives will be on top of existing arrangements the National Enabling Programme, Single Online Home, the Police ICT company and Blue Light Commercial. All with the intention of driving efficiency and sharing of expertise through collaboration arrangements.

Government policy continues to influence the Constabulary through the funding arrangements and key national initiatives. These national themes are included in the work of the Constabulary through the Corporate Plan and examples include:

- The government's Safer Streets mission to halve serious violence, including violence against women and girls, and knife crime, and restoring confidence in the police and criminal justice system through

visible neighbourhood policing, reforming police procedures and addressing the root causes of crime, such as anti-social behaviour and misogyny.

- Maintaining the 20,000 new police officers.
- The Police Race Action Plan.
- Integrity and Cultural work following the Casey Report and Angiolini Report.
- Pressures through the Criminal Justice System, not only in relation to the backlogs but in addition the pressures on the whole system.
- National performance measures and framework.
- Dangerous Dogs legislation.

Risk management is embedded into the work of the Constabulary on an ongoing and continuous basis. It features clearly in the governance arrangements, and it effectively underpins and enables the business to identify, assess and manage a range of both internal and external factors.

The Constabulary maintains strategic and operational risk registers and the risk management process is managed by the Organisational Improvement Centre. Formal accountability for the process lies with the Deputy Chief Constable and governance is ensured through the Risk Review Board that adds further scrutiny to the risk processes. This Board is chaired by the Deputy Chief Constable and reports monthly to the Force Executive Board, which is chaired by the Chief Constable. The Joint Audit Committee oversees the risk management arrangements of the Force and ensures that the Constabulary's processes are aligned with the Commissioner's processes. Risk management arrangements are also in place in BCH collaboration through the coordination of a single BCH strategic risk register and the Constabulary also maintains a fraud risk register.

Strategy and Resources

Cambridgeshire Strategic Threat and Risk Assessment (CamSTRA)

The Constabulary has a well embedded business planning process called CamSTRA which it continues to refine. The CamSTRA identifies on an annual basis the threats and risks across the whole organisation against which a demand analysis is undertaken, and resources deployed or reallocated accordingly. The CamSTRA is used to inform all business and operational planning activities of the Constabulary.

To achieve this the Constabulary uses the CamSTRA combining the demands, threats, services to be delivered and resource requirements faced by the Constabulary. It is a forward-facing process looking at future demand and services to determine the resource requirements. This process forms the foundation of the business planning and links with the financial planning approach to inform the annual refresh of the Medium-Term Financial Strategy.

The Constabulary's latest Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection by HMICFRS published in March 2024 stated that:

“Despite having some of the lowest funding and personnel per person in England and Wales, the constabulary takes on financial challenges through innovative projects that raise funds. This includes raising money by sharing its innovative CamSTRA process”.

And that:

“The constabulary manages its finances well. Its financial plans are sensible and sustainable”.

The Constabulary has an Enterprise Strategy with four pillars of innovation, income generation, savings and efficiencies and optimising funding sources. As part of this work the Constabulary has a Memorandum of Agreement with the Home Office to provide insight, training and good practice into strategic elements of policing. This is to ensure global influence under the Government's current vision to build international safety and security delivered and supporting by policing.

Medium Term Financial Strategy (MTFS)

During 2024/25 the MTFS for the period 2025/26 to 2028/29 including the revenue and capital budget plans and the reserves strategy was approved by the PCC on 24 February 2025. The current 2025/26 MTFS can be accessed at the following link: [2025/26 - 2028/29 Medium Term Financial Strategy](#)

(Link Address: <https://www.cambridgeshire-pcc.gov.uk/what-we-do/money/budget/>)

A high-level summary of the Medium-Term Financial Plan for the revenue budget is provided below.

	Budget	Forecast	Forecast	Forecast
	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000
Total Constabulary Budget	199,947	206,713	212,549	217,695
Total OPCC Office Expenditure	1,716	1,751	1,786	1,822
Total Corporate Costs and Grants	-1,791	-1,591	-1,441	-1,441
Total Capital Financing Costs	5,372	7,096	7,090	8,227
Savings to be Identified	-	-3,188	-3,716	-4,497
NET BUDGET REQUIREMENT (NBR)	205,244	210,780	216,268	221,807
Financed by:				
Formula Grant	104,240	105,282	106,335	107,398
Uplift Maintenance Grant	3,614	3,614	3,614	3,614
Neighbourhood Policing Guarantee Grant	2,065	2,065	2,065	2,065
National Insurance Exemption Grant	2,579	2,579	2,579	2,579
Precept	92,986	97,240	101,675	106,151
Local Council Tax Earmarked Reserve	-	-	-	-
Contribution -to/from Reserves	95	-	-	-
Collection Fund (-Deficit / +Surplus)	-335	-	-	-
TOTAL FINANCING	205,244	210,780	216,268	221,807

The most significant risk to the MTFs is the forecast budget years from 2026/27 onwards where savings are required to be identified to achieve a balanced financial plan. Assumptions are required for various unknown factors, particularly in quantifying cost and uncertainty in respect of future cost pressures such as inflation, pay awards and regulatory or statutory requirements that the Constabulary must respond to.

The Police Settlement for 2025/26 was a single year settlement and the government's Comprehensive Spending Review (CSR) covering 2026/27 and 2027/28 is expected in early summer 2025. The CSR should provide further certainty of funding levels and the limits by which PCCs can raise the precept by during the CSR period. The savings requirement for those years will be revisited following the publication of the CSR.

Precept flexibility was provided to PCCs for 2025/26 allowing an increase up to £14 on a band D property in 2024/26. The precept increase in future years is forecast at £10 for a band D property which will be subject to government confirmation, and consultation and approval by the PCC.

The summary table above shows that the Constabulary has balanced the 2025/26 financial years with savings identified and being worked on. A small

draw down from reserves is currently planned in 2025/26, however reserves are forecast to remain at resilient levels provided the required savings of £11.4m are identified and delivered over the MTFS period.

Despite this uncertain financial climate, the Constabulary will continue to meet the policing requirements of the county.

Medium Term Capital Plan

The PCC has approved the Capital Strategy containing the Medium Term Capital Plan (MTCP) forecast at £81.3m over the next four years, which will support the Force with appropriate infrastructure and assets to deliver operational policing.

The largest scheme in the plan remains the replacement of Parkside Police Station in Cambridge with the new Milton Police Station and custody facilities. During 2024/25 the construction of the building has progressed and is expected to complete in Spring 2026.

The specialist training facilities required for the BCH Joint Protective Services (JPS) has been a feature of the capital programme in recent years. Whilst work continued to progress throughout 2024/25 to achieve a contracted price the project has been ceased early in the 2025/26 financial year due to the tightening financial climate with the impact being that the estimated cost of the scheme has become unaffordable. The Constabulary is currently considering its position on other refurbishment options for the existing use and other training options.

The remaining areas of significant capital investment are in:

- ICT developments (£2.8m in 2025/26).
- The vehicle fleet (£2.4m in 2025/26) which includes £0.4m for ultra low emission vehicles.
- The built estate (£36.9m in 2025/26) including the remaining costs for Milton Police Station, BCH JPS specialist training facility, a re-provided Cambridge City Centre Police Station and the major repairs programme.

The financing of the proposed capital programme is dependent on external borrowing with £54.2m planned across the 4 year MTFS period representing 67% of the total programme of £81.3m to 2028/29. The costs of borrowing impact on the revenue budget with interest rates remaining elevated which will affect the future cost of borrowing and borrowing strategy.

Reserves

The reserves are held by the PCC and are separated between usable and unusable reserves. Usable reserves are those that can be applied to help meet expenditure in a one-off context whereas unusable reserves are typically generated or applied because of technical accounting requirements. The

MTFS has applied minimal reserves to support the revenue budget in 2025/26. In future years no reserves are planned to support the revenue budget, instead the Constabulary's focus is on the identification and delivery of the recurrent revenue savings that are required to achieve a sustainable financial plan, protect the reserves and provide financial resilience.

The usable reserves consist of earmarked reserves held for specific purposes and the general reserve which the Constabulary is required to hold. The Constabulary holds earmarked reserves to meet known risks and areas of uncertainty including the Insurance reserve, the Emergency Services Mobile Communications Programme to meet the costs of the new Emergency Services Network and the Budget Assistance Reserve.

The MTFS plans to increase the General reserve to £11.1m by 2028/29 to reflect the increasing net revenue budget over the same period. Other movements to and from the reserves during the year are provided in the Movement in Reserves Statement and accompanying notes.

The total of all usable reserves at the end of 2024/25 stood at £26.9m.

3. Financial Performance

a. Economic climate

The Constabulary, like most public sector bodies, has faced significant financial challenges due to reductions in funding from central government as part of the national economic landscape and the global economy with changing tariffs and the potential impacts on trade. Cost pressures have continued through the ongoing high-interest rate environment for the year although inflation has fallen during 2024/25. Increases in the national insurance contribution has driven increased costs to the Constabulary which has been felt through third party suppliers. The availability of, and supply of materials needed in construction projects continues to pose a risk for some of the projects in the capital programme.

Since 2018/19 the PCC has been able to raise additional precept, which has helped to meet the costs of policing the county. In 2024/25 the precept was raised by £12.96 per annum on a band D property - the maximum increase to the precept allowed being £13.00.

The Constabulary, again, only received a one-year funding settlement heading into the 2024/25 financial year making financial planning in the medium term less certain. The 3 year CSR published in 2021 entered its last year in 2024/25 with no indication of funding levels in 2025/26 and beyond, although a 2 year CSR is expected in the early summer of 2025.

These issues taken together provide an uncertain economic climate which will need to be kept under review, managed and planned for in future budgets. The continual need to find savings remains a priority in securing financial resilience and sustainability for the Constabulary.

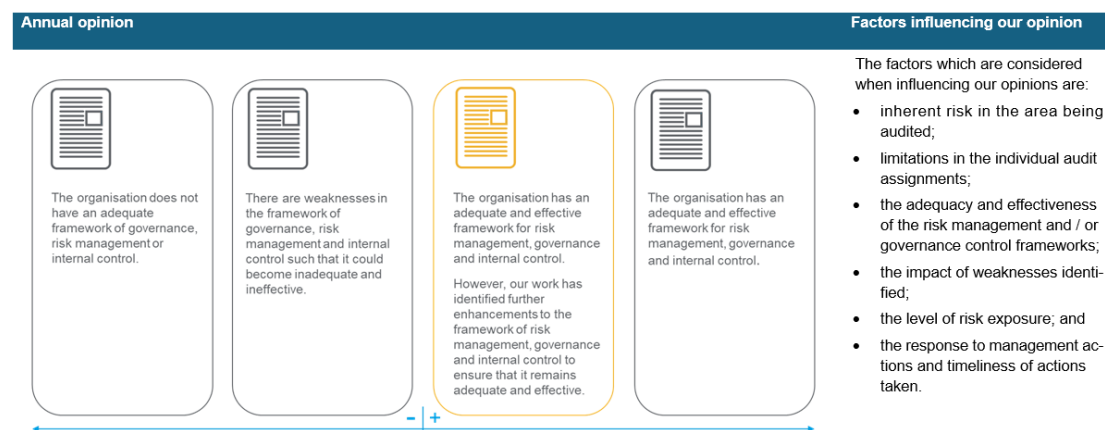
b. Financial Management

The financial standing of Cambridgeshire Constabulary is very robust with sound financial management practices in place. The Constabulary’s most recent HMICFRS Police Effectiveness, Efficiency and Legitimacy inspections stated that:

“The constabulary manages its finances well. Its financial plans are sensible and sustainable”.

The Force operates a Scheme of Governance, which includes the Financial Regulations and Contract Standing Orders supported by Force Financial Instructions (FFI) which are updated annually. This provides the overall financial framework for the Force to work towards achieving best practice in financial management.

The internal auditor has also assessed the financial management arrangements of the Constabulary and has raised no significant issues to address. Financial audits have been undertaken during the year with positive assurance opinions on the medium-term financial strategy, income and debtors and budget monitoring. For 2024/25 the Internal Audit Opinion based on the overall adequacy and effectiveness of the risk management, control and governance processes was a positive assurance assessment as demonstrated below.



The Constabulary complies with the CIPFA Financial Management Code of Practice and has undertaken an assessment against the 6 principles and 17 financial management standards based on the arrangements in place during 2024/25. Of the standards 13 are assessed as green with 2 rated as amber with some ongoing improvements in progress. The assessment was reported to the Joint Audit Committee on 31 July 2024.

c. Revenue Outturn 2024/25

The outturn variance for the year for the budgets under the control of the Chief Constable was an under spend of £2,892k. Including those budgets under the control of the Office of the PCC the Constabulary underspent by a total of £176k (0.1%) for the year against the total budget of £188,686k.

Local Policing Investigations and Safeguarding underspent by £872k in three main areas during 2024/25 being Intelligence and Specialist Crime (£151k under budget) and Prevention and Vulnerability (£182k under budget) and Protecting Vulnerable People (£550k under budget). Smaller variances in the Safeguarding Command and Covert Authorities services made up the difference. In the main the variances against budget were due to officer and staff pay costs being under budget which more than offset overspends incurred for overtime costs across both officer and staff roles.

Local Policing Operations overspent by just £67k for the year. The department consists of the geographic policing hubs in the north and the south, the Demand Hub, Operational Support, Business Support, Local Policing Command and new recruits. The combined position across all areas of local policing incurred an overspend on police officer pay and allowances plus an overspend from the use of overtime. Police Community Support Officers (PCSOs) and police staff costs both underspent which has offset part of the over budget position for officer costs. Across the Department there have been other smaller over and under spends on non-pay budgets, many of which are in the Business Support unit.

The People and Professionalism department incurred an overspend of £303k for the year. This was mainly due to police officer pay, allowances and overtime during the year. There was also an under-achievement of income against budget estimates which has contributed to the overspend. Staff pay and allowances did underspend in the year for the service.

The non-operational budgets consist of several service areas the cumulative impact of which is an £309k underspend at year end. Corporately managed budgets overspent by £951k, insurance costs were £349k over budget with the majority related to an increase to the insurance provision for open claims against the Constabulary and an overspend of £334k on the National Police Chiefs' Council budget because of additional staff, officer and consultancy costs. The estates budget ended the year £1,353k under budget largely due to gas and electricity costs continuing to fall throughout the year, which offset the areas of overspend. Fleet costs were under spent by £341k due to underspends on Fuel, Vehicle hire and self-funded repairs. Other parts of the non-operational budget had smaller variances which included finance and corporate communications.

The tri-force collaboration between Bedfordshire Police, Cambridgeshire Constabulary and Hertfordshire Constabulary (BCH) underspent during the

year. Cambridgeshire's share of the underspend was £1,963k after a transfer to the road casualty reduction and support fund of £232k from the camera, tickets and collisions service underspend. There was a £1,714k underspend on the general BCH budget mainly relating to £1,016k for a BCH contingency that was released during the year, £210k for the new telephony system in the force control room which did not achieve contract signature in the year and £393k unused ESMCP budget moved to reserves. Several services underspent by a total of £1,182k in 2024/25 which were information and communication technology (ICT), human resources and scientific. In contrary several services overspent totalling £785k across the major crime unit, roads policing unit, professional standards, the dog unit and the armed policing unit.

Collaborations other than BCH ended the year close to budget with a total underspend reported £118k

During the year an additional revenue contribution to capital outlay (RCCO) of £500k was approved by the PCC to reduce planned borrowing and therefore the revenue impacts from interest costs and the minimum revenue provision in future years. Additional RCCO's have also been made for Fleet £196k and ERSOU £69k, with an offset £46k on Drugs Forfeiture. Interest receivable from cash investments ended the year with £265k more income received than budgeted whilst interest payable was £592k lower than budget. The minimum revenue provision charge for the year was also less than budget by £215k due to the final capital position from the prior year.

Additional contributions to reserves were approved by the PCC for the year. These were to cover:

- Risks relating to the major capital construction projects with £2,060k being transferred to the estate development reserve. These relate to the Milton Police Station build and transition, the new City Centre Police Station, the Monks Wood training facility and an amount relating to the force control room telephony system upgrade.
- An increase to the insurance reserve of £225k based on the independent actuary insurance fund report.
- Additional net income of £195k relating to the proceeds of crime act (POCA) being added to the POCA reserve.
- The road casualty reduction and support fund increasing by £232k from the underspend in the cameras, tickets and collisions service against spend of £208k.
- An increase to the ESMCP reserve of £393k
- Several smaller transfers to various reserves with a net movement of £43k.

The cost of the PCC's office underspent in the year by £26k against budget which was transferred to the PCC's commissioning reserve.

Summary of Revenue Expenditure against budget as at 31 March 2025

	Full Year Budget	Outturn	Variance
	£'000	£'000	£'000
Local Policing - Investigation and Safeguarding	30,621	29,750	-872
Local Policing - Operational	87,129	87,196	67
People & Professionalism	4,837	5,140	303
Non Operational	20,114	19,805	-309
Collaborated and Partnerships	48,173	46,092	-2,081
CHIEFS NET BUDGET REQUIREMENT	190,874	187,982	-2,892
TOTAL PCC BUDGET	-2,188	528	2,716
NET BUDGET REQUIREMENT	188,686	188,510	-176

*differences due to rounding

d. Capital Outturn 2024/25

Under the Police and Social Responsibility Act 2011 the physical estate from which the Constabulary operates is held by the PCC. The PCC therefore incurs capital expenditure on land and buildings, ICT and other items of plant and equipment of a capital nature to enable the Constabulary to operate effectively and meet operational policing requirements.

The capital outturn for the year is £20,681k of spend compared to a revised budget of £41,316k providing an in-year underspend against the capital budget of £20,634k. The following table shows the capital outturn position for 2024/25 compared to the approved capital budget for the year.

Summary of Capital Expenditure against budget as at 31 March 2025

	Original 2024/25 Capital Programme £000	Carry Forwards £000	Authorised Programme Amendments £000	Revised 2024/25 Capital Budget £000	Outturn 2024/25 £000	Variance to Budget £000
Capital Payments:-						
Land & Buildings	35,099	316	1,338	36,753	16,676	(20,077)
Fleet	2,560	-	46	2,606	2,402	(204)
IT & Communications	1,720	258	(188)	1,790	1,371	(419)
Other Projects & Collaboration	401	109	57	567	232	(335)
Approval from Chief Delegated Budget	100	-	-	100	-	(100)
TOTAL	39,880	683	1,253	41,816	20,681	(21,135)

Of the Land and Buildings schemes the collaborated project for training facilities at Monks Wood accounts for £6,089k of the variance with the scheme not yet reaching construction. The remainder of the in-year underspend is related to the timing of the Milton Police Station build compared to the budget estimates and programme when setting the 2024/25 budget.

The ICT variance of £419k relates to solely to small underspends across the many schemes contained within the ICT capital programme.

The sources of capital financing applied to fund the total £20,681k of capital expenditure for the year is presented in the table below.

**Summary of Capital Financing Applied for the Year Ended 31 March 2025
(figures are in £000)**

Funding Source	£000
Capital Grants	10
Capital Carry Forward	557
Estates Development Reserve	650
Borrowing	15,990
Revenue Contributions to Capital	3,474
Total Capital Financing	20,681

4. Non-Financial Performance

The Constabulary has a Corporate Framework in place which sets the structure and processes of the Constabulary to manage governance and drive performance, seeking to ensure senior leaders are utilising resources to deliver first class policing across the county of Cambridgeshire.

The Constabulary's latest Police Effectiveness, Efficiency and Legitimacy (PEEL) inspection undertaken by HMICFRS was in 2023/24. The inspection provided an overall assessment of the Force's performance. The PEEL inspection framework reports against five graded judgements which are outstanding, good, adequate, requires improvement and inadequate in several areas. The Constabulary's HMICFRS judgments from the 2022/23 inspection are provided below. Areas for improvement (AFI) were mandated by HMICFRS for responding to the public and managing offenders. The Constabulary has responded positively through focussed improvements in these areas with HMICFRS lifting the AFI for managing offenders during 2024/25, and for responding to the public the Constabulary is now one of, if not the best, performing force control rooms with regards response times. This AFI remains in place at the 31 March 2025, however the Constabulary is confident in the sustained improvements made in this area.

Outstanding	Good	Adequate	Requires improvement	Inadequate
Police powers and public treatment	Preventing crime	Investigating crime	Leadership and force management	Responding to the public
	Developing a positive workplace	Protecting vulnerable people		Managing offenders

2024/25 Performance Headlines

The use of 999 calls has declined in recent months; 2024/25 saw 11.5% fewer 999 calls than 2023/24. The daily average over 2024/25 was 414 per day compared to 467 per day over 2023/24. The downward trend in 101 volumes also continued, with 2024/25 seeing 6.4% fewer 101 calls than 2023/24. The daily average for 101 calls was 629 per day over 2024/25, down from 670 per day over the previous year. The use of webchats increased, however, up 6.4% over 2024/25 relative to 2023/24 with a daily average of 75 per day compared to 70 per day the previous year.

The reduction in call volumes – and efforts to reduce discontinuance rates and improving secondary line handling - has helped the Demand Hub improve levels of call-handling service. National comparison data over 2024/25 shows improvements in national rankings relative to other forces, with Cambridgeshire ranked 2nd nationally for the average 999 answer time every month from November 2024 to March 2025. Cambridgeshire data shows an average wait time of 2 seconds for 999 calls over 2024/25 compared to 10 seconds over 2023/24. The 101 call handling also improved with average wait time down to 5 seconds, from 23 seconds over 2023/24.

Overall, victim satisfaction rates were stable year-on-year. Victims surveyed over 2024/25 were 78.4% (at least fairly) satisfied with their whole experience with Cambridgeshire Constabulary – comparable to 78.2% over 2023/24.

The long-term indicator for recorded crime continued its recent gradual decline over 2024/25, with an overall 2.3% reduction year-on-year. At Area level similar slight reductions were seen: 1.1% for South Area and 1.8% for North.

As with overall crime levels, Violence Against the Person Offences have been stable year-on-year. This included stable levels of violence with injury offences, a 2.4% year-on-year increase in violence without injury and a 4.8% reduction in Stalking & Harassment offences. Sexual Offences have seen a 15.4% year-on-year increase; with recorded rape offences up by 15.0% and Sexual Assaults rising by 7.7%.

Overall Theft Offences have been broadly stable, with 1.1% fewer recorded in 2024/25 than 2023/24. This has varied by offence type, however: Shoplifting

increased by 21.8% and theft from the person by 6.6%, but there were reductions in other types of theft including burglary (down 14.0%) and robbery (down 10.7%). These trends are generally mirrored in national data; with a slight decline in overall recorded crime and year-on-year reductions in burglary and robbery, but increases in sexual offences, shoplifting and theft from the person seen over England & Wales.

The all-crime outcome rate increased by 0.5% year on year, to 15.0% for 2024/25. The rate for Sexual Offences was stable, the rate for Violence Against the Person offences was down 0.5% to 12.6% while that of Theft offences increased 1.6% to 13.2%. The increase in the theft rate including a slight increase in the rate for burglary and a 5.7% rise in the rate for robbery crimes (to 15.7%).

During 2024/25 the Force Performance Board, which is the governance approach to monitor, scrutinise, challenge and drive improvements in performance, was refreshed. The Board is now chaired by the Deputy Chief Constable providing added rigour in the governance.

Sustainability

The Constabulary has an approved Sustainability Strategy consisting of five themes: the vehicle fleet, buildings and the estate, people and behaviours, procurement and the supply chain and offsetting. Transition plans have been developed for the first three of these themes.

Regarding the vehicle fleet an Electric Vehicle (EV) pilot took place, for admin vehicles not used for response purposes, in two phases between January and June 2024. The pilot marked the Force's first introduction to EV use and charging with the key objectives being:

1. Establish whether the EVs are fit for the purpose that the teams need
2. Establish whether the infrastructure meets requirements.
3. Establish the potential for scaling up/expanding to other teams and other areas.
4. Identify any lessons learned based on the data collected, including whether the guidance was sufficient for individuals to use the EVs.
5. Establish the cost of using EVs versus non EVs including capital, the cost of electricity and the costs of any collisions or repairs.

The pilot was a success with approximately 10 tons of CO₂ calculated as being saved for Phase 1 and 8 tons for Phase 2, totalling 18 tons. This would equate to almost 45 tons for a full 12-month period. All expected benefits were confirmed except for the cost of EVs (objective 5 above) where due to the current purchase price, the EVs were assessed as costing around £10k more

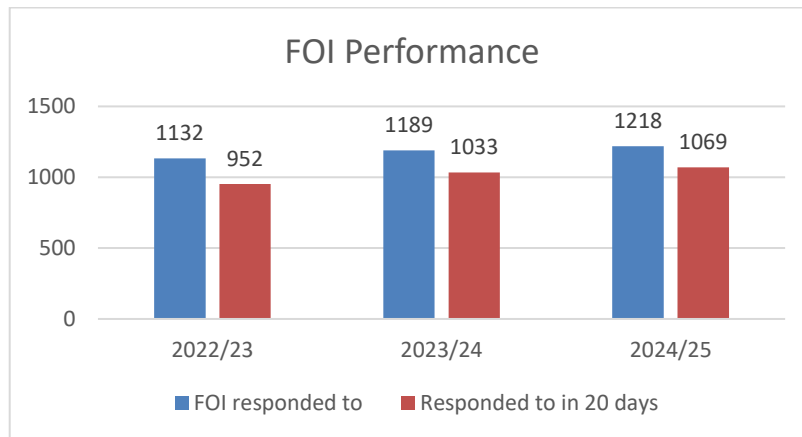
per vehicle. Further roll out of admin EVs for non-response vehicles will be taken forward by the Constabulary.

The Constabulary has been actively considering solar energy generation options at the headquarters site working with the Greater South East Net Zero Hub. During the year this has related to feasibility work and engagement with the Direct Network Operator. This work will continue into 2025/26 with the aspiration to achieve some renewable electricity generation for use on site at the headquarters providing resilience, added business continuity and financial savings.

Investment has been provided for in the Capital Programme and a modest reserve is held in the balance sheet to progress the sustainability agenda.

Freedom of Information (FOI) Compliance

During 2024/25 the Constabulary responded to 1,218 FOI requests, slightly more compared to the prior year (1,189 requests). The chart below demonstrates FOI performance in recent years remaining stable and improving year on year. In 2024/25 1,069 (88%) requests were responded to within 20 days, compared to the Information Commissioner's Office target of 90%. This is an increase compared to the prior year where the equivalent figure was 1,033 (86%) responded to within 20 days.



Complaints

With respect to complaints during 2024/25 for Cambridgeshire, the Professional Standards Department (PSD) recorded 363 public complaint cases which comprised a total of 930 allegations. Of the 930 allegations, the top five complaint allegation types were:

- Police action following contact: 104
- Decisions: 97
- General level of service: 79
- Information: 78

A total of 66 conduct cases were recorded, involving 78 police officers (and special constables) and 16 police staff. Gross misconduct cases numbered 52 amongst police officers, while those recorded as reflective practice review process numbered 10. For police staff, 10 out of the 16 cases were assessed as gross misconduct.

Of the 84 referrals made to the Independent Office for Police Complaints (IOPC) in 2024/25, 3 were declared as warranting independent investigation by the IOPC, 3 were directed investigations and the remaining 78 were sent back to PSD for local investigations.

5. Outlook

The policing landscape over recent months is increasing in complexity. There are, what are now considered routine financial and economic challenges in balancing the financial plans. However, the government initiatives to deliver the policing mission, achieve the 13,000 neighbourhood policing guarantee and progress police reform and changing dynamics to the operating environment of the Constabulary. A further layer of complexity is added when local government reform and devolution are added to the mix, which whilst not directly affecting the Constabulary initially, they may well do in time.

As commented earlier economic conditions continue to mean additional precept in 2024/25 was required to achieve a balanced budget that necessarily constrained additional investment. Inflationary pressures have continued to reduce during the year which has supported the underspend achieved in year. However high interest rates remained throughout the year which has affected the Constabulary's capital financing costs through the interest rates on the £32m of external borrowing undertaken in 2024/25 to meet capital financing requirements. As a result the Constabulary has undertaken borrowing on a shorter term basis (3-5 years) in order to be able to refinance loans should interest stabilise at lower rates.

The Constabulary has balanced its budget in 2025/26 however the MTFS in future years (2026/27 to 2028/29) presents budget gaps with forecast cost increases exceeding estimated funding. This has resulted in a need for the Constabulary to identify £11.4m of savings to achieve a balanced MTFS. Given the need to identify savings to balance the budget, investment has continued to be modest. The MTFS uses assumptions about funding levels in future years and key cost drivers such as the pay awards, these assumptions may look quite different in the future.

The government's Comprehensive Spending Review (CSR) is expected before the 2025 summer recess which will enable funding forecasts to be refreshed to inform the financial planning in 2026/27 and 2027/28. However,

the Constabulary is not expecting any reform to the police funding formula as part of the CSR. This is likely to mean grant funding received by Cambridgeshire continues to be based on outdated population metrics which do not reflect the significant population growth across the county and the corresponding increase in crime and demand on policing.

Importantly the Constabulary maintains its strategy of not relying on reserves in its financial planning, meaning that the level of reserves remains resilient with the focus being on the delivery of recurrent savings. The resilience in the balance sheet created by the Constabulary's approach to protecting and not using reserves places it in a financially sustainable position for the future.

The Constabulary's capital programme necessitates high levels of borrowing to fund the identified projects. This will mean that more of the revenue budget is committed for loan interest and minimum revenue provision charges. Alternative sources of funding will be key for future capital investment by the Constabulary and PCC working with local government in respect of local plans to secure necessary funding through S106 and the Community Infrastructure Levy.

The digital agenda is gathering pace in policing with initiatives being pursued for robotic process automation and artificial intelligence. The Constabulary seeks out opportunities locally to use this technology and is also working with other forces through the Eastern Region Innovation Network to progress initiatives on a collaborated basis. With ICT more generally the service models being adopted are increasingly to the Solution as a Service (SaaS) model or into cloud technology. The impact of this is to move the cost of technology from a capital cost to a revenue expense adding further pressure on budgets within constrained funding levels.

The Constabulary continues to have ring-fenced grant funding attached to maintain the new police officer baseline of 1,732 officers. Cambridgeshire's grant funding for 2024/25 was £4.4m which would be at risk if the baseline is not achieved. Through strategic workforce planning, good governance and good management, the Constabulary ended the year 17 officers over the 1,732 baseline securing the grant for 2024/25. This payment by results approach has been maintained by the Home Office going forward into 2025/26 although the level of grant has reduced slightly to £3.6m with the difference being added to the Constabulary's core grant. The focus to maintain the baseline at 1,732 officers therefore remains.

In addition to the 'uplift' baseline referred to above, the current government has introduced the Neighbourhood Policing Guarantee taking effect from 2025/26. The intention being to achieve the government's mission and deliver the promised 13,000 extra Neighbourhood police officers, police community support officers (PCSO) and special constables by the end of the parliament. The Constabulary plans to deliver 30 officers, 7 PCSO and 13 special constables during 2025/26 as part of the guarantee.

Police Reform is another agenda that is being progressed by government which is considering the creation of a National Centre for Policing with nationally shared specialisms and an element of more central coordination of some areas policing. There is also a Police Efficiency and Collaboration Programme (PECP) that is looking at joint savings (both cashable and cost avoidance), cost recovery, efficiency and productivity at a national level across all police forces.

Local government reform will see seven local government organisations in Cambridgeshire (1 county council, 1 unitary council and 5 district/city councils) reformed into one or more unitary authorities. This has the potential to impact on the Constabulary's operating model which needs to be kept under review as proposals are developed. At the same time there are ongoing considerations in respect of greater devolution which may place greater responsibilities into mayors where they exist. Again, this is an area of change that could impact the Constabulary which will be kept under review.

Despite the financial challenges, the demand challenges, and the changing local and central government landscape, the Constabulary continues to perform well and continues to deliver against national initiatives and challenges as well as the needs of the communities across Cambridgeshire.

6. Financial Statements

This section summarises the key headlines from the financial statements for 2024/25.

The Expenditure and Funding Analysis (EFA)

The EFA intends to show how the management accounts of the Constabulary relate to the financial accounts. It presents how the annual expenditure is used and funded from resources (Government grants and Council Tax) in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Constabulary's Services.

The key point to note is that the EFA shows that there was no resulting charge to the General Fund Balance in 2024/25. This is because the General Fund is held by the PCC and therefore is nil for the Chief Constable.

The Comprehensive Income and Expenditure Statement (CIES)

The CIES shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Constabulary receives its funding from the PCC. The PCC receives grant income from central government and raises precept through local government bodies for policing services. The funding is used to cover expenditure in accordance with regulations. This is different from the accounting cost, which will include costs in respect of asset revaluations, movements in pension valuations and other technical accounting entries.

Key points to note are:

- The Net Cost of Service for 2024/25 for the Constabulary was a deficit of £56.6m compared to a surplus of £37.5m in 2023/24, the majority of the difference related to pension adjustments.
- After taking into consideration Other Operating Expenditure and Financing and Investment Expenditure the deficit on provision of services totalled £127.6m.
- After the pension remeasurement of the net defined liability showing a surplus of £219,102 this brings the total CIES to £91.5m surplus.

Movement in Reserves Statement (MiRS)

The MiRS shows the movement from the start of the year to the end of the year on the different reserves held by the Constabulary. The Statement shows how the movements in year of the reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to Council Tax for the year. The Net Increase / Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

The key point to note is that the Constabulary Reserves are negative at year ended 2024/25 £1,122m, a decrease of £91m, compared to the prior year figure of £1,214m. This reflects the fact that the reserves held by the Chief Constable are all unusable reserves and relate to liabilities held in the balance sheet.

Balance Sheet

The Balance Sheet shows the value of assets and liabilities held at the 31 March 2025 which are recognised by the Constabulary. The net liabilities (assets less liabilities) are matched by the reserves held. The reserves held by the Constabulary are unusable reserves and hold timing differences shown in the Movement in Reserves at the line entitled 'Adjustments between accounting basis and funding basis under regulations'.

The Balance Sheet is a snapshot of the Constabulary's assets, liabilities, cash balances and reserves at the balance sheet date.

The key point to note is that the Constabulary only has pay related liabilities, totalling £1,122m. All other assets and liabilities are reported in the Commissioners accounts.

The police officer pension scheme is underwritten by the Home Office who provide an annual top-up grant to fund the difference between pension payments and income from employee and employer contributions. The current deficit in the LGPS will be managed through future employee and employer contributions.

Excluding the pension liabilities, the Constabulary's Balance Sheet has net liabilities of £7.4million. This is in relation to an accounting accrual in relation

to annual leave liability at 31st March 2025. This reflects the fact that the PCC owns all Property but that the Chief Constable has all the assets and liabilities in relation to operational policing.

The Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents (such as movements in debtors and creditors) during the reporting period. The statement shows how the Constabulary generates and uses cash by classifying cash flows as operating, investing and financing activities. However, the statement does not show any cash balances as all cash and cash equivalents are held by the PCC.

McCloud / Sargeant judgement

Following the findings of discrimination from national pension scheme changes, the remedy is now well into implementation. The National Police Chief's Council (NPCC) continues to operate a central team coordinating the police work around this matter, which by its nature is complex. The changes in legislation meant that from 1 April 2022 all active members of the police pension scheme were required to be moved into the reformed 2015 career average scheme. The actual correction for the remedy period remains 2015 to 2022 and work has progressed with our pension administrator to implement the remedy legislation which took effect from 1 October 2023.

Now that all the McCloud-related liabilities have moved into the legacy schemes, contribution adjustments are being carried out by administrators to ensure affected members have paid the correct 'legacy rate' contributions for this portion of service. Our actuaries have now refined the accounting treatment of the contribution adjustments, so these are now shown as net cashflows.

Compensation claims arising from the discrimination have not to date impacted on the force and these accounts as they have been met by central government.

7. Summary and Conclusion

Cambridgeshire Constabulary maintains a strong track record of effective financial and business management to support the delivery of the PCC's Police and Crime Plan. The Chief Constable's Management Team are fully engaged with the financial planning process and financial management to ensure resources are directed to priority areas and within the funding available. Delivery of savings by the Constabulary has continued and will remain a focus moving into future financial years.

This strength in financial management is critical to ensure savings are delivered and financial resilience maintained in the context of a number of uncertainties over the next 12 to 24 months. The Constabulary will continue to plan and manage its resources effectively to ensure service delivery, performance outcomes and value for money. Financial and operational sustainability and resilience continues to be a key priority for the Constabulary. This will be delivered whilst continuing to improve performance, bringing offenders to justice, and keeping the people of Cambridgeshire safe.

The Constabulary will rise to this challenge with fairness, integrity, diligence, and impartiality as determined by the Corporate Plan.

Receipt of further information

You can also find information about Cambridgeshire Constabulary Police finances by looking at the Cambridgeshire Constabulary website at www.cambs-police.co.uk.

Acknowledgements

The Statement of Accounts is a key statutory document providing transparency to the public on the financial performance of the Constabulary during the 2024/25 financial year. It takes an incredible amount of effort to produce these accounts. This would not have been possible without the commitment, dedication and hard work of staff in the finance team and others across the organisation and the tri-force collaboration. I would like to thank all colleagues involved in the preparation of these accounts.



Jon Lee CPFA

Chief Finance Officer to the Chief Constable

Statement of Responsibilities for the Statement of Accounts

The Chief Constable's Responsibilities

The Chief Constable is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs;
- manage its affairs to secure the economic, efficient, effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Chief Constable's Statement of Accounts in accordance with proper practices set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Chief Finance Officer has:

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

The Chief Finance Officer has also:

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

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Constabulary at the 31 March 2025 and its income and expenditure for the year then ended.



Jon Lee CPFA

Chief Finance Officer to the Chief Constable, Cambridgeshire Constabulary
30th May 2025

Expenditure and Funding Analysis

The Expenditure and Funding Analysis (EFA) is not a primary statement but is of key importance in showing how the annual expenditure is used and funded from resources (Government grants, Council Tax and Precept) in comparison with those resources consumed or earned in accordance with generally accepted accounting practices providing a link between the management accounts and the financial accounts.

	2023/24			2024/25		
	Net Expenditure Chargeable to the General Fund Balance	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund Balance	Adjustments between the Funding and Accounting Basis Note 7	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£000	£000	£000	£000	£000	£000
Police Services	189,634	(25,859)	163,775	206,405	71,109	277,514
Intra-Group Adjustment for financial resources consumed	(201,316)		(201,316)	(220,937)		(220,937)
Net Cost of Services	(11,682)	(25,859)	(37,541)	(14,532)	71,109	56,577
Other Income and Expenditure	11,682	53,013	64,695	14,532	56,519	71,051
Deficit on Provision of Services	-	27,154	27,154	-	127,628	127,628
Opening General Fund Balance	-			-		
Closing General Fund Balance	-			-		

Comprehensive Income and Expenditure Statement

2023/24 Gross Expenditure £000	2023/24 Gross Income £000	2023/24 Net Expenditure £000		2024/25 Gross Expenditure £000	2024/25 Gross Income £000	2024/25 Net Expenditure £000
163,775		163,775	Police Services	277,514		277,514
(201,316)		(201,316)	Intra-Group Adjustment for financial resources consumed (note 6)	(220,937)		(220,937)
(37,541)	-	(37,541)	Net Cost of Services	56,577	-	56,577
11,682	-	11,682	Other Operating Expenditure (note 10)	14,532	-	14,532
53,013	-	53,013	Financing and Investment Expenditure (note 11)	56,519	-	56,519
27,154	-	27,154	Deficit on Provision of Services	127,628	-	127,628
		26,810	Remeasurement of the net defined benefit (asset)/liability (note 19)			(219,102)
		26,810	Other Comprehensive Income and Expenditure			(219,102)
		53,964	Total Comprehensive (Income) and Expenditure			(91,474)

The Chief does not recognise any income. This is all included in the Police and Crime Commissioner Annual Accounts.

Movement in Reserves Statement

	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2023	-	(1,159,858)	(1,159,858)
Movement in reserves during 2023/24			
Total Comprehensive (Income) and Expenditure	(27,154)	(26,810)	(53,964)
Adjustments between accounting basis & funding basis under regulations (note 7)	27,154	(27,154)	-
Increase in 2023/24	-	(53,964)	(53,964)
Balance at 31 March 2024 carried forward	-	(1,213,822)	(1,213,822)
Movement in reserves during 2024/25			
Total Comprehensive (Income) and Expenditure	(127,628)	219,102	91,474
Adjustments between accounting basis & funding basis under regulations (note 9)	127,628	(127,628)	-
Decrease in 2024/25	-	91,474	91,474
Balance at 31 March 2025 carried forward	-	(1,122,348)	(1,122,348)

This statement shows balances only for reserves in relation to staff under the direction and control of the Chief Constable for the financial years 2024/25 and 2023/24 as all other reserves are held by the Cambridgeshire Police and Crime Commissioner.

Balance Sheet

	Notes	2024/25 £000	2023/24 £000
Long Term Assets		<u>-</u>	<u>-</u>
Current Assets		<u>-</u>	<u>-</u>
Short Term Creditors	12	<u>(7,456)</u>	<u>(7,234)</u>
Current Liabilities		<u>(7,456)</u>	<u>(7,234)</u>
Long Term Liabilities	19	<u>(1,114,892)</u>	<u>(1,206,588)</u>
Net Liabilities		<u><u>(1,122,348)</u></u>	<u><u>(1,213,822)</u></u>
Usable Reserves		-	-
Unusable Reserves	13	<u>1,122,348</u>	<u>1,213,822</u>
Net Reserves		<u>1,122,348</u>	<u>1,213,822</u>

Cash Flow Statement

	2024/25 £000	2023/24 £000
Net deficit on the provision of services	(127,628)	(27,154)
Adjusted net deficit or surplus on the provision of services for non cash movements (note 14)	127,628	27,154
Net cash flows from Operating Activities	<u>-</u>	<u>-</u>
Investing Activities	-	-
Financing Activities	-	-
Net increase/(decrease) in cash and cash equivalents	<u>-</u>	<u>-</u>
Cash and cash equivalents at the beginning of the reporting period	-	-
Cash and cash equivalents at the end of the reporting period	<u>-</u>	<u>-</u>

This statement does not show any cash balances for the financial years 2024/25 and 2023/24 as all cash and cash equivalents are held by the Cambridgeshire Police and Crime Commissioner.

Notes to the Accounts

1. Accounting Policies

(i) General Principles

The Statement of Accounts summarises the transactions for the 2024/25 financial year and the position at 31 March 2025. The Accounts and Audit Regulations 2015 requires the preparation of an annual Statement of Accounts, prepared in accordance with proper accounting practices. These practices comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS).

The Statement of Accounts has been prepared with reference to:

- The objective of providing information about the financial position, performance and cash flows in a way that meets the 'common needs of most users'.
- The underlying assumption that the Group is a going concern and that materiality has been set at the relevant level for the individual entities and the Group.
- The following fundamental qualitative characteristics:
 - Relevance; and
 - Faithful representation.
- The following qualitative characteristics:
 - Comparable;
 - Verifiable;
 - Timely; and
 - Understandable.

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. Accounting policies are reviewed annually and have been applied consistently, as appropriate.

Following the passing of the Police Reform and Social Responsibility Act 2011, Cambridgeshire Police Authority was replaced on 22 November 2012 with two 'corporation sole' bodies, the Cambridgeshire Police and Crime Commissioner ('the Commissioner') and the Chief Constable of Cambridgeshire Constabulary ('the Chief Constable'). Both bodies are required to prepare separate Statements of Accounts.

The Financial Statements included here represent the accounts for the Chief Constable. The identification of the Commissioner as the holding organisation and the requirement to produce group accounts stems from the powers and

responsibilities of the Commissioner under the Police Reform and Social Responsibility Act 2011. The Police and Crime Commissioner Group and the Chief Constable have adopted consistent accounting policies.

(ii) Accruals of Income and Expenditure

Items of income and expenditure are accounted for in the year to which they relate. Payments may be made, or receipts received, in the year prior or subsequent to the current year. This means that all material sums received or receivable during the year are included in the accounts, whether or not the cash has actually been paid or received in the year. Adjustments between years are made by way of accruals and prepayments of both income and expenditure. With the exception of payroll-related accruals/prepayments and any accruals/prepayments automatically generated by the accounting system, a de-minimis limit of £5,000 is applied for revenue.

All sales and purchase orders are raised in the name of the PCC and monies are paid into their bank account. Therefore, all debtors and creditors sit in the PCC accounts. The PCC also signs off the fees and charges methodology and therefore income in the Chief's accounts are moved into the PCC at year end.

(iii) Employee Benefits

Benefits Payable During Employment

Short-term employee benefits, being those that fall due wholly within 12 months of the year-end, such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, are recognised as an expense in the year in which employees render service to the Group.

An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees, but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required under statute to be reversed out of the General Fund Balance by a credit to the Accumulated Absences Account in the Movement in Reserves Statement.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Group to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy. Termination Benefits are charged on an accruals basis to the relevant service line in the Comprehensive Income and Expenditure Statement when the Group can no longer withdraw the offer of those benefits or when the Group recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Group to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for termination benefits, relating to pensions enhancements and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

The Group participates in four defined benefit pension schemes: the Police Pension Scheme (PPS) for police officers in service before 31 March 2006 who are subject to transitional protection; the New Police Pensions Scheme (NPPS) for officers starting service on or after 1 April 2006 who are subject to transitional protection; the Police Pensions Scheme 2015 (PPS 2015) for officers starting service on or after 1 April 2016 and officers formerly members of PPS/NPPS who are not subject to transitional protection; and the Local Government Pension Scheme for Police Staff (LGPS). Pension contributions and further costs that arise in respect of certain pensions paid to retired employees on an unfunded basis are charged to the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement (as appropriate). The Chief Constable's Accounts include the cost of providing pensions to the staff under the direction and control of the Chief Constable only.

Injury Awards paid under the Police Pension Schemes are disclosed separately. These payments are unfunded and are paid directly by the Group. Injury awards are subject to the same treatment as the Police Pension Schemes, with the movement on the liability being attributable to any change in interest costs and actuarial gains/losses. New injury awards are shown as past service costs in the year which they are made.

The PPS, the NPPS and the PPS 2015 are unfunded schemes and have no attributable assets.

The LGPS is a funded scheme and as such the assets of the scheme are attributable to the Group and are included in the Balance Sheet at their fair value as follows:

- Quoted securities – current bid price;
- Unquoted securities – a professional estimate of fair value;
- Unitised securities – current bid price; and
- Property – market value.

Scheme assets include current assets, such as debtors and cash, as well as the investment portfolio. Accrued expenses and other current liabilities, such as fees payable to fund managers, are deducted from the net asset/liability. All scheme assets are held and monitored by Cambridgeshire County Council

LGPS (the administrator); further information can be seen within their Statement of Accounts for 2023/24.

Liabilities largely comprise benefits promised under the formal terms of the pension scheme. Scheme liabilities are measured using the projected unit method. This method examines all the benefits for pensioners and deferred pensioners and their dependants and the accrued benefits for current members of the scheme, making allowance for projected scheme member earnings.

The change in the net pensions liability is analysed over the following headings:

Current Service Cost

This is the increase in liabilities as a result of years of service earned in the current year, allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

Interest Cost

This is the expected increase in the present value of liabilities accrued during the year as they move one year closer to being paid. Interest cost is charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Expected Return on Assets

This is a measure of the estimated return (income from dividends, interest, etc.) on the investments held by the scheme for the year. It is not intended to reflect the actual realised return by the scheme, but an estimate at the beginning of the financial year of the long-term future expected investment return for each asset class. The expected return on assets is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

The expected return is based on:

- For quoted corporate or government bonds – application of the current redemption yield at the start of the year to the market value of bonds held; and
- For other assets (especially equities) – application of the rate of return expected for each significant class of assets over the long-term at the beginning of the year to the fair value of assets held.

Actuarial Gains and Losses

This element arises where actual events have not coincided with the actuarial assumptions made for the last valuation, known as experience gains and losses, or the actuarial assumptions have been updated. For instance, there may have been an unexpectedly high pay award in the year, or new research might alter assumptions about general levels of mortality. Actuarial gains and losses are recognised in the Pension Reserve.

Past Service Costs

These arise from decisions taken in the current year, but whose financial effect is derived from years of service earned in earlier years. For instance, if scheme regulations were amended to increase the multiplier derived from years of service applied to final salaries in calculating pensions, total liabilities would rise but the majority of this rise would not relate to employee activity in the current year. It is therefore presented separately from the Current Service Cost and is charged to Non-Distributed Costs in the Comprehensive Income and Expenditure Statement.

Settlements and Curtailments

These are events that change pension liabilities but are not normally covered by actuarial assumptions.

Settlements are irrevocable actions that relieve the employer of the primary responsibility for pension obligations, for example the transfer of scheme assets and liabilities relating to a group of employees moving to another scheme.

Curtailments are events that reduce the expected years of future service of present employees or reduce for a number of employees the accrual of defined benefits for some or all of their future service, such as closing a service unit of the Group.

Gains or losses on settlements and curtailments are debited to the Comprehensive Income and Expenditure Statement.

Contributions paid to defined benefit schemes

This is the cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as a separate expense.

Actual amount charged against the General Fund Balance for pensions in the year

Revenue charges in respect of current and past service costs, interest costs and the expected return on assets are reversed in order that actual employer's contributions and retirement benefits payable are recognised in the General Fund Balance. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pension Reserve to remove notional debits and credits for the cash paid to the pension fund and pensioners, and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pension Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

(v) Events After the Balance Sheet Date

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

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

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

(vi) Value Added Tax (VAT)

VAT is included in the Comprehensive Income and Expenditure Statement only to the extent that it is irrecoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

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

The standards introduced by the 2025/26 Code where disclosures are required in the 2024/25 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the code are:

- a) IAS 21 The Effects of Changes in Foreign Exchange Rate (lack of exchangeability) issued in August 2023. This is not relevant to us as a force as we hold limited foreign currency.
- b) IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out the principles for recognition, measurement, presentation and disclosure of insurance contracts.
- c) The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using historic cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

3. Critical judgements in applying Accounting Policies

In applying the accounting policies set out in Note 1, the Constabulary has had to make certain judgements about complex transactions or those involving uncertainty about future events.

There is a degree of uncertainty about future levels of funding for Police and Crime Commissioners, and consequently Chief Constables. However, it has been determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Group might be impaired as a result of a need to close facilities and reduce levels of service provision.

All income, including that from grants, is received and controlled by the Police and Crime Commissioner. As a result, no income is included within the Accounts of the Chief Constable.

It has been judged that all property, plant and equipment is owned and controlled by the PCC and as such is not included in the Chief Constable's Accounts.

4. Assumptions made about the future and other major sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions of amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for the revenues during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. We have engaged the Government Actuary's Department to provide the Group with expert advice about the assumptions to be applied for the Police Pension Schemes and Hymans Robertson LLP provides the same advice for the	The effects on the net pension liability of changes in individual assumptions can be measured. However, the assumptions interact in complex ways. During 2024/25, the Group's actuaries advised that the net pension liability had decreased by £118m for Police Pension Schemes (including a decrease of £57m as a result of changes in financial assumptions) and a decrease of £27m for Police Staff Pensions as a result of

Police Staff Pension Scheme (LGPS) administered by Cambridgeshire County Council.

changes in financial assumptions. See note 19.

A sensitivity analysis shown in Note 19 shows the impact that a 0.1% increase in Real Discount Rate will have or a 0.1% increase in Salary or Pension Increase would have on the 4 pension schemes. The highest impact likely is on the Police Pension Scheme if the Real Discount Rate was increased with a potential impact of £16.4m (1.5% reduction in liability).

5. Events after the Reporting Period

The Statement of Accounts was authorised for issue by the Chief Finance Officer on 30 May 2025.

Non Adjusting Balance Sheet Event

The specialist training facility at Monks Wood required for the BCH Operational Support Unit (OSU) has been a feature of the capital programme in recent years. Whilst work continued to progress throughout 2024/25 to achieve a final design and contracted price the project has been ceased early in the 2025/26 financial year (following decisions at JCOB 21/05/25 and SAS 22/05/25) due to the tightening financial climate with the impact being that the estimated cost of the scheme has become unaffordable. The Constabulary is currently considering its position on other refurbishment options for the existing use and other training options.

A total of £1.7m expenditure was incurred on the project to 31st March 2025 including planning, preparation, surveys, and design costs which is shown in the PPE assets under construction/work in progress balance. Additional costs are accruing in 2025/26 whilst the project is closed and contractors stood down.

The business case for this capital project was agreed on the basis that Cambridgeshire would continue to own the property with a licence arrangement being provided to Bedfordshire Police and Hertfordshire Constabulary for use of the newly created asset. Bedfordshire Police and Hertfordshire Constabulary have provided assurance to underwrite their share of the overall project costs incurred by Cambridgeshire Constabulary to date should the project not complete.

There are no other events to this date.

6. Intra Group Funding Arrangements Between the Police and Crime Commissioner and the Chief Constable

The PCC receives all funding on behalf of the Group. There is no transfer of real cash between the PCC and the Chief Constable as the latter does not have a bank account into which monies can be received or paid from.

The table below shows the movement through the intra-group account within the respective Balance Sheets. PCC resources consumed at the request of the CC are reflected in the PCC and CC Balance sheets through an intra-group adjustment. Similarly, an intra-group adjustment is made through the PCC and CC Balance Sheets to reflect the PCC funding of these resources.

	2024/25	2023/24
	£000	£000
<u>Comprehensive Income and Expenditure Statement</u>		
PCC resources consumed at the request of the CC	220,937	201,316
PCC funding for resources consumed at the request of the CC	(220,937)	(201,316)

7. Note to the Expenditure and Funding Analysis

2024/25			
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustment relating to Pensions (Note 7.1)	Other Adjustments (Note 7.2)	Total Adjustments
	£000	£000	£000
Police Services	70,884	222	71,106
Intra-Group Adjustment for financial resources consumed	-	-	-
Net Cost of Services	70,884	222	71,106
Other Income and Expenditure	56,522	-	56,522
Difference between the General Fund Deficit and Comprehensive Income and Expenditure Deficit	<u>127,406</u>	<u>222</u>	<u>127,628</u>

2023/24			
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustment relating to Pensions (Note 7.1)	Other Adjustments (Note 7.2)	Total Adjustments
	£000	£000	£000
Police Services	(27,100)	1,241	(25,859)
Intra-Group Adjustment for financial resources consumed	-	-	-
Net Cost of Services	(27,100)	1,241	(25,859)
Other Income and Expenditure	53,013	-	53,013
Difference between the General Fund Deficit and Comprehensive Income and Expenditure Deficit	<u>25,913</u>	<u>1,241</u>	<u>27,154</u>

7.1 Adjustment relating to Pensions

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

- For services this represents the removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs; and
- Other Income and Expenditure being the net interest on the defined benefit liability is charged to the CIES.

7.2 Other Adjustments

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 removal of the accumulated absences accrual as allowed by statute.

8 Expenditure and Income Analysed by Nature

	2024/25 £'000	2023/24 £'000
POLICE SERVICES		
Expenditure		
Police Pay and Allowances	92,359	87,080
Targeted Variable Payments	-	0
Police Staff Pay and Allowances	155,104	45,736
Other Services Expense	2,650	-
Other Employee Expenses		2,198
Police Pensions	(3,526)	(3,582)
Premises	5,664	6,506
Transport	4,549	4,487
Supplies and Services	19,680	20,395
Interest on Leases	41	
Agency and Contracted Services	993	955
Intra-Group Adjustment for financial resources consumed	(220,937)	(201,316)
Pension Top Up Grant Transferred to Pension Fund	14,532	11,682
Net interest on the net defined benefit liability	56,519	53,013
Deficit on Provision of Services	<u>127,628</u>	<u>27,154</u>

9 Movement in Reserves Statement – Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Chief Constable in the year, in accordance with proper accounting practice, to the resources that are specified by statutory provisions as being available to the Chief Constable to meet future capital and revenue expenditure. The adjustments are made against the General Fund Balance.

	2024/25 <u>Usable Reserves</u> General Fund Balance £000	2023/24 <u>Usable Reserves</u> General Fund Balance £000
Adjustments to the Revenue Resources		
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:		
Pensions costs (transferred to (or from) the Pensions Reserve)	127,406	25,913
Holiday pay (transferred to (or from) the Accumulated Absences Reserve)	222	1,241
Total Adjustments to Revenue Resources	<u>127,628</u>	<u>27,154</u>
Total Adjustments	<u>127,628</u>	<u>27,154</u>

10 Comprehensive Income and Expenditure Statement – Other Operating Expenditure

	2024/25 £000	2023/24 £000
Pension Top Up Grant Transferred to Pension Fund	14,532	11,682
	<u>14,532</u>	<u>11,682</u>

Note – Pension Top Up Grant is received from the Home Office to meet the Constabulary's cost of police officer pensions.

11 Comprehensive Income and Expenditure Statement – Financing and Investment Income and Expenditure

	2024/25 £000	2023/24 £000
Net interest on the net defined benefit liability	56,519	53,013
	<u>56,519</u>	<u>53,013</u>

Note – this represents the interest costs associated with the LGPS pensions deficit.

12 Creditors

	2024/25 £000	2023/24 £000
Accumulated Absence Accrual	<u>(7,456)</u>	<u>(7,234)</u>
	<u>(7,456)</u>	<u>(7,234)</u>

The balance of creditors is a financial instrument, within the category of current other liabilities and is included in disclosure note 18 of the Group accounts.

13 Unusable Reserves

The unusable reserves comprise of the Pension and Accumulated Absence Reserve. Details below.

	2024/25 £000	2023/24 £000
Pensions Reserve	1,114,892	1,206,588
Accumulating Compensated Absence Adjustment Account	7,456	7,234
	<u>1,122,348</u>	<u>1,213,822</u>

Pension Reserve

The Pension 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 Chief Constable accounts for post-employment benefits:

- in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service;
- by updating the liabilities recognised to reflect inflation; and
- by 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 Chief Constable makes employer's contributions to pension funds or eventually pays any pension for which it is directly responsible. The debit balance on the Pension Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Chief Constable has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid. The movements on the pensions liability have been disclosed in Note 19.

	2024/25 £000	2023/24 £000
Balance at 1 April		
Pension reserve opening balance transfer to PCC	1,206,588	1,153,865
Remeasurements of the net defined benefit liability	(219,102)	26,810
Reversal of items relating to retirement benefits debited or credited to the Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	177,511	70,993
Employer's pensions contributions and direct payments to pensioners payable in the year	(50,105)	(45,080)
Balance at 31 March	<u>1,114,892</u>	<u>1,206,588</u>

Accumulated Absences Account (Group)

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2024/25 £000	2023/24 £000
Balance at 1 April	7,234	5,993
Amount by which employer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	222	1,241
Balance at 31 March	<u>7,456</u>	<u>7,234</u>

14 Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

	2024/25 £000	2023/24 £000
Movement in Pension Liability	127,406	25,913
Increase in Creditors	222	1,241
	<u>127,628</u>	<u>27,154</u>

15 Joint Operations

Eastern Region Special Operations Unit

The Eastern Region Special Operations Unit (ERSOU) was established on 1st April 2010 as a joint arrangement between seven forces – Hertfordshire, Cambridgeshire, Essex, Suffolk, Norfolk, Kent and Bedfordshire, to provide one serious and organised crime unit for the eastern region. ERSOU is run by a management board where all forces are equally represented, and decisions are made with the unanimous consent of all forces. Therefore, each forces' share of assets, liabilities, income and expenditure are consolidated into their own financial statements.

Expenditure of £3,902k has been consolidated into the Chief Constable's Comprehensive Income and Expenditure Statement. As all assets, liabilities and reserves, except those relating to staff and officers under the direction and control of the Chief Constable, are held by the PCC only the operational policing costs of the ERSOU joint operation have been included in the Chief Constable's

Comprehensive Income and Expenditure Statement. The full consolidation is included in the PCC and Group Statement of Accounts.

The income and expenditure for the ERSOU joint operation is shown below:

2024/25	Beds	Cambs	Essex	Herts	Kent	Norfolk	Suffolk	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Grants	-901	-1137	-2215	-1616	-1611	-1278	-985	-9743
Capital Grants	0	0	0	0	0	0	0	0
Running Costs	3,867	4,879	6,460	6,933	6,300	5,480	4,225	38,144
Depreciation	148	160	102	249	65	193	153	1,070
Surplus / Deficit	3,114	3,902	4,347	5,566	4,754	4,395	3,393	29,471
Reserve Cf	-14	-18	-37	-26	-40	-21	-16	-172
2023/24	Beds	Cambs	Essex	Herts	Kent	Norfolk	Suffolk	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Grants	-789	-1002	-1979	-1430	-1347	-1127	-872	-8546
Capital Grants	-7	-8	-17	-12	-18	-10	-7	-79
Running Costs	3,475	4,410	5,578	6,295	5,412	4,962	3,837	33969
Depreciation	96	105	56	162	34	127	101	681
Surplus / Deficit	2,775	3,505	3,638	5,015	4,081	3,952	3,059	26,025

Bedfordshire, Cambridgeshire and Hertfordshire (BCH) Collaboration

Cambridgeshire Police and Crime Commissioner and Cambridgeshire Constabulary participates in collaborative arrangements with Bedfordshire Police and Crime Commissioner/ Bedfordshire Police and Hertfordshire Police and Crime Commissioner/Hertfordshire Constabulary. The collaborated units are jointly staffed and funded by the three forces and are overseen by governance boards where all forces are equally represented, and decisions are made with the unanimous consent of all Forces. Therefore, each forces' share of assets, liabilities, income and expenditure are consolidated into their own financial statements.

Expenditure of £41.3m has been consolidated into the Chief Constable's Comprehensive Income and Expenditure Statement. The table overleaf provides the breakdown across the functions that are collaborated for both 2024/25 and the prior year.

7 Force Commercial Services (formerly 7 Force Procurement)

Procurement across Seven Forces; Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk and Suffolk has been collaborated to form a single 7F Procurement function since 1 January 2020. It's aim is delivery of an effective Police service and to provide support for victims of crime by procuring and managing a high quality, value for money supply chain. The team will be working towards aligning contracts across the seven forces, increasing the opportunity for greater interoperability across the region and enhancing efficiency and effectiveness.

The costs to Cambridgeshire Constabulary during 2024/25 were £280k. Total costs during 2023/24 were £238k, which was the first full year of the single seven Force unit.

The net operating costs for the BCH Joint operations is shown below:

	Beds 2023/24 £'000	Cambs 2023/24 £'000	Herts 2023/24 £'000	Total 2023/24 £'000		Beds 2024/25 £'000	Cambs 2024/25 £'000	Herts 2024/25 £'000	Total 2024/25 £'000
Joint Protective Services					Joint Protective Services				
Armed Policing Units	3,812	3,412	4,038	11,262	Armed Policing Units	3,853	3,336	3,849	11,038
					Taser Training	318	401	569	1,288
Dog Units	938	1,156	1,568	3,662	Dog Units	1,122	1,377	1,863	4,362
Major Crime Unit	2,609	3,122	3,868	9,599	Major Crime Unit	2,879	3,433	4,240	10,552
Operational Planning	309	392	560	1,261	Operational Planning	346	437	621	1,404
Jps Command	453	575	820	1,848	Jps Command	426	537	764	1,727
Resilience	95	120	172	387	Resilience	100	126	180	406
Roads Policing Unit	2,843	4,076	5,487	12,406	Roads Policing Unit	3,128	4,464	5,993	13,585
Scientific Services	3,386	4,057	5,420	12,863	Scientific Services	3,736	4,197	5,664	13,597
Total Joint Protective Services	14,445	16,910	21,933	53,288	Total Joint Protective Services	15,908	18,308	23,743	57,959
Operational Support					Operational Support				
Cameras Tickets & Collisions	55	69	92	216	Cameras Tickets & Collisions	18	22	29	69
Custody & Criminal Justice Smt	319	196	575	1,090	Custody & Criminal Justice Smt	347	228	622	1,198
Criminal Justice Unit	461	585	1,003	2,049	Criminal Justice Unit	490	619	980	2,089
Firearms & Explosive Licenses	170	329	268	767	Firearms & Explosive Licenses	216	417	340	973
Ict ****	6,925	8,699	12,481	28,105	ICT**	8,479	10,333	14,548	33,360
Delivery Management Office***	337	428	612	1,377	Joint Strategy & Transformation*	424	535	761	1,721
Total Operational Support Expenditure	8,267	10,306	15,031	33,604	Total Operational Support Expenditure	9,975	12,155	17,280	39,410
Organisational Support					Organisational Support				
Collaboration Team***	62	78	112	252	Corporate Comms	64	81	116	261
Hr L&D	4,786	6,362	9,025	20,173	Hr L&D	5,039	6,445	8,859	20,343
Information Management Depts	980	1,244	1,775	3,999	Information Management Depts	1,066	1,344	1,910	4,320
Professional Standards	1,946	2,118	2,910	6,974	Professional Standards	2,193	2,248	3,258	7,699
Joint Uniform Stores	77	98	140	315	Joint Uniform Stores	91	115	164	370
Finance	31	171	56	258	Finance	36	46	64	146
BCH Payroll	152	193	276	621	BCH Payroll	153	192	273	618
Uplift Programme Board	42	53	75	170	CARM	57	73	103	233
Police Transformation Fund	8	10	15	33	Police Transformation Fund	4	6	7	17
BCH Implementation	26	33	0	59					
Total Organisational Support Expenditure	8,110	10,360	14,384	32,854	Total Organisational Support Expenditure	8,703	10,550	14,754	34,007
Total BCH Net Operating Costs	30,822	37,576	51,348	119,746	Total BCH Net Operating Costs	34,586	41,013	55,777	131,376
Joint Procurement Unit	255	238	471	964	Joint Procurement Unit	208	280	418	906
Pension Dep	191	0	0	191					
Total Net Operating Costs	31,268	37,814	51,819	120,901	Total Net Operating Costs	34,794	41,293	56,195	132,282

16 Officers' Remuneration

		Salaries, fees & allowances	Bonuses	Benefits in Kind	Total Remuneration excluding pension contributions	Employer's pension contributions	Total Remuneration including pension contributions
		£	£	£	£	£	£
<u>Chief Constable's Accounts</u>							
Chief Constable							
Nick Dean	2024/25	192,028	-	5,045	197,073	-	197,073
Nick Dean **	2023/24	173,867	-	5,045	178,912	-	178,912
Deputy Chief Constable							
Jane Gyford	2024/25	161,884	-	-	161,884	50,053	211,937
Jane Gyford	2023/24	142,995	-	-	142,995	40,510	183,505
Assistant Chief Constables							
Martin Brunning (New starter 13.05.24)	2024/25	128,532	-	1,129	129,661	41,248	170,909
Vaughan Lukey (New starter 06.05.24)	2024/25	118,336	-	399	118,735	37,800	156,535
Victoria Evans (Leaver 06.05.24)	2024/25	17,090	-	386	17,476	4,550	22,026
Victoria Evans	2023/24	126,068	-	4,549	130,617	39,081	169,698
Chief Finance Officer (Constabulary)							
Jon Lee	2024/25	119,690	-	6,184	125,874	26,212	152,086
Jon Lee	2023/24	113,288	-	6,184	119,472	25,377	144,849
Totals	2024/25	737,560	-	13,143	750,703	159,863	910,566
	2023/24	556,218	-	15,778	571,996	104,968	676,964

** Nick Dean reached his 30 years in April 2022 and he opted out from 3.4.22

The number of staff employees and senior police officers holding a rank above that of superintendent whose remuneration, excluding employer's pension contributions, was £50,000 or more, in bands of £5,000, was as follows:

	2024/25	2023/24
£50,000 to £54,999	13	14
£55,000 to £59,999	15	4
£60,000 to £64,999	14	10
£65,000 to £69,999	6	3
£70,000 to £74,999	7	6
£75,000 to £69,999	6	1
£80,000 to £84,999	3	1
£85,000 to £69,999	2	4
£90,000 to £94,999	3	7
£95,000 to £99,999	4	5
£100,000 to £104,999	4	4
£105,000 to £109,999	3	0
£110,000 to £114,999	2	1
£115,000 to £119,999	1	1
£125,000 to £129,999	2	1
£130,000 to £134,999	1	0
£140,000 to £144,999	0	1
£145,000 to £149,999	0	1
£155,000 to £159,999	1	0
£160,000 to £164,999	1	0
£170,000 to £174,999	0	1
£195,000 to £199,999	1	0
	89	65

The numbers above include the senior employees and relevant police officers disclosed earlier in Note 16 where they earned over £50k including seconded officers.

The numbers of exit packages with total cost per band and the total cost of redundancies agreed are set out below. There were four redundancies during 23/24. All redundancies were compulsory in both years.

Exit package cost band	Number of redundancies		Total cost of exit packages in each band	
	2024/25 No.	2023/24 No.	2024/25 £'000	2023/24 £'000
£0 - £20,000	2	3	8	25
£20,001 - £40,000		1		24
	2	4	8	49

Redundancy costs for Cambridgeshire employees in collaborated units are apportioned in line with existing cost sharing principles. In 2024/25 our share of the total redundancy cost was £18k. In addition, during 2024/25 Cambridgeshire contributed towards Eastern Region Collaboration totalling £27k.

17 Audit Costs

The Chief Constable has incurred the following costs in relation to the audit of the Statement of Accounts.

	2024/25	2023/24
	£'000	£'000
Fees payable with regard to external audit services carried out by the appointed auditor:	<u>58</u>	<u>51</u>

18 Related Parties

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

Police and Crime Commissioner

The Police and Crime Commissioner has direct control over the groups finances, including responsibility for funding of all pensions' liabilities, and is responsible for setting the Police and Crime Plan. The Chief Constable operates within the budget set by the Police and Crime Commissioner, to deliver the aims and objectives set out in the Police and Crime Plan. Section 28 of the Police Reform and Social Responsibility Act 2011 requires that the local authorities covered by the police area must establish a Police and Crime Panel (PCP) for that area. The PCP scrutinises the decisions of the PCC, reviews the Police and Crime Plan and has a right of veto over the precept (see note 6).

Central Government

Central government has significant influence over the general operations of the Chief Constable. It is responsible for providing the statutory framework within which the Chief Constable operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Group has with other parties. Grants received from government departments are set out in the PCC Group and the PCC Statement of Accounts 2024/25.

Officers

During the year, the Chief Constable was a trustee of the Shrievalty Trust.

Cambridgeshire Police Shrievalty Trust

The Cambridgeshire Police Shrievalty Trust is a charitable organisation supported by the Group whose objective is to support efforts to "Create a Safer

Cambridgeshire". Details of Officers who were trustees throughout the period are set out below:

Officers: N Dean, Chief Constable

In the year to 31 March 2025, the Group had dealings with the Trust being a Victims Support grant contribution of £60,000 (2023/24 £60,000) and two Safer Streets Grants totalling £30,000 (2023/24 £81,130).

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

The Chief Constable has a pooled budget arrangement (joint operation) with the 6 other eastern police forces for the provision of tackling organised crime and further pooled budget arrangements (joint operation) with Bedfordshire Police and Hertfordshire Constabulary for the provision of a range of policing services. Transactions and balances outstanding are detailed in the PCC Group and the PCC Statement of Accounts 2024/25.

The Chief Constable participates in four pension schemes the Local Government Pension Scheme (LGPS) for Police Staff, the Police Pension Scheme (PPS) for Police Officers in service before 31 March 2006 who are subject to transitional protection, the New Police Pensions Scheme (NPPS) for officers starting service on or after 1 April 2006 who are subject to transitional protection and the Police Pensions Scheme 2015 (PPS 2015) for officers starting service on or after 1 April 2015 and officers formerly members of PPS/NPPS who are not subject to transitional protection. The LGPS scheme is administered by Cambridgeshire County Council and the PPS, NPPS and PPS 2015 are administered by XPS Pension Group. See Note 19 for details of transactions and balances outstanding.

During the year the Chief Constable made payments totalling £1,656k to the six local authorities for National Non-Domestic Rates Bills (2023/24 £1,572k).

19 Group's Retirement Benefits

Participation in Pension Schemes

As part of the terms and conditions of employment of its Police Officers and Police Staff, the Chief Constable offers retirement benefits which are normally payable on retirement. The Chief Constable, however, is required to disclose the commitment to pay future retirement benefits as those benefits are earned by officers or employees.

The Chief Constable participates in four pension schemes:

- i) the Local Government Pension Scheme (LGPS) for Police Staff, administered by Cambridgeshire County Council. This is a defined benefit, funded scheme, meaning that the Group and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. As corporations sole the Police and Crime Commissioner and Chief Constable are separate employers in

the scheme, which is reflected in the figures included in the financial statements; and

- ii) the Police Pension Scheme (PPS) for Police Officers in service before 31 March 2006 who are subject to transitional protection, the New Police Pensions Scheme (NPPS) for officers starting service on or after 1 April 2006 who are subject to transitional protection and the Police Pensions Scheme 2015 (PPS 2015) for officers starting service on or after 1 April 2015 and officers formerly members of PPS/NPPS who are not subject to transitional protection. All three schemes are defined benefit, unfunded schemes, administered by XPS Pension Group, meaning that there are no investment assets built up to meet the pension liabilities and that cash has to be generated to meet actual pensions payments as they eventually fall due. Injury Awards paid under the Police Pension Schemes are disclosed separately. These payments are unfunded and are paid directly by the Chief Constable. Injury awards are subject to the same treatment as the Police Pension Schemes, with the movement on the liability being attributable to any change in interest costs and actuarial gains/losses. New injury awards are shown as past service costs in the year which they are made.

Transactions Relating to Post Employment Benefits

The costs of retirement benefits are recognised in the Net Cost of Services when they are earned by staff rather than when the benefits are actually paid as pensions. However, the charge required to be made against council tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the Comprehensive Income and Expenditure Statement via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	2024/25			2023/24		
	Police Pensions £000	LGPS- Chief Constable £000	Total £000	Police Pensions £000	LGPS- Chief Constable £000	Total £000
Comprehensive Income and Expenditure Account						
<i>Cost of Services:</i>						
Current service cost	11,006	6,438	17,444	11,238	6,629	17,867
Past service costs - impact of asset ceiling**	-	103,523	103,523	-	-	-
Other past service costs		22	22		116	116
	11,006	109,983	120,989	11,238	6,745	17,983
<i>Financing and Investment Income and Expenditure:</i>						
Net interest expense	56,820	(298)	56,522	53,860	(850)	53,010
	56,820	(298)	56,522	53,860	(850)	53,010
<i>Total Post Employment Benefit Charged to the Deficit on the Provision of Services</i>						
	67,826	109,685	177,511	65,098	5,895	70,993
<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>						
Return on plan assets		7,856	7,856		(14,782)	(14,782)
Actuarial (gains) and losses arising on changes in demographic assumptions	(2,070)	(361)	(2,431)	-	(1,113)	(1,113)
Actuarial (gains) and losses arising on changes in financial assumptions	(142,080)	(41,048)	(183,128)	(25,360)	(15,390)	(40,750)
Changes in the effect of the asset ceiling*	-	(39,931)	(39,931)	-	38,084	38,084
Other	460	(1,928)	(1,468)	38,840	6,531	45,371
	(143,690)	(75,412)	(219,102)	13,480	13,330	26,810
<i>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Account</i>						
	(75,864)	34,273	(41,591)	78,578	19,225	97,803
Movement in Reserves Statement						
Reversal of net charges made to the Deficit for the Provision of Services for post employment benefits in accordance with the Code						
	(67,826)	(109,685)	(177,511)	(65,098)	(5,895)	(70,993)
<i>Actual amount charged against the General Fund Balance for Pensions in the year:</i>						
Employer's contributions payable to the schemes	42,514	7,591	50,105	37,946	7,134	45,080

Assets and Liabilities in Relation to Post Employment Benefits

Reconciliation of present value of the scheme liabilities:

	2024/25			2023/24		
	Unfunded Liabilities Police Pensions £000	LGPS- Chief Constable £000	Total Liabilities £000	Unfunded Liabilities Police Pensions £000	LGPS- Chief Constable £000	Total Liabilities £000
Balance at 1 April	1,212,214	248,476	1,460,690	1,171,582	207,643	1,379,225
Current service cost	11,006	6,438	17,444	11,238	6,629	17,867
Past service costs - asset ceiling	-	103,523	103,523	-	-	-
Past service costs - other	-	22	22	-	116	116
Interest cost	56,820	12,111	68,931	53,860	9,929	63,789
Contributions by scheme participants	9,220	2,288	11,508	8,820	2,066	10,886
Benefits paid	(51,734)	(5,946)	(57,680)	(46,766)	(6,019)	(52,785)
Remeasurement gain/loss:						
Actuarial gains arising from changes in demographic assumptions	(2,070)	(361)	(2,431)	-	(1,113)	(1,113)
Actuarial (gains)/losses arising from changes in financial assumptions	(142,080)	(41,048)	(183,128)	(25,360)	(15,390)	(40,750)
Changes in the effect of the asset ceiling*	-	(39,931)	(39,931)	-	38,084	38,084
Other	460	(1,928)	(1,468)	38,840	6,531	45,371
Balance at 31 March	1,093,836	283,644	1,377,480	1,212,214	248,476	1,460,690

* the 2023/24 asset ceiling adjustment was previously shown in the 'other' line of the remeasurements below but has been split out separately for transparency and 2024/25 comparison.

** the 2024/25 asset ceiling adjustment of £103.523m has been applied following actuarial calculation of the present value of agreed past service contributions which is recognising an additional liability

Reconciliation of fair value of the scheme assets:

	2024/25			2023/24		
	Police Pensions £000	LGPS- Chief Constable £000	Total Assets £000	Police Pensions £000	LGPS- Chief Constable £000	Total Assets £000
Balance at 1 April	-	254,102	254,102	-	225,360	225,360
Interest Income	-	12,409	12,409	-	10,779	10,779
Remeasurement gain/loss: The return on plan assets, excluding the amount included in the net interest expense	-	(7,856)	(7,856)	-	14,782	14,782
Contributions from employer	42,514	7,591	50,105	37,946	7,134	45,080
Contributions from employees into the scheme	9,220	2,288	11,508	8,820	2,066	10,886
Benefits paid	(51,734)	(5,946)	(57,680)	(46,766)	(6,019)	(52,785)
Closing fair value of scheme assets	-	262,588	262,588	-	254,102	254,102

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

	Police Pensions £000		LGPS £000		Total £000	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Present value of the defined benefit obligation	1,093,836	1,212,214	283,644	248,476	1,377,480	1,460,690
Fair Value of Plan Assets	-	-	(262,588)	(254,102)	(262,588)	(254,102)
Net Liability arising from defined benefit obligation	1,093,836	1,212,214	21,056	(5,626)	1,114,892	1,206,588

The PPS has no assets to cover its liabilities. The LGPS's assets consist of the following categories, by proportion of the total assets held:

	31/03/2025 £000	31/03/2024 £000
Cash and Cash Equivalents	6,120	3,023
Private Equity	33,261	31,285
Debt Securities		
UK Government	23,290	23,222
Equity Instruments (by industry)		
Consumer	2,922	2,847
Manufacturing	2,951	3,014
Energy and Utilities	223	284
Financial Institutions	2,911	2,652
Health and Care	2,374	2,267
Information Technology	6,945	5,222
Other	242	289
Investment Funds and Unit Trusts		
Equities	102,953	107,530
Bonds	34,574	37,547
Infrastructure	-	-
Other	19,036	19,439
Real Estate	24,790	15,479
Derivatives	(3)	2
	<u>262,588</u>	<u>254,102</u>

The liabilities are the underlying commitments that the Chief Constable has to pay retirement benefits in the long-term. The total liability of £1,115m (£1,094m police officer pension scheme and (£21m) unfunded liabilities (net of scheme assets) in LGPS for police staff) has a significant impact on the net worth of the Chief Constable as presented in the Balance Sheet, giving rise to negative equity of £1,122m. However, statutory arrangements for funding the deficit mean that the financial position of the Chief Constable remains stable:

- i) the deficit on the LGPS will be made good by increased contributions over the remaining working lives of employees, as assessed by the scheme actuary; and
- ii) finance is only required to be raised to cover police pensions as and when they are actually paid.

Basis of Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependant on assumptions made about mortality rates and salary levels. The PPS, the NPPS and the PPS 2015 have been assessed by the Government Actuary's Department. The LGPS liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, based on the latest full valuation of the scheme as at 31 March 2025.

The principal assumptions used by the actuary have been:

	Local Government Pension Scheme		Police Pension Schemes	
	2024/25	2023/24	2024/25	2023/24
Mortality assumptions:				
Longevity at 65 for current pensioners:				
Men	21.0	21.1	21.9	21.9
Women	24.1	24.1	23.9	23.6
Longevity at 65 for future pensioners:				
Men	22.1	22.2	23.3	23.6
Women	25.7	25.7	25.2	25.1
Rate of increase in salaries	3.3	3.3	3.5	3.9
Rate of increase in pensions	2.8	2.8	2.7	2.6
Rate for discounting scheme liabilities	5.8	4.9	5.7	4.7
CARE revaluation rate	-	-	4.0	3.9

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changed while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analyses below did not change from those used in the previous period.

	Chief Constable Scheme Approximate		Police Pension Scheme Approximate	
	Increase in Liability (%)	monetary amount £'000	Increase in Liability (%)	monetary amount £000
Change in assumptions at 31 March 2025				
0.1% increase in Real Discount Rate	2.0%	3,940	-1.5%	(16,400)
0.1% increase in the Salary Increase Rate	0.0%	168	0.2%	2,000
0.1% Increase in the Pension Increase Rate	2.0%	3,882	1.5%	16,600
Life Expectancy (Pensioners assumed to be one year younger)	4.0%	7,205	0.4%	4,600

Impact on Cash Flows

The total contributions to be made to the Local Government Pension Scheme by the Chief Constable in the year to 31 March 2025 is £7.5m (2023/24, £7.1m) contributions for the Police Pension Scheme in the year to 31 March 2025 are £24.1m (2023/24 £21.1m).

Legal Claims and Assumptions

McCloud Remedy

The McCloud remedy window ran from 1 April 2015 to 31 March 2022. Eligible members will be able to elect which scheme they wish to receive benefits from for this period. Due to the differing benefit structures it is expected that the majority of eligible police members will elect to take legacy scheme (1987 Scheme or 2006 Scheme) benefits for the remedy period.

An allowance for McCloud remedy was first included in the 2018/19 disclosures as a past service cost for four years remedy service from 2015-2019.

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

All McCloud related liabilities for eligible members have been moved to the associated legacy schemes. This means all McCloud liabilities are held within the legacy scheme which we expect benefits to be paid from. The accounting treatment of the contribution adjustments has been refined, and the 2024/25 disclosures are now shown within the net cashflows.

Guaranteed Minimum Pensions (GMP) Equalisation and Indexation

The Government has published a consultation on indexation and equalisation of Guaranteed Minimum Pensions (GMP), with the proposal being to extend the "interim solution" to those members who reach State Pension Age after 5 April 2021 (7 October 2020). A past service costs was included in the 2019/20 disclosure for extending the equalisation to all future retirees.

There was also a further court ruling on 20 November 2020 regarding GMP equalisation. The court ruled that scheme trustees are required to revisit past Cash Equivalent Transfer Values (CETVs) to ensure GMP equalisation. This may result in additional top-ups where GMP equalisation means that members did not receive their full entitlement. For public service pension schemes, it is expected that this ruling will be taken forward on a cross scheme basis and will need legal input. This may require revisiting past CETV cases for members with State Pension age 5 April 2016 and who took a CETV from the scheme before the CETV were equalised. The scope of any costs are still to be determined, and the Constabulary does not have data on historic CETVs to estimate the

potential impact, but expect it to be a relatively small uplift for a relatively small subset of members (i.e. those who took a CETV and are in scope for a top up).

At present no additional costs were recognised for GMP equalisation and indexation in 2021/22 to 2024/25. In the absence of any further developments, no additional costs are expected to be recognised for 2025/26.

GMP Overpayments

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

Survivor Benefits Legal Challenges (Goodwin)

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

Home Office have advised that due to the historic equal benefit structure in the 1987 Scheme they do not believe there is a similar situation in the Police Pension Scheme in England & Wales and therefore there is no requirement to allow for this legal challenge in the 2024/25 accounting disclosures.

Section 37 Legal Case Virgin Media Ltd vs NTL Pension Trustees Limited

The Constabulary is aware of the case of Virgin Media Ltd vs NTL Pension Trustees II Limited (and others) relating to actuarial certifications under section 37 of the Pension Schemes Act 1993. This case potentially has implications for the validity of amendments made by schemes which were contracted-out on a salary-related basis between 6 April 1997 and the abolition of contracting-out in 2016. There is considerable uncertainty around this case including potential read across to public service pension schemes. The Constabulary's understanding is that schemes should continue to administer benefits and recognise liabilities in accordance with scheme regulations currently in force. No additional costs are assumed to be recognised in the 2024/25 accounting disclosures.

20 Transport Consortium

The PCC for Cambridgeshire belongs to the Chiltern Transport Consortium operated by Thames Valley Police. Excluding Insurance costs detailed below, Cambridgeshire's contribution for 2024/25 was £2.7m (£2.5m 2023/24). The increase in spend was largely due to an uplift in budget required to fund current replacement costs and additional work required in year on our vehicles.

Insurance costs were removed from the overall charge in 22/23 and accounted for separately. The insurance costs for Cambridgeshire for 2024/25 were £298k (£830k 2023-24).

Costs are allocated to the forces in proportion to the size of their fleet. The total costs of the consortium are shown below:

	2024/25	2023/24
	£000	£000
Employee Costs	3,853	3,433
Premises	507	485
Running Costs	6,428	6,074
Vehicles	11,676	10,696
Income	(2,709)	(2,475)
Insurance Costs	708	830
	<u>20,463</u>	<u>19,043</u>

Pension Account

The Chief Constable is required to maintain a Pensions Account in order to discharge its responsibility for paying the pensions of retired officers and their survivors and to account to the Home Office as sponsoring department for police pensions funding. The Pensions Account has the legal status of a fund for the purposes of the Local Government Finance Act and all accounting entries are recorded, administrated and governed by The Police Pension Fund Regulations 2007.

Credits to the Pension Account include contributions from both the Chief Constable and serving police officers who are members of either the Police Pension Scheme (PPS), the New Police Pension Scheme (NPPS) or the Police Pension Scheme 2015 (PPS 2015). The Chief Constable's contributions in 2023/24 were at a rate of 31.0%. These rates are set by the Home Office and are subject to triennial revaluation by the Government's Actuary Department and have risen to 35.3% from 1st April 2024.

Charges to the Pension Account include pensions to retired police officers and their survivors and commutations and lump sum retirement benefits.

The Pension Account is balanced to nil each year by the receipt of pension top-up grant from, or by paying over any surplus to, the sponsoring department. The effect of this funding mechanism is that the employer's contribution of 35.3% of serving police officers' pensionable salary and together with injury pensions and a capital charge for ill-health retirements, falls to be charged to the Group's Comprehensive Income and Expenditure Statement.

The Pension Account is designed to discharge liabilities to pay pensions as they fall due and no account is taken of pensions and other liabilities after the period end.

A statement of account for the Pension Account, together with its net current assets and liabilities at 31 March 2025, is set out below. All Fund transactions are treated in accordance with the Group's accounting policies as set out in Note 1, where applicable.

Full details of the Chief Constable as Scheme Administrator retirement benefits have been disclosed in Note 19.

Fund Account

	2024/25 £000	2023/24 £000
Contributions receivable:		
From employer:		
Normal	(24,149)	(20,172)
Early retirements	(800)	(152)
From members	(9,344)	(8,708)
Transfers in	(37)	(104)
	<u>(34,330)</u>	<u>(29,136)</u>
Benefits payable:		
Pensions	41,732	35,514
Commutations and lump sum retirement benefits	7,017	5,220
	<u>48,749</u>	<u>40,734</u>
Payments to and on account of leavers:		
Refunds of contributions	92	82
Individual transfers out to other schemes	21	2
	<u>113</u>	<u>84</u>
Net amount for the year before top-up grant payable by sponsoring department	14,532	11,682
Amount from sponsoring department	(14,532)	(11,682)
Balance on Fund at 31 March	<u>-</u>	<u>-</u>

Net Assets Statement

	2024/25 £'000	2023/24 £'000
Net current assets and liabilities		
Amounts owed from General Fund	(7,748)	(3,843)
Remaining top-up grant due from the Home Office	7,748	3,843
Net current assets / (liabilities) at 31 March	<u>-</u>	<u>-</u>

The Police Pension Account does not hold any investment assets.

Glossary of Terms

Accrual	The recognition in the correct accounting period of income and expenditure as it is earned or incurred rather than as cash is received or paid.
Accrued Retirement Benefits (Pensions)	The retirement benefits for service up to a given point in time, whether vested rights or not.
Actuarial Gains and Losses (Pensions)	For a defined benefit scheme, the changes in deficits or surpluses that arise because events have not coincided with actuarial assumptions used in the last valuation (experience gains or losses) or because actuarial assumptions have changed.
Budget	A financial statement of the Group's plans for any given year.
CIPFA	The Chartered Institute of Public Finance and Accountancy. This is the leading professional accountancy body for public services.
Creditors	Amounts owed by the Group for work done, goods received or services rendered, but for which payment has not been made at the date of the balance sheet.
Curtailment (Pensions)	For a defined benefit scheme, an event that reduces the expected years of future service of current staff or reduces for a number of staff the accrual of defined benefits for some or all of their future service.
Current Service Costs (Pensions)	The increase in the present value of a defined benefit scheme's liabilities expected to arise from pensionable service earned in the current period.
Debtors	Sums of money due to the Group, but unpaid at the balance sheet date.
Defined Benefit Scheme (Pensions)	A scheme to provide retirement benefits, the value of which are independent of the contributions payable, and that are not directly related to the underlying investments.
Expected Rate of Return on Pension Assets	For a funded, defined benefit scheme, the average rate of return, net of any charges, expected to be earned on assets held by the scheme over the remaining life of the related obligation to pay future retirement benefits.

Fair Value	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.
Financial Reporting Standards (FRSs)	Standards developed by the Accounting Standards Board to regulate the preparation and presentation of statement of accounts.
Government Grants	Payments by Central Government towards Local Authority spending. They may be specific to a particular service e.g. Police Grant or for a general purpose (see Revenue Support Grant).
Income	Amounts that the Group receives, or expects to receive, from any source. Income includes fees, charges, sales, specific grants and special grants. The term income implies that the figures concerned relate to amounts due in a financial year irrespective of whether or not they have been received in that period.
Injury Award	An injury award compensates an individual for the potential loss of earnings for injury sustained whilst on duty that results in some level of disablement which hinders or prevents them from working in the future. An injury award is a lifetime award.
International Financial Reporting Standards (IFRSs)	Standards developed by the International Accounting Standards Board to regulate the preparation and presentation of statement of accounts.
Investments (Pensions)	The Group's share of pension scheme assets associated with its liability to pay future retirement benefits.
Operation Safeguard	Operation Safeguard is the national contingency plan for police custody support to His Majesty's Prison and Probation Service (HMPPS), where the prison population is predicted to, or exceeded capacity.
Past Service Cost (Pensions)	For a defined benefit scheme, the increase in the present value of the scheme liabilities related to staff service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits payable.
Projected Unit Credit Method (Pensions)	An actuarial method of valuing a pension scheme's liability to pay future retirement benefits taking into account estimated increases in future earnings.

Reserves	Amounts set aside by the Group that do not fall within the definition of a provision.
Retirement Benefits (Pensions)	All forms of consideration given by an employer in exchange for services rendered by staff that are payable after completion of the engagement.
Revenue Expenditure	The day-to-day spending and income of the Group on such items as staff, goods, services and equipment.
Revenue Fund Balances	The accumulated surplus of income over expenditure held in reserve.
Scheme Liabilities (Pensions)	The liabilities to pay future retirement benefits, measured using the projected unit credit method, of a defined benefit scheme for outgoings falling due after the valuation date.
Service Reporting Code of Practice (SeRCOP)	A CIPFA Code that is designed to ensure a consistent and comparable approach to the calculation of the cost of services.
Settlement (Pensions)	An irrevocable action that relieves the employer of the primary responsibility for a pension obligation.