



Police and Crime Commissioner
CAMBRIDGESHIRE AND PETERBOROUGH
Darryl Preston

**DRAFT STATEMENT OF
ACCOUNTS 2024/25**

DRAFT

**CAMBRIDGESHIRE POLICE AND CRIME
COMMISSIONER
STATEMENT OF ACCOUNTS
2024/25**

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Preface by the Police and Crime Commissioner for Cambridgeshire

Introduction to the 2024/25 Statement of Accounts by Darryl Preston, the re-elected Police and Crime Commissioner for Cambridgeshire and Peterborough.

My Police and Crime Plan was published in December 2024 following consultation with the public and partner organisations.

The Office of the Police and Crime Commissioner (OPCC) led or significantly supported a number of bids for additional funding bringing much needed extra funds of £2,253,309 into the County. The Domestic Abuse Perpetrator fund brought in additional funds of £411,289 for interventions and support for victims of domestic abuse and stalking. We were awarded a grant for Safer Streets Round 5 of £355,000 for three bids focussing on Peterborough, Cambridge and the market towns of Wisbech, Huntingdon and St Neots. Additional funding was secured for independent sexual violence advisors and independent domestic abuse advisors until March 2025 with £591,731 in 2024/25. The OPCC also successfully bid for community based domestic abuse and sexual violence support and were awarded £295,887. We were also awarded a grant of £599,402 towards implementing the new Serious Violence Duty.

The national uplift programme continued and Cambridgeshire welcomed 96 new officers in 2024/25, 18 over the Uplift target. As at 31 March 2025 the number of actual police officers in Cambridgeshire was 1,749 (1,713 FTE).

As part of the police grant settlement offered by government, I increased the policing element of Council Tax for 2024/25 by £12.96 per Band D property, or 25 pence per week. I continue to lobby government for fairer funding for Cambridgeshire and Peterborough.

A balanced budget for 2024/25 was achieved following the funding settlement from the government and the local precept receipts provided by our community. We await the outcome of the upcoming comprehensive spending review, but have no doubt that the efficiency challenge for us will remain and that strong financial management will still be required in order to create sustainable police resourcing that continues to keep our communities safe.

I would like to thank everyone who worked with and supported me during the year. I am enormously appreciative of the talent and energy given by so many in keeping the people of Cambridgeshire and Peterborough safe.

Narrative Statement by the Chief Finance Officer

Message from the Chief Finance Officer – Phil Trussell

Cambridgeshire and Peterborough consists of the six local authority areas of Peterborough City Council, Cambridge City, East Cambridgeshire, Fenland, Huntingdonshire and South Cambridgeshire, covers 1,311 square miles and has a mixture of both urban and rural areas.

The County has a population of almost 908,000 (Office for National Statistics 2022) and Cambridgeshire and Peterborough was the 27th largest of the forty three forces in England and Wales by number of police officers (Government Statistics for Police Workforce March 2024).

The Force is divided into two policing districts and has central departments that provide specialist support services such as the Operational Support Unit and Crime Services which deal with threats posed by public disorder, Firearms, Child Abuse and Organised Crime whilst being responsible for the planning around civil emergencies. These services, whilst less visible than front line policing, are integral to meeting the PCC's strategic policing priorities and the Constabulary's.

The OPCC and Force finance departments continue to work together to produce financial information which is of high quality, accurate, relevant and up to date to our various stakeholders. 2024/25 has been another challenging year as we are one of the lowest funded forces in the country by population served and continue to see the proportion of expenditure that we are able to influence reduce.

The Statement of Accounts has been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA). It therefore aims to provide information so that members of the public, partners, stakeholders and other interested parties can:

- Understand the overarching financial position of the PCC and Group;
- Have confidence that the PCC has used and accounted for public money in an appropriate manner; and
- Take assurance that the financial position of the PCC and Group is sound and secure.

This report provides information about the performance of the Cambridgeshire PCC, both financially and in delivering other objectives, including the key issues affecting the PCC and Group and their accounts. Further information on our performance for 2024/25 can be found in the Annual Report 2024/25. The narrative statement also provides a summary of the financial position as at 31 March 2025 and is structured as follows:

1. Explanation of the PCC and Group
2. Financial Performance
3. Non-Financial Performance
4. Outlook and Medium Term Financial Strategy
5. Statement of Accounts 2024/25

Readers of our final accounts and the subsequent external audit opinion should be aware of the continuing impact that the national audit backlog has had on all public sector organisations.

As a direct consequence of the backlog, a disclaimed opinion was received on the 2023/24 financial accounts from our new auditors KPMG. However, this could continue to impact the audit opinion in 2024/25 depending on the level of audit assurance achieved in relation to brought forward balances. Readers of our published accounts should be confident that the internal controls, governance and assurance over our financial reporting are not diminished in any way due to this external audit situation that has been beyond our control.

1. Explanation of the PCC and Group

This Statement of Accounts sets out the financial position of the Police and Crime Commissioner for Cambridgeshire and the Chief Constable of Cambridgeshire (herein referred to as “the Group”) for the year ended 31 March 2025.

The Police and Social Responsibility Act 2011 created both Commissioners and Chief Constables as legal entities in their own right (corporations sole), with the Chief Constable of Cambridgeshire Constabulary being responsible for the operational policing of Cambridgeshire.

One of the Police and Crime Commissioner’s duties is to hold the Chief Constable to account in order to secure the maintenance of an efficient and effective police force. Therefore, for accounting purposes, the Cambridgeshire Police and Crime Commissioner is the parent entity of the Chief Constable of Cambridgeshire Constabulary and together they form “the Group”.

As the parent, the Police and Crime Commissioner guarantees any outstanding liabilities of the Chief Constable who is classified as a 100% subsidiary.

Local control arrangements have influenced the setting of the accounting policies, such that all income, working capital, cash balances, property, plant and equipment are included in the Police and Crime Commissioner’s and Group Accounts only, and that the Police and Crime Commissioner provides the Chief Constable with an annual devolved budget for the delivery of the policing service.

The statement of accounts has been produced in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS) and the publication of the Statement is required under the Accounts and Audit Regulations 2015.

The Chief Constable has produced a separate set of accounts which explain how the resources provided by the PCC have been used to deliver operational policing services.

2. Financial Performance

The 2024/25 Police Finance Settlement was announced in December 2023 with the Government increasing the grant by £6.8m to £109.9m (£103.1m in 2023/24). The

2024/25 Medium Term Financial Strategy (MTFS) was approved by the PCC on 22 February 2024 at the Business Coordination Board which included the revenue and capital budgets for 2024/25.

The 2024/25 Finance Settlement again allowed greater flexibility to PCCs to raise their precept by an amount equivalent to £13 on a Band D property. The PCC proposed that the council tax precept for 2024/25 be increased by £12.96 for Band D properties in accordance with the funding assumptions set by the Home Office. This represented an increase of 4.8% and produced a Band D council tax precept of £285.48 (£272.52 in 2023/24).

The out-turn variance against the budget set for the year under the control of the Chief Constable was an underspend of £2.9m. When consolidated with those budgets reported under the control of the Office of the PCC, the Group reported a net underspend of £0.2m.

A revenue budget of £188.7million was approved for 2024/25 with key out-turn variances as follows:

Local Policing Investigations and Safeguarding – underspend £872k in three main areas during 2024/25 which was in Intelligence (£151k under budget), Prevention and Vulnerability (£182k under budget) and Protecting Vulnerable People (£550k under budget).

People and Professionalism – outturn overspend £303k including £209K in relation to police officer pay and allowances.

Corporately managed budgets overspent by £951k included a £1,200k staff savings target, held centrally but offsetting local budget role savings across the Constabulary. Ill-health retirement capital charges were £688k overspent for the year. A contingent inflation budget set to meet expected contractual pressures was not required resulting in a £647k underspend, and £356k allocated for pay awards was not released.

The Estates service ended the year with an outturn of £1,353k under budget. The most significant variance for the service relates to a £951k underspend on gas, electricity and water costs which have continued to fall from the budget estimates set when actual costs were much higher.

Corporate services that overspent for the year include: Legal Services and the National Police Chief's Council budget which overspent by £334k due to several smaller overspends.

Collaboration and Partnership – outturn underspend £2,081k - the Constabulary's share of the Beds, Cambs and Herts (BCH) collaborated budgets is an underspend of £1,963k. Partly due to £210k Telephony costs not being required in 2024/25. There is also a BCH contingency that was not required of £1,016k. ICT underspent by £503k with a £264k underspend on IT software Maintenance and Software Licences. Human

Resources and Learning and Development ended the year £411k under budget with staff and officer pay and allowances £309k under.

The services in BCH that underspent in the year have offset overspends in other BCH units most notably:

- Professional Standards - £334k over budget
- Dogs Unit - £180k over budget,
- Armed Policing - £123k over budget
- Roads Policing - £83k over budget
- Major Crime Unit - £65k over budget

Revenue Contribution to Capital Outlay (RCCO) – outturn overspend £500k - an additional in year 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.

OPCC – outturn overspend £1,996k. This includes a £2,030k overspend for corporate costs which is presented against the OPCC corporate costs. This is mostly made up of the underspend on interest payable of £592k and the over recovery of interest receivable at £265k. Also, an underspend on the Minimum Revenue Provision required for the year of £215k. Together these offset roughly half of the transfers to reserves of £2,896k identified during the year to provide for known or likely contingencies, including

PCC Revenue Budget and out-turn 2024/25 summary of revenue position

2024/25

	Budget £000	Out-turn £000	Variance* £000
Office of the PCC	1,444.00	1,418.00	(26)
Partnership and commissioning	(7,841.00)	(7,648.00)	193
Capital Financing	4,218.00	6,745.00	2,527
Other	(9.00)	13.00	22
Budgets under the control of the PCC	(2,188)	528	2,716
Chief Constable	190,874	187,982	(2,892)
Total Group Expenditure	188,686	188,510	(176)

*As the PCC holds all fixed assets, capital financing is required to be shown under the PCC costs. In substance the adverse variance reported represents a transfer of cost from the Chief Constable to cover the capital programme during the year in order to minimise borrowing required and should be taken in conjunction with the favourable variance reported under the PCC.

Reconciliation of Outturn to Net Expenditure Chargeable to the General Fund Balance (EFA Statement)

	2024/25 £000	2023/24 £000
Reported Underspend	(176)	(676)
Revenue related Reserve contributions	1,287	(3,677)
Capital Related reserve contributions	(897)	799
Deficit on General Fund	214	(3,554)

Funding

The PCC budget is funded from a combination of government grant and council tax (precept), as set out in the table below

The Commissioner has responsibility for the totality of policing and owns the overall budgets, assets, income and reserves. The Commissioner also aims to ensure that the Chief Constable has the resources needed to deliver an efficient and effective policing service.

Taxation and Non -Specific Grant Income (refer to note 15 Accounting Statements)

	2024/25 £000	2023/24 £000
Police Grant	64,330	59,623
Precepts	87,468	82,304
Home Office Local Government Funding	29,705	29,284
Localised Council Tax Support	4,822	4,822
Council Tax Freeze	1,702	1,702
Capital Grants	10	10
Pension Top up Grant	4,729	1,398
Total Core Funding Grants	192,766	179,143

Capital 2024/25

The capital outturn is £20,681k , significantly under budget due to slippage on capital projects relating to the estate.

The summary capital programme is shown in the table below along with how it was financed.

2024/25 Capital Programme and Financing

The tables below show the capital budget and out-turn and the agreed funding:

Capital Spend by Type and Funding

	Budget 2024/25	Carry Forwards	Authorised Programme Amendments	Revised 2024/25 Capital Budget	Outturn 2024/25	Variance to Budget
	£000	£000	£000	£000	£000	£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)

	Budget 2024/25	Carry Forwards	Authorised Programme Amendments	Revised 2024/25 Capital Budget	Applied Funding	Variance to Budget
	£000	£000	£000	£000	£000	£000
Capital Financing:-						
Capital Grants	200	-	57	257	10	(247)
Carry Forward Reserve	-	683	-	683	557	(126)
Capital Receipts	-	-	-	-	-	-
RCCO's main	2,300	-	500	2,800	2,801	1
Drug Forfeiture RCCO	-	-	46	46	46	-
Estates Development Reserve	-	-	650	650	650	-
Fleet RCCO	440	-	-	440	558	118
ERSOU RCCO	-	-	-	-	69	69
Borrowing	36,940	-	-	36,940	15,990	(20,950)
TOTAL	39,880	683	1,253	41,816	20,681	(21,135)

Other Financial

The PCC commissions and funds services via grants and contracts where there is a statutory responsibility and in support of the delivery of the PCC's Police and Crime Plan. The gross commissioning budget for 2024/25 was £6.5m of which, £5.1m was funded externally. It is also recognised that the most effective way to deliver certain aspects of the Police and Crime Plan is through partnership with other organisations with examples such as the six community safety partnerships providing additional capacity in the form of a problem-solving post in each area that enables them to work with communities and local partners to resolve local issues such as anti-social behaviour, fly-tipping and road safety.

Commissioning examples and funding can be found on the PCC's website here [Commissioning and grants \(cambridgeshire-pcc.gov.uk\)](https://www.cambridgeshire-pcc.gov.uk) and in the Annual Report.

Reserves

After the impact of revenue and capital spending and funding detailed above, the usable reserves of the PCC are £26.9m as detailed in the table. Of these, £9.6m relates to the general reserve which is held primarily as a contingency for the cost of major police operations. This represents 5.0% of the net budget requirement for 2024/25 which is considered a prudent percentage of the total budget to hold as a general reserve for operational contingencies.

The purpose of the reserves is detailed in note 12.

Usable Reserves as at 31 March 2025

	1 April 2024	Increase to reserve	Reserve utilisation	31 March 2025
	£000	£000	£000	£000
Carry Forward Projects Reserve	1,740		(1,740)	-
Insurance Reserve	2,256	225	-	2,481
Ill-Health Retirement Reserve	398	-	-	398
Prevention and Early Intervention Reserve	408	16	(64)	360
Budget Assistance Reserve	4,764	-	-	4,764
Capital Carry Forward Reserve	683	90	(557)	216
Asset Incentivisation Reserve	580	450	(255)	775
Road Casualty Reduction & Support Fund	563	232	(208)	587
Collaboration & Commissioning Reserve	634	26	-	660
Estates Development Reserve	650	2,060	(650)	2,060
Major Incident Victim Support	25	-	-	25
Collaborated Property Maintenance Fund	109	14	-	123
ESMCP Reserve	867	393	-	1,260
Pension Reserve (McCloud & Revaluation Smoothing)	250	-	-	250
Sustainability Reserve	455	-	-	455
Crime Reduction & Prevention Reserve	501	-	-	501
Council Tax Fraud Initiative Reserve	109	-	-	109
Council Tax Support Fund	397	-	(397)	-
Fleet Reserve (revenue and capital)	334	-	(11)	323
NPCC Forensic Reserve	367	-	-	367
Taser Reserve	1,300	-	(14)	1,286
Op Olympus	250	-	-	250
Total Earmarked Reserves	17,640	3,506	(3,896)	17,250
General Reserve	9,446	176	-	9,622
Total General and Earmarked Reserves	27,086	3,682	(3,896)	26,872
Capital Receipts Reserve	77	-	-	77
Total Usable Reserves	27,163	3,682	(3,896)	26,949

3. Non Financial Performance

At the start of 2025, the PCC set out his plans for the next three years in a new Police and Crime Plan. This is centred around four pillars shown below. The plan sets out clear actions which will be taken in each of these five areas over the period of the plan. The detail of the performance during 2024/25 against the previous Police and Crime Plan can be found via the link below:

[Police and Crime Plan 2025-2028](https://www.cambridgeshire-pcc.gov.uk/the-police-and-crime-plan/a-new-police-and-crime-plan-for-Cambridgeshire-and-Peterborough/)

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

TACKLING CRIME AND KEEPING COMMUNITIES SAFE

SAFE COMMUNITIES

From initial contact to response, we will support the Chief Constable to ensure police officers are visible and accessible within communities, listening and responding to your concerns.

Whether you live in a village, town or city, we will ensure you get the police service you need.



EARLY INTERVENTION AND PREVENTION

We will work with police and partners to take an early intervention approach to help prevent crime and serious violence, including violence against women and girls, from happening in the first place.

We will work in partnership to better understand and address the root causes of crime.

We will work with probation and other agencies to ensure that people who have offended change their behaviour and are less likely to reoffend.



TACKLING CRIME AND ANTI-SOCIAL BEHAVIOUR

We will support and encourage communities to work with the police and other organisations, such as the county's six Community Safety Partnerships, to resolve local issues such as anti-social behaviour, road safety, rural crime and business crime – issues that matter to them.

We will work with the police and agencies, including the courts, prosecutors, probation and local authorities, to ensure they use criminal justice and other enforcement processes effectively to tackle crime and disorder.



SUPPORTING VICTIMS AND WITNESSES

We will ensure victims can access support services which offer a bespoke response to their individual needs.

We will provide opportunities for victims and witnesses' voices to be heard.

We will work in partnership with criminal justice agencies to ensure victims and witnesses continue to be placed at the heart of the criminal justice system.



BUILDING TRUST AND CONFIDENCE

We will hold the Chief Constable to account to ensure police officers and staff always carry out their duties with integrity and social responsibility.

We will aim to strengthen public trust and confidence through independent scrutiny of police powers.

We will support the Chief Constable and senior officers to continue to promote a culture that is inclusive and diverse and reflects the communities they serve.



4. Outlook and Medium Term Financial Strategy

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 2025/26 £000	Forecast 2026/27 £000	Forecast 2027/28 £000	Forecast 2028/29 £000
Total In-House Expenditure	129,246	133,973	138,129	141,546
Net Cost of Police Pensions	24,020	24,733	25,468	26,225
Total BCH Collaboration	43,269	44,530	45,406	46,228
Total Other Collaborations & Partnership	5,886	6,052	6,222	6,374
Constabulary Expenditure	202,421	209,288.00	215,225	220,373
Total Income	(2,474)	(2,576)	(2,676)	(2,677)
Total Constabulary Budget	199,947	206,712	212,549	217,696
Total OPCC Office Expenditure	1,716.0	1,751.00	1,786	1,822
Total Corporate Costs and Grants	(1,791.0)	(1,591.00)	(1,441)	(1,441)
Total Capital Financing Costs	5,372.0	7,096.00	7,090	8,227
Total Savings Required		(3,188.00)	(3,716)	(4,497)
NET BUDGET REQUIREMENT (NBR)	205,244	210,780	216,268	221,807
Budget increase year on year	16,558	5,536	5,488	5,539
Financed by:				
Formula Grant	104,240	105,282	106,335	107,398
Uplift Grant (baseline of ringfenced grant)	3,614	3,614	3,614	3,614
Precept	92,986	97,240	101,675	106,151
NHP Guarantee	2,065	2,065	2,065	2,065
NI Exemption	2,579	2,579	2,579	2,579
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

Although our current forecasts plan a balanced budget each year, there is significant risk to delivery. Further savings are required to be identified to achieve balanced financial plans and 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 to 2028/29 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.

The PCC is well placed with cash reserves and a strategy to protect these reserves and only use them where essential or for ear-marked purposes. Following the financial planning undertaken for the 2025/26 to 2028/29 MTFs refresh, the revenue budget is in a strong position to manage these uncertainties for the next two years.

Precept flexibility was provided to PCCs for 2025/26 allowing an increase up to £14 on a band D property in 2025/26. 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.

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.

5. Statement of Accounts 2024/25

The financial statements have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting. This follows International Financial Reporting Standards (IFRS) to the extent that they are meaningful and appropriate to local authority accounts as determined by His Majesty's Treasury.

The statements reflect the current legislative framework which is central to the Police Reform and Social Responsibility Act 2011. Fundamentally, the PCC is responsible for the finances of the whole Group and controls the assets, the majority of liabilities and the reserves. The PCC receives all income and funding and allocates funding to the Constabulary to deliver an efficient and effective service. In turn, the Chief Constable has a duty to fulfil prescribed functions within the annual budget set by the PCC in consultation with the Chief Constable. A glossary of key terms can be found at the end of this publication.

The Core Statements are:

- **Comprehensive Income and Expenditure Statement:** this shows the cost for the year of providing services. The PCC receives all income which is therefore excluded from the Chief Constable's Statement.
- **Movement in Reserves Statement:** this shows the movement of reserves during the year, analysed between usable and unusable reserves. The Chief Constable has no usable reserves. Unusable reserves are those that have been created to reconcile the accounting entries required to comply with the Code with those that must be statutorily charged to the General Fund Balance for council tax setting purposes. These cannot be used to support local expenditure.
- **Balance Sheet:** this sets out the assets, liabilities and reserves of the PCC and Group as at 31 March each year.
- **Cash Flow Statement:** this summarises the movements in cash and cash equivalents during the year. It shows how cash and cash equivalents are used or generated in operating, investing and financing activities. The Supplementary Financial Statements are:

- **Statement of Accounting Policies:** this sets out details of the accounting policies adopted in compiling the Statement of Accounts.
- **Police Pension Fund Account:** this sets out the position for the three Police Pension Schemes (1987, 2006 and 2015) Fund Accounts as at 31 March each year.
- **Annual Governance Statement:** this sets out the governance structures of the organisation and its key internal controls. The Notes to these financial statements provide more detail about accounting policies adopted by the PCC.

The primary financial statements are supported by explanatory notes, including details of the accounting policies adopted by the PCC.

Movement in Reserves Statement (MiRS)

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the PCC, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The statement shows how the movements in year of the PCC's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The net decrease line shows the statutory general fund balance movements in the year following those adjustments.

The Expenditure and Funding Analysis (EFA)

The Expenditure and Funding Analysis (EFA) is a disclosure note only to show how the annual expenditure is used and funded from resources (Government grants, council tax and business rates) by the PCC in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the policing services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

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.

Balance Sheet

The balance sheet shows the value at the 31 March 2025 of the assets and liabilities recognised by the PCC. The net assets of the PCC are matched by the reserves held by the PCC. Reserves are reported in two categories; the first category of reserves are

usable reserves, i.e. those reserves that the PCC may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves are unusable and includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the movement in reserves statement at the line entitled 'adjustments between accounting basis and funding basis under regulations'.

The balance sheet position at 31 March 2025 show a net liability of £1,064m as shown below (31 March 2024 £1,152m). At this time, the statutory arrangements for funding the Pension deficit mean that the financial position of the Constabulary continues to remain healthy. The long term liabilities consists of pension liabilities, borrowing of £36.9m and provisions for legal and insurance claims of £1.0m.

Summary Balance Sheet

	31/03/2025
	£m
Long Term Assets	77
Current Assets	40
Current Liabilities	(26)
Long Term Liabilities	(1,155)
Net Liabilities	(1,064)
Usable Reserves	(27)
Unusable Reserves	1,091
Total Reserves	1,064

The Cash Flow Statement

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

Cashflow

31/3/2025	
Net cashflows from	£m
Operating activities	4.3
Investing activities	(29.3)
Financing activities	21.1
Net increase in cash and cash equivalents	(4.0)
Cash & Cash equivalents	
At the beginning of reporting period	4.5
At the end of the reporting period	0.5

Further information


Further information about the accounts is available from the Office of the Police and Crime Commissioner (OPCC).

The OPCC publishes a number of important documents to inform the public about the work of both the Commissioner and the Constabulary. These can be viewed and downloaded from the Commissioner's website: www.cambridgeshire-pcc.gov.uk.

You can also write to the Chief Executive at:
Office of the Police and Crime Commissioner
PO Box 688
Huntingdon
PE29 9LA
Tel: 0300 333 3456, email: cambs-pcc@cambs.police.uk

Acknowledgements

Accounting regulations and new legislation continue to add further work and complexity to the accounts and I am extremely grateful to the Constabulary's Director of Finance and Resources Jon Lee and the finance team for their hard work in preparing these accounts and their support during the year.



Phil Trussell FCCA
Chief Finance Officer to the Cambridgeshire Police and Crime Commissioner
3 June 2025

Statement of Responsibilities for the Statement of Accounts

The Commissioner's Responsibilities

The Group is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Group, that officer is the Chief Finance Officer;
- manage its affairs to secure the economic, efficient and 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 Group'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 Group at 31 March 2025 and its income and expenditure for the year then ended.



Phil Trussell FCCA

Chief Finance Officer to the Cambridgeshire Police and Crime Commissioner

3 June 2025

Group 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.

Net Expenditure Chargeable to the General Fund Balance	2023/24			2024/25		
	Adjustments between the Funding and Accounting Basis Note 8	Net Expenditure between the 2023-24v2 corrected Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund Balance	Adjustments between the Funding and Accounting Basis Note 8	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	
194,842	(25,609)	169,233	Police Services	213,415	72,290	285,705
3,227	6	3,233	Corporate, Democratic and Commissioning Services	813	2,758	3,571
198,069	(25,603)	172,466	Net Cost of Services	214,228	75,048	289,276
(201,623)	52,860	(148,763)	Other Income and Expenditure	(214,014)	56,639	(157,375)
(3,554)	27,257	23,703	Deficit on Provision of Services	214	131,687	131,901
23,532			Opening General Fund Balance	27,086		
3,554			Less Deficit on General Fund in Year	(214)		
27,086			Closing General Fund Balance	26,872		

Police and Crime Commissioner's Expenditure and Funding Analysis

Net Expenditure Chargeable to the General Fund Balance	2023/24 Adjustments between the Funding and Accounting Basis Note 8	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund Balance	2024/25 Adjustments between the Funding and Accounting Basis Note 8	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	£000
4,516	247	4,763	Police Services	6,916	1,184	8,100
3,227	6	3,233	Corporate, Democratic and Commissioning Services	878	2,693	3,571
201,316	-	201,316	Intra-group Adjustment for financial resources consumed	220,937	-	220,937
209,059	253	209,312	Net Cost of Services	228,731	3,877	232,608
(212,613)	(150)	(212,763)	Other Income and Expenditure	(228,517)	182	(228,335)
(3,554)	103	(3,451)	Deficit on Provision of Services	214	4,059	4,273
23,532			Opening General Fund Balance	27,086		
3,554			Less Deficit on General Fund in Year	(214)		
27,086			Closing General Fund Balance	26,872		

Comprehensive Income and Expenditure Statement – Group

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
169,233	(21,938)	147,295	Police Services	285,705	(21,037)	264,668
7,130	(3,897)	3,233	Corporate, Democratic and Commissioning Services	7,368	(3,797)	3,571
176,363	(25,835)	150,528	Net Cost of Services	293,073	(24,834)	268,239
254	-	254	Other Operating Expenditure (note 13)	527	-	527
52,064	-	52,064	Financing and Investment Income and Expenditure (note 14)	55,901	-	55,901
-	(179,143)	(179,143)	Taxation and Non-Specific Grant Income (note 15)	-	(192,766)	(192,766)
228,681	(204,978)	23,703	Deficit on Provision of Services	349,501	(217,600)	131,901
		1,445	Surplus on revaluation of Property, Plant and Equipment (note 24)			470
		26,847	Remeasurement of the net defined benefit liability (note 33)			(219,939)
		28,292	Other Comprehensive Income and Expenditure			(219,469)
		51,995	Total Comprehensive Income and Expenditure			(87,568)

Comprehensive Income and Expenditure Statement – Police and Crime Commissioner

2023/24	2023/24	2023/24		2024/25	2024/25	2024/25
Gross	Gross	Net		Gross	Gross	Net
Expenditure	Income	Expenditure		Expenditure	Income	Expenditure
£000	£000	£000		£000	£000	£000
5,458	(21,938)	(16,480)	Police Services	8,190	(21,037)	8,100
7,130	(3,897)	3,233	Corporate, Democratic and Commissioning Services	7,368	(3,797)	3,571
201,316	-	201,316	Intra-Group Adjustment for financial resources consumed (note 7)	220,937	-	220,937
213,904	(25,835)	188,069	Net Cost of Services	236,495	(24,834)	211,661
254	(11,682)	(11,428)	Other Operating Expenditure (note 13)	527	(14,532)	(14,005)
(949)	-	(949)	Financing and Investment Income and Expenditure (note 14)	(617)	-	(617)
-	(179,143)	(179,143)	Taxation and Non-Specific Grant Income (note 15)	-	(192,766)	(192,766)
213,209	(216,660)	(3,451)	Deficit on Provision of Services	236,405	(232,132)	4,273
		1,445	Surplus on revaluation of Property, Plant and Equipment (note 24)			470
		37	Remeasurement of the net defined benefit liability (note 33)			(837)
		1,482	Other Comprehensive Income and Expenditure			(367)
		(1,969)	Total Comprehensive Income and Expenditure			3,906

Group Movement in Reserves Statement

	General Fund Balance £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2023	23,532	77	23,609	(1,123,415)	(1,099,806)
Movement in reserves during 2023/24					
Total Comprehensive Income and Expenditure	(23,703)	-	(23,703)	(28,292)	(51,995)
Adjustments between accounting basis & funding basis under regulations (note 10)	27,257	-	27,257	(27,257)	-
Increase in 2023/24	3,554	-	3,554	(55,549)	(51,995)
Balance at 31 March 2024	27,086	77	27,163	(1,178,964)	(1,151,801)
Movement in reserves during 2024/25					
Total Comprehensive Income and Expenditure	(131,901)	-	(131,901)	219,469	87,568
Adjustments between accounting basis & funding basis under regulations (note 10)	131,687	-	131,687	(131,687)	-
Increase in 2024/25	(214)	-	(214)	87,782	87,568
Balance at 31 March 2025	26,872	77	26,949	(1,091,182)	(1,064,233)

Police and Crime Commissioner Movement in Reserves Statement

	General Fund Balance £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2023	23,532	77	23,609	36,443	60,052
Total Comprehensive Income and Expenditure	3,451	-	3,451	(1,482)	1,969
Adjustments between accounting basis & funding basis under regulations (note 11)	103	-	103	(103)	-
Increase in 2023/24	3,554	-	3,554	(1,585)	1,969
Balance at 31 March 2024	27,086	77	27,163	34,858	62,021
Movement in reserves during 2024/25					
Total Comprehensive Income and Expenditure	(4,273)	-	(4,273)	367	(3,906)
Adjustments between accounting basis & funding basis under regulations (note 11)	4,059	-	4,059	(4,059)	-
Increase in 2024/25	(214)	-	(214)	(3,692)	(3,906)
Balance at 31 March 2025	26,872	77	26,949	31,166	58,115

Group and Police and Crime Commissioner's Balance Sheet

	Notes	31 March 2025			31 March 2024		
		Chief £000	PCC £000	Group £000	Chief £000	PCC £000	Group £000
Property, Plant and Equipment	16	-	74,209	74,209	-	61,941	61,941
Investment Property		-	630	630	-	105	105
Intangible Assets	17	-	863	863	-	1,191	1,191
Right of Use Asset	17a	-	1,629	1,629	-	-	-
Long Term Assets		-	77,331	77,331	-	63,237	63,237
Short Term Investments	18	-	13,140	13,140	-	5,000	5,000
Inventories		-	1,661	1,661	-	1,428	1,428
Short Term Debtors	19	-	24,876	24,876	-	23,343	23,343
Cash and Cash Equivalents	20	-	548	548	-	4,546	4,546
Current Assets		-	40,225	40,225	-	34,317	34,317
Short Term Borrowing	18	-	(672)	(672)	-	(909)	(909)
Short Term Creditors	21	(7,456)	(17,967)	(25,423)	(7,234)	(18,379)	(25,613)
Lease Liability	23	-	(131)	(131)	-	-	-
Current Liabilities		(7,456)	(18,770)	(26,226)	(7,234)	(19,288)	(26,522)
Long Term Creditors		-	-	-	-	(43)	(43)
Provisions	22	-	(2,899)	(2,899)	-	(2,651)	(2,651)
Long Term Lease Liabilities	23	-	(1,037)	(1,037)	-	-	-
Long Term Borrowing	18	-	(36,224)	(36,224)	-	(14,896)	(14,896)
Other Long Term Liabilities	34	(1,114,892)	(511)	(1,115,403)	(1,206,588)	1,345	(1,205,243)
Long Term Liabilities		(1,114,892)	(40,671)	(1,155,563)	(1,206,588)	(16,245)	(1,222,833)
Net Assets/(Liabilities)		(1,122,348)	58,115	(1,064,233)	(1,213,822)	62,021	(1,151,801)
Usable Reserves	24	-	(26,949)	(26,949)	-	(27,163)	(27,163)
Unusable Reserves	25	1,122,348	(31,166)	1,091,182	1,213,822	(34,858)	1,178,964
Total Reserves		1,122,348	(58,115)	1,064,233	1,213,822	(62,021)	1,151,801

Group and Police and Crime Commissioner's Cash Flow Statement

	2024/25		2023/24	
	PCC £000	Group £000	PCC £000	Group £000
Net deficit on the provision of services	(4,273)	(131,901)	3,451	(23,703)
Adjust net deficit on the provision of services for non cash movements (note 26)	8,532	136,160	7,136	34,290
Net cash flows from Operating Activities	4,259	4,259	10,587	10,587
Investing Activities				
Purchase of Property, Plant and Equipment and Intangible Assets	(20,681)	(20,681)	(9,251)	(9,251)
Proceeds from the sale of property, plant and equipment	(527)	(527)	(254)	(254)
Purchase of Short Term Investments	(13,140)	(13,140)	(5,000)	(5,000)
Proceeds from the Sale of Short Term Investments	5,000	5,000	5,000	5,000
Financing Activities				
Borrowing in year	22,000	22,000	-	-
Repayments of long term borrowing	(909)	(909)	(348)	(348)
Net increase in cash and cash equivalents	(3,998)	(3,998)	734	734
Cash and cash equivalents at the beginning of the reporting period	4,546	4,546	3,812	3,812
Cash and cash equivalents at the end of the reporting period (Note 20)	548	548	4,546	4,546

Notes to the Accounts

1. Accounting Policies

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. 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 Commissioner and also those for the Group. The term 'Group' is used to indicate individual

transactions and policies of the Commissioner and the Chief Constable for the year ended 31 March 2025. 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 accounting policies below apply to both the Commissioner and the Group, unless stated otherwise in the heading of the individual policies.

(i) 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 and £10,000 for capital.

Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date of supplies and their consumption, they are carried as inventories on the Balance Sheet.

Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

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. Fees and charges methodology is per national guidance and as per previous years income in the Chief's accounts is moved into the PCC's accounts at year end.

(ii) Cash and Cash Equivalents

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

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

(iii) Charges to Revenue for Non-Current Assets

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

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

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

(iv) Employee Benefits

Benefits Payable During Employment

Short-term employee benefits (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 and 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 2015 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 Police and Crime Commissioner's Accounts include the cost of providing pensions to the staff under the direction and control of the Commissioner only.

Injury Awards paid under the Police (Injury Benefit) Regulations 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 2024/25.

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 (e.g. 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 (e.g. 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) Financial Liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investing Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised. Therefore, for most of the borrowings that the Group has, the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest), and the interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in the loan agreement.

Gains or losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investing Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as a part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Group has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or the discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from a Financial Instruments Adjustment Account in the Movement in Reserves Statement.

(vii) Government Grants and Contributions

Government grants and contributions are accounted for on an accruals basis and credited when the conditions for their receipt have been complied with and there is a reasonable assurance that the grant or contribution will be received. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset received in the form of the grant or contribution are required to

be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors.

Specific revenue grants are credited within the Net Cost of Services where they are matched with the expenditure to which they relate. Grants to cover general expenditure are credited to the 'Taxation and Non-Specific Grant Income' line in the Comprehensive Income and Expenditure Statement as a source of finance.

Grants and contributions towards property, plant and equipment are credited to the Comprehensive Income and Expenditure Statement once their conditions have been satisfied and then reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account.

(viii) Intangible Assets

Expenditure on assets that do not have a physical substance but are identifiable and are controlled by the Group (e.g. software) and bring benefits to the Group for more than one financial year, are capitalised in the first year of the project. The balance is amortised to the Comprehensive Income and Expenditure Statement over the economic life of the asset to reflect the pattern of consumption of benefits. In most cases it is assumed that software will have an economic life of 5 years.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Group's goods or services.

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

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

(ix) Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the Group in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Group recognises: its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly.

Jointly controlled operations undertaken by the Group are in relation to a pooled budget arrangement with six other eastern forces for the provision of tackling organised crime, in relation to the collaboration agreement with National Police Air Service (NPAS), and in relation to the units collaborated with the Bedfordshire Police and Crime Commissioner/Bedfordshire Police and Hertfordshire Police and Crime Commissioner/Hertfordshire Constabulary (see note 26).

A 7 Force Procurement Team covering Cambridgeshire, Bedfordshire, Hertfordshire, Suffolk, Norfolk, Kent and Essex went live in January 2020. Costs are apportioned across the 7 forces.

(x) Property, Plant and Equipment

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

Recognition

All expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis in the accounts, provided that the asset yields benefit to the Group for a period of more than one financial year and the cost of the item can be measured reliably. A de-minimis value of £10,000 for capitalising individual items has been adopted except for expenditure on vehicles which is always recorded on the property, plant and equipment register, and expenditure on computers which should be grouped and recorded on the property, plant and equipment register if the value of the grouped assets exceed the de-minimis value of £10,000.

Where assets are jointly owned between forces we capitalise our share of the asset. A de-minimus value of £10,000 is also applied to our share.

Measurement

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Assets are then carried in the Balance Sheet using the following measurement bases:

- Assets under construction are included in the Balance Sheet at historical cost;
- Operational land and properties and other operational assets are included in the Balance Sheet at current value. Non-specialised operational properties are valued on the basis of “Existing Use Value” (EUUV);
- Non-operational land and properties and other non-operational assets, including any assets surplus to requirements, are included in the Balance Sheet at fair value, estimated at highest and best use from a market participant’s perspective; and
- Land and Buildings that are jointly owned between forces are bought onto our Balance Sheet in line with our agreed % share of the property and revalued on the same basis as our other property.

Assets that are included in the Balance Sheet at current value are revalued where there have been material changes in the value, but as a minimum every five years. In the years between formal valuations, the continuing appropriateness of current values based on the previous valuation is assessed by reference to market trends and professional advice and a desktop assessment is carried out of the higher valued properties. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains or gains are credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to Police Services.

Where decreases in value are identified, the revaluation loss is accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against the balance; or
- Where there is no balance or insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

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

All valuations are prepared under International Financial Reporting Standards (IFRS) which requires the statement of assets at Fair Value and are in accordance with RICS Valuation – Global Standards. Full Valuations in 2023/24 have been carried out by Chartered Surveyors Montagu Evans and desktop assessments by Gerald Eve.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to

be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance; or
- where there is no balance or insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

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

Disposal

When an asset is disposed of or decommissioned, the value of the asset in the Balance Sheet is written off to the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals are then credited to the Comprehensive Income and Expenditure Statement, netting off the carrying value of the asset at the time of disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts in excess of £10,000 are categorised as Capital Receipts. These are credited to the Capital Receipts Reserve, and held until applied to finance new capital investment or set-aside to reduce the Group's underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The gain or loss on disposal of assets is not a credit or charge against council tax, and is instead appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Depreciation

Depreciation is provided for all Property, Plant and Equipment assets with a finite useful life, and is calculated using the straight-line method. The value of the asset (less any residual value) is depreciated over its useful life. Where an item of property, plant and equipment comprises two or more major components with substantially different useful economic lives, each component is treated separately for depreciation purposes. A de-minimis value has been adopted for components. Only components which are more than 20% of the value of the asset and are worth over £75,000 will be depreciated separately for assets valued over £300,000. Part provision may be made for newly acquired assets, unless acquired towards the end of the year. No provision is made for non-depreciable land and non-operational assets, or if the charge would be immaterial.

Assets are depreciated on the basis shown in the Notes to the Core Statement of Accounts (Note 16 - Depreciation Methodologies). Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

(xi) Lease Right of Use Assets

The Constabulary as a lessee

The Constabulary has implemented IFRS 16 with effect from 1 April 2024, using the adaptations and interpretations set out by CIPFA in the 2023-24 Code of Practice. As mandated by the Code of Practice a cumulative catch-up basis has been used and prior year comparatives have not been restated.

For lessees, this transition has removed the separation between operating and finance leases, instead recognising leases in scope of IFRS 16 on the Balance Sheet as right of use assets and corresponding lease liabilities.

Liabilities have been calculated using the present value of outstanding payments due at 1 April 2024 and the opening cost of the right of use assets is calculated to equal lease liabilities, adjusted for any lease prepayments or accruals that existed immediately prior to 1 April 2024. The Comprehensive Income and Expenditure Statement (CIES) reflects related charges for the depreciation on the right of use asset and interest on the lease liability in place of rental expenses.

This treatment has been applied to all leases except those which are short-term (less than 12 months) or under £10,000 de minimis. These continue to be treated as expenses on a straight-line basis in the CIES for the duration of the lease term.

The definition of a contract is expanded in the Code of Practice to include intra UK government agreements such as Memorandum of Terms of Occupation. The Code also expands the definition of a lease to those with nil consideration, or significantly below market value, such as those known as peppercorn leases. For peppercorn leases, we have used a recent valuation where available or obtained a new professional valuation of the asset from an appropriately qualified professional. On transition the difference between the discounted lease liability and right of use asset for peppercorn leases is included as an adjustment to the opening balance of taxpayers' equity.

There are 2 leases where the end date relies on professional judgement., with both of these being a term of 5 years or less.

The practical expedient specified in IFRS 16 C3 has been mandated by HM Treasury and we have therefore not reassessed whether contracts contain a lease, instead transitioning former operating leases to treatment as a Right of Use Asset and lease liability. However, peppercorn leases have been included in line with HM Treasury adaptations and the exemptions for low value or short-term leases may be applied

where appropriate. The following practical expedients have also been applied following IFRS16 paragraph C10:

- Reliance on the assessment of whether any leases are onerous immediately before the date of initial application as an alternative to performing an impairment review. No leases in The Constabulary were onerous at 31 March 2025.
- We have used the equivalent PWLB borrowing rate as at 1st April 2024 for 2024-25 transition for any leases for initial recognition where required. The subsequent measurement of right of use assets is at fair value or current value in existing use where assets are held for their service potential unless cost represents a reasonable proxy. For the Constabulary 1 April 2024 to 31 March 2025 land and buildings, valuations have been determined by our valuers Montagu Evans in accordance with RICS Guidance.

(xii) The Constabulary as a Lessor

Lessor accounting is largely unchanged by IFRS 16 with lessors continuing to distinguish finance and operating leases. All leases where the Constabulary are the Lessor have been classed as operating leases as they do not transfer substantially all the risks and economic benefits of the underlying asset. Occupation of the corporate estate by Bedfordshire, Hertfordshire and Cambridgeshire or partners is on a flexible shared basis with no formal occupancy agreements in place between the leaseholder.

(xiii) Provisions

Provisions are made where an event has taken place that gives the Group an obligation to incur future expenses which are likely or certain to be incurred but the amount or timing of which cannot be determined accurately, but can be estimated reliably. These include provisions for bad and doubtful debts and the cost of meeting insurance claims falling below the Group's policy excesses. Provisions are charged as an expense to the Comprehensive Income and Expenditure Statement in the year that the Group becomes aware of the obligation. When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

(xii) Reserves

Amounts set aside for purposes falling outside the definition of provisions are considered to be reserves. Reserves are created by appropriating amounts from the General Fund Balance in the Movement in Reserves Statement. When expenditure which is to be financed by a reserve is incurred, it is charged to the Net Cost of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back to the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

The Group has set aside a number of revenue reserves and details of these are provided in the notes to the accounts. Reserves include earmarked reserves set aside for specific policy purposes and liabilities. Certain reserves can only be used for specific statutory purposes. The Revaluation Reserve, the Capital Adjustment Account and the Usable Capital Receipts Account are examples of such reserves.

(xiii) 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.

(xiv) Fair Value Measurement

The Group measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

When measuring the fair value of a non-financial asset, the Group takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

2. Accounting Standards adopted during the year

IFRS 16 Leases has been adopted from 1st April 2024.

The Constabulary has implemented IFRS 16 with effect from 1 April 2024, using the adaptations and interpretations set out by CIPFA in the 2023-24 Code of Practice. As

mandated by the Code of Practice a cumulative catch-up basis has been used and prior year comparatives have not been restated.

For lessees, this transition has removed the separation between operating and finance leases, instead recognising leases in scope of IFRS 16 on the Balance Sheet as right of use assets and corresponding lease liabilities.

The constabulary has added 7 right of use assets to our balance sheet, reclassifying 3 existing finance leases from PPE and adding an additional 4 leases that we previously treated as operating leases.

Lessor accounting is largely unchanged by IFRS 16 with lessors continuing to distinguish finance and operating leases. All leases where the constabulary are the Lessor have been classed as operating leases as they do not transfer substantially all the risks and economic benefits of the underlying asset. Occupation of the corporate estate by Bedfordshire, Hertfordshire and Cambridgeshire or partners is on a flexible shared basis with no formal occupancy agreements in place between the leaseholder.

3. Accounting Standards that have been issued but not yet 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 if IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

4. Critical judgements in applying Accounting Policies

In applying the accounting policies set out in Note 1, the Group 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.

The valuations of our land and buildings requires professional judgements to be made using professional knowledge and using appropriate recent property price market information.

5. 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 that affect the 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 Governments Actuary Department to provide the Group with expert advice about the assumptions to be applied 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)

	<p>Police Pension Schemes and Hymans Robertson LLP provides the same expert advice for the Police Staff Pension Scheme (the LGPS via the LGPS Administering Authority).</p>	<p>and a decrease of £27m for Police Staff Pensions as a result of changes in financial assumptions. See note 19.</p>
		<p>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).</p>
<p>Property, Plant & Equipment</p>	<p>PPE is depreciated over the useful lives of the assets which are dependent on assumption regarding the length of time the asset will be in operational use for, these vary for different classes of assets. In addition our highest value Land & Buildings are formally revalued on an annual basis with the remainder being part of a 5 year rolling programme and so the potential exists for variations in value and changes in useful life.</p> <p>Valuations are calculated by qualified valuers in accordance with RICS valuation Standards and values are based on recent actual prices achieved in the market for comparable land and buildings in the relevant area.</p>	<p>Our total land and buildings are valued at £74.1m. A 0.5% adjustment to the yield upwards and downwards to the PCC's Land & Buildings would result in an approximate -£1.1m and a £1.2m change respectively to the value shown in the PCC's Balance Sheet.</p>

6. Events after the Reporting Period

The Statement of Accounts were authorised for issue by the Chief Finance Officer on 3 June 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 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.

7. 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.

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 though 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 £000	2023/24 £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)

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8. Group Note to the Expenditure and Funding Analysis

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments relating to Capital Items (Note 8.1)	Adjustments relating to Pensions (Note 8.2)	Other Adjustments (Note 8.3)	2024/25 Total Adjustments
	£000	£000	£000	£000
Police Services	1,184	70,884	222	72,290
Corporate, Democratic and Commissioning Services	-	2,758	-	2,758
Net Cost of Services	1,184	73,642	222	75,048
Other Income and Expenditure	-	56,457	182	56,639
Difference between the General Fund Deficit and Comprehensive Income and Expenditure Deficit	1,184	130,099	404	131,687
				2023/24
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments relating to Capital Items (Note 8.1)	Adjustments relating to Pensions (Note 8.2)	Other Adjustments (Note 8.3)	Total Adjustments
	£000	£000	£000	£000
	£000	£000	£000	£000
Police Services	247	(27,097)	1,241	(25,609)
Corporate, Democratic and Commissioning Services	-	6	-	6
Net Cost of Services	247	(27,091)	1,241	(25,603)
Other Income and Expenditure	-	52,961	(101)	52,860
Difference between the General Fund Deficit and Comprehensive Income and Expenditure Deficit	247	25,870	1,140	27,257

Police and Crime Commissioner’s Note to the Expenditure and Funding Analysis

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments relating to Capital Items (Note 8.1)	Adjustments relating to Pensions (Note 8.2)	Other Adjustments (Note 8.3)	2024/25 Total Adjustments
	£000	£000	£000	£000
Police Services	1,184	-	-	1,184
Corporate, Democratic and Commissioning Services	-	2,693	-	2,693
Net Cost of Services	1,184	2,693	-	3,877
Other income and expenditure	-	-	182	182
Difference between the General Fund Deficit and Comprehensive Income and Expenditure Deficit	1,184	2,693	182	4,059

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Adjustments relating to Capital Items (Note 8.1)	Adjustments relating to Pensions (Note 8.2)	Other Adjustments (Note 8.3)	2023/24 Total Adjustments
	£000	£000	£000	£000
Police Services	247	-	-	247
Corporate, Democratic and Commissioning Services	-	6	-	6
Net Cost of Services	247	6	-	253
Other Income and Expenditure	-	(49)	(101)	(150)
Difference between the General Fund Deficit and Comprehensive Income and Expenditure Deficit	247	(43)	(101)	103

8.1 Adjustments relating to Capital Items

This column adds in depreciation and impairment and revaluation gains and losses in the service line and for:

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

8.2 Adjustments 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** is the net interest on the defined benefit liability which is charged to the CIES.

8.3 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 £222k and our collection fund liability £182k .

A full breakdown by type of this spend is shown in note 10 Movement to reserves.

9. Expenditure and Income Analysed by Nature

<u>Group</u>	2024/25	2023/24
	£'000	£'000
POLICE SERVICES		
Expenditure		
Police Pay and Allowances	92,359	87,080
Police Staff Pay and Allowances*	154,601	45,736
Other Service Expenses	2,650	2,198
Police Pensions	(3,526)	(3,582)
Premises	5,677	6,506
Interest on Lease	41	-
Transport	4,549	4,487
Supplies and Services	21,479	19,668
Agency and Contracted Services	993	1,754
Depreciation and Impairment of Fixed Assets	6,882	5,386
Total Police Services	285,705	169,233
Net (Gain)/Loss on Disposal of Fixed Assets	527	254
Financing and Investment Income and Expenditure	55,901	52,064
Total Expenditure	342,133	221,551
Income		
Government Grants	(7,820)	(7,653)
Income from Fees and Charges	(13,217)	(14,285)
Taxation and Non-Specific Grant Income	(192,766)	(179,143)
Total Income	(213,803)	(201,081)
CORPORATE, DEMOCRATIC AND COMMISSIONING SERVICES		
Expenditure		
Police Staff Pay and Allowances	1,204	1,185
Other Service Expenses	8	6
Premises	-	9
Transport	4	6
Supplies and Services	6,152	5,924
Total Expenditure	7,368	7,130
Income		
Other Income	-	(110)
Government Grants	(3,797)	(3,787)
Total Income	(3,797)	(3,897)
Deficit on Provision of Services	<u>131,901</u>	<u>23,703</u>

* The large variance year on year is due to an asset ceiling adjustment of £103.5m in 2024/25 on the Chief Constable (£2.7m has been applied also for the PCC pension liability) following actuarial estimate of the present value of agreed past service contributions which is recognising an additional liability.

PCC	2024/25	2023/24
	£'000	£'000
POLICE SERVICES		
Expenditure		
Police staff pay and allowances	-504	-
Depreciation and Impairment of Fixed Assets	6,882	5,386
Supplies and Services	1,799	72
Premises	13	-
Intra-Group Adjustment for financial resources consumed	220,937	201,316
Total Police Services	229,127	206,774
Financing and Investment Income and Expenditure	(617)	(949)
Other Operating Expenditure	527	254
Total Expenditure	229,037	206,079
Income		
Government Grants	(7,820)	(7,653)
Income from Fees and Charges	(13,217)	(14,285)
Other Operating Income	(14,532)	(11,682)
Taxation and Non-Specific Grant Income	(192,766)	(179,143)
Total Income	(228,335)	(212,763)
CORPORATE, DEMOCRATIC AND COMMISSIONING SERVICES		
Expenditure		
Police Staff Pay and Allowances	1,204	1,185
Other Employee Expenses	8	6
Premises	-	9
Transport	4	6
Supplies and Services	6,152	5,924
Total Expenditure	7,368	7,130
Income		
Income from Fees and Charges	-	(110)
Government Grants	(3,797)	(3,787)
Total Income	(3,797)	(3,897)
Deficit on Provision of Services	4,273	(3,451)

10. Group's 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 Group in the year, in accordance with proper accounting practice, to arrive at the resources that are specified by statutory provisions as being available to the Group to meet future capital and revenue expenditure. The adjustments are made against the General Fund Balance.

	2024/25		2023/24	
	Usable Reserves		Usable Reserves	
	General Fund Balance	Capital Receipts Reserve	General Fund Balance	Capital Receipts Reserve
	£000	£000	£000	£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 the Pensions Reserve)	130,099	-	25,870	-
Council tax (transfers to (or from) Collection Fund)	182	-	(101)	-
Holiday pay (transferred to the Accumulated Absences Reserve)	222	-	1241	-
Reversal of entries included in the deficit on the Provision of Services in relation to capital expenditure (the items are charged to the Capital Adjustment Account)	6,882	-	5,471	-
Total Adjustments to Revenue Resources	137,385	-	32,481	-
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	527	-	254	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(1,338)	-	(1,198)	-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(3,624)	-	(4,268)	-
Total Adjustments between Revenue and Capital Resources	(4,435)	-	(5,212)	-
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	(2)	2
Addition of unapplied Capital Grant	-	-	-	-
Application of capital grants & Compulsory Purchase compensation to finance capital expenditure	(10)	-	(10)	-
Application of other earmarked reserve to finance capital expenditure	(1,253)	-	-	-
Total Adjustments to Capital Resources	(1,263)	-	(12)	2
Total Adjustments	131,687	-	27,257	2

11. Police and Crime Commissioner's 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 Commissioner in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Commissioner to meet future capital and revenue expenditure.

	2024/25		2023/24	
	Usable Reserves General Fund Balance £000	Capital Receipts Reserve £000	Usable Reserves General Fund Balance £000	Capital Receipts Reserve £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 the Pensions Reserve)	2,693	-	(43)	-
Council tax (transfers to (or from) Collection Fund)	182	-	(101)	-
Reversal of entries included in the deficit on the Provision of Services in relation to capital expenditure (the items are charged to the Capital Adjustment Account)	6,882	-	5,471	-
Total Adjustments to Revenue Resources	9,757	-	5,327	-
Adjustments between Revenue and Capital Resources				
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	527	-	254	-
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	(1,338)	-	(1,198)	-
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	(3,624)	-	(4,268)	-
Total Adjustments between Revenue and Capital Resources	(4,435)	-	(5,212)	-
Adjustments to Capital Resources				
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	(2)
Addition of unapplied Capital Grant	(10)	-	(10)	-
Application of capital grants & Compulsory Purchase compensation to finance capital expenditure			(2)	2
Application of other earmarked reserve to finance capital expenditure	(1,253)	-	-	-
Total Adjustments to Capital Resources	(1,263)	-	(12)	-
Total Adjustments	4,059	-	103	-

12. Group and Police and Crime Commissioner's Movement in Reserves Statement – Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2024/25.

	Balance at 31	2023/24		Balance at 31	2024/25		Balance at 31
	March 2023	Added to Reserve	Applied	March 2024	Added to Reserve	Applied	March 2025
	£000	£000	£000	£000	£000	£000	£000
Carry Forward Projects Reserve	2,110	1,740	(2,110)	1,740	-	(1,740)	-
Insurance Reserve	1,410	846	-	2,256	225	-	2,481
Ill-Health Retirement Reserve	398	-	-	398	-	-	398
Prevention and Early Intervention Reserve	419	26	(37)	408	16	(64)	360
Budget Assistance Reserve	3,818	946	-	4,764	-	-	4,764
Capital Carry Forward Reserve	768	617	(702)	683	90	(557)	216
Asset Incentivisation Reserve	444	301	(165)	580	450	(255)	775
Road Casualty Reduction & Support Fund	818	-	(255)	563	232	(208)	587
OPCC Operational Reserve*	531	103	-	634	26	-	660
Estates Development Reserve	-	650	-	650	2,060	(650)	2,060
Uplift Reserve	30	-	(30)	-	-	-	-
Major Incident Victim Support	25	-	-	25	-	-	25
Eastern Region Serious Organised Crime Building Maintenance Fund	132	14	(37)	109	14	-	123
Emergency Service Mobile Communication Programme Reserve	529	338	-	867	393	-	1,260
Pension Reserve (McCloud & Revaluation Smoothing)	250	-	-	250	-	-	250
Crime Reduction & Prevention Reserve	501	-	-	501	-	-	501
Council Tax Fund Initiative Reserve	109	-	-	109	-	-	109
Council Tax Support Fund	955	-	(558)	397	-	(397)	-
Sustainability Reserve	455	-	-	455	-	-	455
Fleet Reserve	384	-	(50)	334	-	(11)	323
NPCC Forensic Reserve	-	367	-	367	-	-	367
Taser Reserve	-	1,300	-	1,300	-	(14)	1,286
Op Olympus	-	250	-	250	-	-	250
Total Earmarked Reserves	14,086	7,498	(3,944)	17,640	3,506	(3,896)	17,250
General Reserve**	-	-	-	9,446	176	-	9,622
Total General and Earmarked Reserves	14,086	7,498	(3,944)	27,086	3,682	(3,896)	26,872
Capital Receipts Reserve	77	2	(2)	77	-	-	77
Total Usable Reserves	14,163	7,500	(3,946)	27,163	3,682	(3,896)	26,949

Carry Forward Projects

Funds transferred to the Carry Forward Projects Reserve are underspends attributable to revenue commitments that are to be applied in the coming year.

Insurance

The purpose of this reserve is to finance self-insured liabilities and the policy excesses that are not covered by external policies.

Ill-Health Retirement

This reserve is maintained to meet exceptional costs of ill-health retirements.

Prevention and Early Intervention Reserve

Funds transferred to the this Reserve are amounts received from the HM Courts, earmarked for operational activity to fund initiatives to reduce and prevent crime. Funds are applied from this fund as operational need requires.

Budget Assistance

The reserve has been established to meet budget pressures in future years.

Capital Carry Forward

The reserve will fund approved capital carried forward expenditure in future years.

Asset Incentivisation Reserve

Funds transferred to the Asset Incentivisation Reserve are amounts received from the Proceeds of Crime Act (POCA) following successful investigations by ERSOU. The Assistant Chief Constable manages bids to this fund.

Road Casualty Reduction and Support Fund

This reserve has been established using underspend generated by the BCH Collaborated Cameras, Tickets and Collisions Unit to finance roads safety and casualty reduction work.

OPCC Operational Reserve (previously Collaboration and Commissioning)

The reserve will fund assurance work for the OPCC regarding collaboration and commissioning Services.

Uplift Reserve

This reserve has been established in year in order to help meet the future costs of increasing the Officer workforce.

Major Incident Victim Support

This reserve was created from an underspend in the Victims and Witness Hub following devolved responsibility from the MOJ to provide support victims of major crime incidents in the county.

Collaborated Property Maintenance Fund

This is a new reserve created from Home Office funding to cover planned maintenance costs of the building.

Crime Reduction and Prevention Reserve

An earmarked reserve to support one off projects and pilots in support of crime reduction and prevention.

Emergency Services Mobile Communication Programme (ESMCP) Reserve

This reserve was established in 2020/21 to meet the future costs arising from the National airwave replacement project.

Pension Reserve

This reserve was established in 2020/21 to help meet the future costs of pension liabilities arising from McCloud and revaluation smoothing.

Council Tax Fraud Initiative Reserve

A new reserve to cover the costs of the 3 year review being undertaken by local authorities to investigate council tax fraud.

Council Tax Support Fund

This reserve has been created from a one off grant from the Ministry of Housing, Communities and Local Government in recognition of the increased cost of providing local council tax support at a time when households were facing financial difficulties as a result of covid 19. The grant is not ring-fenced.

Sustainability Reserve

This reserve has been established to support the Sustainability Strategy and associated initiatives and projects.

Fleet Reserve

This reserve holds prior year surpluses held against the Fleet budget and is held to cover any future deficits.

NPCC Forensic Reserve

This is a reserve held by the Chief under his National Forensic Lead role

Taser Reserve

This reserve has been established to cover the costs of taser replacement programme across the next few years

Op Olympus

This reserve is held towards costs anticipated for the national policing response to the Bates versus the Post Office matter.

13. Group and Police and Crime Commissioner's Comprehensive Income and Expenditure Statement – Other Operating Expenditure

	2024/25		2023/24	
	PCC £000	Group £000	PCC £000	Group £000
Pension Top Up Grant Received from Home Office	14,532	(14,532)	(13,080)	11,682
Pension Top Up Grant Transferred to Pension Fund	(14,532)	14,532	11,682	(13,080)
(Profit)/Loss on the disposal of non-current assets	527	527	254	254
	527	527	(1,144)	(1,144)

14. Group and Police and Crime Commissioner's Comprehensive Income and Expenditure Statement – Financing and Investment Income and Expenditure

	2024/25		2023/24	
	PCC £000	Group £000	PCC £000	Group £000
Interest payable and similar charges	463	459	566	570
Net interest on the net defined benefit liability	165	165	143	63,932
Expected Return on Assets	(230)	56,292	(192)	(10,971)
Interest receivable and similar income	(1,015)	(1,015)	(1,467)	(1,467)
	(617)	55,901	(950)	52,064

15. Group and Police and Crime Commissioner's Comprehensive Income and Expenditure Statement – Taxation and Non-Specific Grant Income

	2024/25 Group/PCC £000	2023/24 Group/PCC £000
Council tax income	(87,468)	(82,304)
Non-domestic Rates, Council Tax Support & Freeze Grant	(36,229)	(35,808)
Non-ringfenced government grants	(64,330)	(59,623)
Capital grants	(10)	(10)
Pension Top up Grant	(4,729)	(1,398)
	(192,766)	(179,143)

16. Group and Police and Crime Commissioner's Property, Plant and Equipment

	Land and Buildings £000	Plant and Equipment £000	Vehicles £000	Surplus Assets £000	Assets Under Constructio n £000	Total £000
Cost or valuation						
At 1 April 2024	39,509	24,842	9,866	2,880	9,707	86,804
Additions	-	-	-	-	20,508	20,508
Disposals	(32)	(6,452)	(1,681)	-	-	(8,165)
Reclassifications from Assets under construction	2,438	1,589	3,032	-	(7,027)	32
Reclassification to Surplus from Investment Assets	-	-	-	100	-	100
Reclassifications to investment property	(503)	-	-	-	-	(503)
Reclassifications to Right of use assets	(561)	-	-	-	-	(561)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(585)	-	-	-	-	(585)
Impairments recognised in the Surplus/Deficit on the Provision of Services	(2,335)	-	-	-	-	(2,335)
Revaluation increases/(decreases) recognised in the Provision of Services	-	-	-	-	-	-
At 31 March 2025	37,931	19,979	11,217	2,980	23,188	95,295
Accumulated depreciation						
At 1 April 2024	(1,818)	(18,226)	(4,819)	-	-	(24,863)
Charge for 2024/25	(215)	(2,371)	(1,317)	-	-	(3,903)
Disposals	30	6,452	1,164	-	-	7,646
Reclassifications	(89)	-	-	-	-	(89)
Revaluation increases recognised in the Revaluation Reserve	123	-	-	-	-	123
At 31 March 2025	(1,969)	(14,145)	(4,972)	0	0	(21,086)
Net book value						
31 March 2025	35,962	5,834	6,245	2,980	23,188	74,209
31 March 2024	37,691	6,616	5,047	2,880	9,707	61,941

	Land and Buildings £000	Plant and Equipment £000	Vehicles £000	Surplus Assets £000	Assets Under Constructio n £000	Total £000
Cost or valuation						
At 1 April 2023	41,077	23,070	9,138	2,990	4,521	80,796
Additions	-	-	-	-	9,676	9,676
Disposals	-	(441)	(859)	-	-	(1,300)
Reclassifications	781	2,213	1,504	-	(4,490)	8
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(1,401)	-	83	(110)	-	(1,428)
Impairments recognised in the Surplus/Deficit on the Provision of Services	(948)	-	-	-	-	(948)
Revaluation increases/(decreases) recognised in the Provision of Services	-	-	-	-	-	-
At 31 March 2024	39,509	24,842	9,866	2,880	9,707	86,804
Accumulated depreciation						
At 1 April 2023	(1,409)	(16,322)	(4,216)	-	-	(21,947)
Charge for 2023/24	(484)	(2,339)	(1,214)	-	-	(4,037)
Disposals	-	435	611	-	-	1,046
Reclassifications	75	-	-	-	-	75
Revaluation increases recognised in the Revaluation Reserve	-	-	-	-	-	-
At 31 March 2024	(1,818)	(18,226)	(4,819)	0	0	(24,863)
Net book value						
31 March 2024	37,691	6,616	5,047	2,880	9,707	61,941
31 March 2023	39,668	6,748	4,922	2,990	4,521	58,849

Recognition

As well as the grouping of expenditure on computers (in line with the Group's Accounting Policies), items purchased as part of a capital scheme that are identical or related are grouped and recorded on the property, plant and equipment register if the value of the grouped assets exceed the de-minimis value of £10,000.

Depreciation

The following useful lives have been used in the calculation of depreciation on a straight line basis:

- Buildings - 20 to 60 years;
- Vehicles - 3 to 10 years, depending on type;
- Plant and Equipment - 5 years; and
- IT and Communications - 5 years.

Land and assets under construction are not depreciated.

Amortisation

- Intangible assets – 5 years
- Lease right of use assets – over the life of the lease or useful life of asset if shorter

The above are the lives used on initial capitalisation. If more robust information is made available over the course of the asset life then this is applied. For example, as part of a revaluation review. In addition, when assets are approaching the end of their lives, we carry out a review with the asset owner to determine whether the asset is still delivering future economic benefit and being utilised in service delivery. We may then extend the asset life appropriately.

Residual Values

The following residual values have been applied:

- Vehicles – 25% of cost.

Capital Commitments

At 31 March 2025, the Group has entered into a number of contracts related to capital expenditure on Property, Plant and Equipment assets in 2024/25 whose contractual commitments are £26.9m

Revaluations

The following statement shows the progress of the Group's programme of revaluation of property, plant and equipment. Our largest asset values of land and buildings are reviewed annually with others on a rolling 5 year agreed programme, or sooner where there is a material change in value in any year or a property is reclassified (to Surplus Assets, Held for Sale Assets or Investment Properties). In the years between formal valuations, the continuing appropriateness of current values based on previous

valuations is assessed by reference to market trends and professional advice. In addition, a desktop assessment has been carried out on agreed properties as appropriate based on materiality levels.

All valuations are prepared under International Financial Reporting Standards (IFRS) which requires the statement of assets at Fair Value and are in accordance with RICS Valuation – Global Standards. Valuations and Desktop Assessments in 2024/25 have been carried out by Chartered Surveyors Montagu Evans. They have also undergone a rigorous review by our our Chartered Estates Surveyor (MRICS).

Valuations of all other items of plant and equipment are based on historical cost.

The basis for valuation of property, plant and equipment is set out in the Statement of Accounting Policies.

Breakdown of overall asset value

The following table details a breakdown of our assets at historic cost and impact following valuation as at 31 March each year is as follows:

	Intangible Assets	Property, Plant & Equipment					Investment Assets	Leased Right of Use Assets	Total
	Software Licenses	Land and Buildings	Surplus	Plant and Equipment	Vehicles	ACOC			
Assets valued at Historical Cost:	10,063	4,560	-	19,979	11,217	23,188	-	1,808	70,815
Valued at Current Value in:									
2024/25		25,381	2,880	-	-	-	730	-	28,991
2023/24		2,452	-	-	-	-	-	-	2,452
2022/23		2,598	-	-	-	-	-	-	2,598
2021/22		1,129	-	-	-	-	-	-	1,129
2020/21		1,589	-	-	-	-	-	-	1,589
2019/20		65	-	-	-	-	-	-	65
2018/19		-	-	-	-	-	-	-	0
2017/18		157	-	-	-	-	-	-	157
	10,063	37,931	2,880	19,979	11,217	23,188	730	1,808	105,988

Transfers between Levels of the Fair Value Hierarchy

There has been one transfer this year between Levels 1 and 2 during the year. Our Land and Building and Investment assets fall within Level 1 £456k (£1,282k 2023/24) & Level 2 £38,191k (£38,191k 2023/24) hierarchy.

Valuation Techniques

There has been no change in the valuation techniques used during the year.

Valuation Process for Investment Properties

The fair value of the Group's investment properties is measured annually at each reporting date. All valuations are carried out by our valuers Montagu Evans, in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. During the year our Histon and Impington asset has been reclassified from PPE to Investment property as this is no longer rented or in operational use by the force. A decision on its future is still to be made.

17. Group and Police and Crime Commissioner's Intangible Assets

The Group accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

All software is given a finite useful life of five years, in line with other IT and Communication Assets. The carrying amount of intangible assets is amortised on a straight-line basis. Amortisation of £462k (2023/24 £476k) is chargeable to Police Services in the Comprehensive Income and Expenditure Statement.

The movement of assets are as follows:

		CCCCC			2023/24		
		2024/25			2023/24		
		Intangibles £000	Intangibles under Development £000	Total £000	Intangibles £000	Intangibles under Development £000	Total £000
Balance at start of year:							
	Gross carrying amount	9,924	139	10,063	9,613	147	9,760
	Accumulated amortisation	(8,871)	-	(8,871)	(8,395)	-	(8,395)
	Net carrying amount at start of year	1,053	139	1,192	1,218	147	1,365
Additions			173	173		303	303
Disposals		(8)	-	(8)	-	-	-
Reclassifications from assets under construction		277	(309)	(32)	311	(311)	-
Amortisation for the period		(462)	-	(462)	(476)	-	(476)
Net carrying amount at 31st March 2024		860	3	863	1,053	139	1,192
Comprising:							
	Gross carrying amount	10,193	3	10,196	9,924	139	10,063
	Accumulated amortisation	(9,333)	-	(9,333)	(8,871)	-	(8,871)
		860	3	863	1,053	139	1,192

17a. Lease Right of Use Assets

Following the introduction of IFRS 16 we have identified seven leases that fall within scope. These are all property related as follows:

- Three leases are currently held at Finance Leases (Hampton, Wisbech, Warboys). Two of these leases are peppercorn leases. These leases have been reclassified from PPE Land and Buildings.
- The Elms was classed an operating lease. We separately hold a tenants improvements under our PPE. The tenants improvements are separate to the lease.
- The remaining three are operating leases.

	Lease Right of Use Assets £000
Cost or valuation	
At 1 April 2024	-
Additions	1,247
Reclassifications from PPE Land and buildings	561
At 31 March 2025	<u>1,808</u>
Accumulated amortisation	
At 1 April 2024	-
Charge for 2024/25	(179)
Disposals	-
Reclassifications	-
Revaluation increases recognised in the Revalua	-
At 31 March 2025	<u>(179)</u>
Net book value	1,629
31 March 2025	1,629
31 March 2024	-

18. Group and Police and Crime Commissioner's Financial Instruments

Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet.

2024/25

Financial Assets

	Non Current		Current			Total £000
	Investments £000	Debtors £000	Cash £000	Investments £000	Debtors £000	
Fair Value through Profit and loss	-	-	-	-	-	-
Amortised Cost	-	-	548	13,140	2,889	16,577
Total Financial Assets	-	485	548	13,140	2,889	16,577

Financial Liabilities

	Non Current		Current			Group Creditors £000	Total £000
	Borrowings £000	Creditors £000	Borrowings £000	Creditors Chief £000	Creditors PCC £000		
Fair Value through Profit and loss	36,224	-	672	7,234	10,225	17,459	54,355
Amortised Cost	-	-	-	-	-	-	-
Total Financial Assets	36,224	-	672	7,234	10,225	17,459	54,355

2023/24

Financial Assets

	Non Current		Current			Total £000
	Investments £000	Debtors £000	Cash £000	Investments £000	Debtors £000	
Fair Value through Profit and loss	-	-	-	-	-	-
Amortised Cost	-	-	4,547	5,000	2,485	12,032
Total Financial Assets	-	-	4,547	5,000	2,485	12,032

Financial Liabilities

	Non Current		Current			Group Creditors £000	Total
	Borrowings	Creditors	Borrowings	Creditors Chief £000	Creditors PCC £000		
Fair Value through Profit and loss	14,896	-	909	7,234	12,089	19,323	35,128
Amortised Cost	-	-	-	-	-	-	-
Total Financial Assets	14,896	-	909	7,234	12,089	19,323	35,128

Fair Values of Financial Assets and Financial Liabilities

At 31 March 2024, the Group does not hold any Financial Assets carried at Fair Value. Financial liabilities and financial assets represented by borrowings and receivables are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments (Level 2) using the following assumptions:

- for the fair value of Public Works Loan Board (PWLB) loans, premature repayment rates from the PWLB are applied to provide the fair value under PWLB debt redemption procedures;
- no early repayment or impairment is recognised;
- the carrying amount of an instrument maturing within 12 months is assumed to approximate to its fair value; and
- the fair value of trade and other receivables is taken to be the invoiced or billed amount.

The carrying and fair values of financial liabilities carried at amortised cost and of borrowings are as follows:

	31 March 2025		31 March 2024	
	Amount	Fair Value	Amount	Fair Value
Financial liabilities at amortised cost:				
Public Works loan Board loans	(36,896)	(34,266)	(15,805)	(13,520)

The fair value on borrowing is lower/higher than the carrying amount dependent on the Group's portfolio of loans and the interest rates available for similar loans at the balance sheet date. Most of our loans are on a fixed rate. All other financial liabilities and borrowings mature within 12 months and therefore their carrying values are assumed to approximate to their fair values.

19. Group and Police and Crime Commissioner's Debtors

	2024/25	2023/24
	£000	£000
Trade Receivables	789	1,142
Prepayments	6,194	5,839
Other Receivables	17,893	16,362
	<u>24,876</u>	<u>23,343</u>

20. Group and Police and Crime Commissioner's Cash and Cash Equivalents

	2024/25	2023/24
	£000	£000
Cash held by the Commissioner	18	15
Bank current accounts	(600)	(1,338)
Short term deposits	1,130	5,869
	<u>548</u>	<u>4,546</u>

21. Group and Police and Crime Commissioner's Creditors

	2024/25		2023/24	
	PCC	Group	PCC	Group
	£000	£000	£000	£000
Trade Creditors	(979)	(979)	(28)	(28)
Other Creditors	(16,988)	(24,444)	(18,351)	(25,585)
	<u>(17,967)</u>	<u>(25,423)</u>	<u>(18,379)</u>	<u>(25,613)</u>

22. Group and Police and Crime Commissioner's Provisions

Insurance

The balance at 31 March 2025 represents estimated outstanding claims under the 'excess' clauses of the Group's employers' and public liability, motor and property insurance policies. The settlement of these claims is likely to be spread over a number of years. There are no amounts in respect of liabilities covered by the insurance provision that are expected to be subject to reimbursement from third parties.

	2024/25	2023/24
	£000	£000
Insurance		
Balance at 1 April	2,466	1,928
Increase (Decrease) in year	249	538
Balance at 31 March	<u>2,715</u>	<u>2,466</u>
	2024/25	2023/24
	£000	£000
Legal Provision		
Balance at 1 April	185	204
Amounts used in year	(1)	(161)
Increase in year		142
Balance at 31 March	<u>184</u>	<u>185</u>
Total Provision	<u>2,899</u>	<u>2,651</u>

23. Liabilities under Right of Use Assets

Quantitative disclosures around lease liabilities - Maturity Analysis

	31st March 2025
	£000
Obligations under leases for the following periods comprise:	
Land and Buildings:	
Not later than one year	212
Later than one year and not later than 5 years	666
Later than five years	1,003
	<u>1,881</u>
Less interest element	(713)
Present value of obligations	<u>1,168</u>
Current portion	131
non-current portion	1,037
	<u>1,168</u>

24. Group and Police and Crime Commissioner's Usable Reserves

Movement in the Group and Police and Crime Commissioner's usable reserves are detailed in the Movement in Reserves Statement Note 12

25. Group and Police and Crime Commissioner's Unusable Reserves

	2024/25		2023/24	
	Group £000	PCC £000	Group £000	PCC £000
Revaluation Reserve	10,171	10,171	10,753	10,753
Capital Adjustment Account	22,220	22,220	23,292	23,292
Pensions Reserve	(1,115,403)	(511)	(1,205,243)	1,345
Collection Fund Adjustment Account	(714)	(714)	(532)	(532)
Accumulated Absences Account	(7,456)	-	(7,234)	-
	(1,091,182)	31,166	(1,178,964)	34,858

Revaluation Reserve (Group and Police and Crime Commissioner)

The revaluation reserve contains the gains made by the Group arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

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

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

	2024/25 £000	2023/24 £000
Balance at 1 April	10,753	12,597
(Downward)/Upward revaluation of assets	(470)	(1,445)
Difference between fair value depreciation and historical cost depreciation	(112)	(399)
Balance at 31 March	10,171	10,753

Capital Adjustment Account (Group and Police and Crime Commissioner)

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or additions or subsequent costs such as depreciation, impairment losses and amortisation which are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Group as finance for the costs of acquisition, construction and subsequent costs.

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The Account contains accumulated gains and losses on Investment Properties.

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

Note 10 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2024/25	2023/24
	£000	£000
Balance at 1 April	23,292	23,140
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non-current assets	(6,882)	(4,910)
Revaluation losses on Property, Plant and Equipment		
Amortisation of intangible assets	-	(476)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(527)	(254)
Difference between fair value depreciation and historical cost depreciation	112	399
Capital financing applied in the year:		
Use of the Capital Receipts Reserve to finance new capital expenditure	-	2
Use of the Reserves to finance new capital expenditure	696	-
Use of Capital Carry Forward Reserve to finance new capital expenditure	557	(85)
Capital grants credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	10	10
Statutory provision for the financing of capital investment charged against the General Fund	1,338	1,198
Capital expenditure charged against the General Fund	3,624	4,268
Balance at 31 March	22,220	23,292

Pension Reserve (Group and Police and Crime Commissioner)

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 Group 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 Group 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 Group 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 33.

	Group	
	2024/25	2023/24
	£000	£000
Balance at 1 April	(1,205,243)	(1,152,526)
Remeasurements of the net defined benefit liability	219,939	(26,847)
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	(180,393)	(71,134)
Employer's pensions contributions and direct payments to pensioners payable in the year	<u>50,294</u>	<u>45,264</u>
Balance at 31 March	<u>(1,115,403)</u>	<u>(1,205,243)</u>
	-	
	PCC	
	2024/25	2023/24
	£000	£000
Balance at 1 April	1,345	1,339
Remeasurements of the net defined benefit liability	837	(37)
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	(2,882)	(141)
Employer's pensions contributions and direct payments to pensioners payable in the year	<u>189</u>	<u>184</u>
Balance at 31 March	<u>(511)</u>	<u>1,345</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>

26. Group and Police and Crime Commissioner's Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

	2024/25		2023/24	
	PCC £000	Group £000	PCC £000	Group £000
Depreciation	4,368	4,368	3,962	3,962
Amortisation	179	179	948	948
Impairment and downward valuations	2,336	2,336	476	476
Increase/(Decrease) in creditors	209	(221)	2,283	3,524
(Increase)/Decrease in debtors	(1,547)	(1,547)	(644)	(644)
Decrease in inventories	(233)	(233)	(137)	(137)
Movement in Pension Liability	2,693	130,099	(6)	25,870
Carrying value of non-current assets sold or derecognised	527	527	254	254
Other non-cash items charged to the net surplus or deficit on the provision of services	-	652	-	37
	<u>8,532</u>	<u>136,160</u>	<u>7,136</u>	<u>34,290</u>

26. Group and Police and Crime Commissioner's Joint Operations

Eastern Region Special Operations Unit

The Eastern Region Special Operations Unit (ERSOU) is a joint arrangement between 7 forces – Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Kent, Norfolk and Suffolk, 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.

All revenue costs and capital expenditure are shared between the seven forces in accordance with the percentages defined in the Section 22 agreement. All capital expenditure is fully funded in the year of expenditure and there is therefore no capital financing charge to the seven participating forces.

ERSOU is a jointly controlled operation with no separate entity and is therefore not able to hold reserves in respect of any cumulative surplus or deficit at year end. Each participating Local Policing Body shows its share of the carried forward surplus in its accounts. The ERSOU operating account is shown in the following table. The expenditure figures do not include depreciation charges.

The Home Office grants were paid to Bedfordshire as agent for the participating forces.

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

2024/25	Beds	Camb	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 C'f	-14	-18	-37	-26	-40	-21	-16	-172
2023/24	Beds	Camb	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 £41m (2023/24 £37.8m) has been consolidated into the Chief Constable's Comprehensive Income and Expenditure Statement and the Group's Comprehensive Income and Expenditure Statement.

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

Seven 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. Its 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 are 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 a transition period for the unit which went live as a single seven-Force unit.

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27. Group and Police and Crime Commissioner's Officers' Remuneration

The remuneration paid to the Police and Crime Commissioner, Deputy Police and Crime Commissioner and Chief Officers is as follows:

		Salaries, fees & allowances	Bonuses	Benefits in Kind	Total Remuneration excluding pension contributions	Employer's pension contributions	Total Remuneration including pension contributions
		£	£	£	£	£	£
Chief Constable's Accounts							
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

		Salaries, fees & allowances £	Bonuses £	Benefits in Kind £	Total Remuneration excluding pension contributions £	Employer's pension contributions £	Total Remuneration including pension contributions £
<u>Police and Crime Commissioner Accounts</u>							
Police & Crime Commissioner							
D Preston	2024/25	73,300	-	-	73,300	16,053	89,353
D Preston	2023/24	73,300	-	-	73,300	16,419	89,719
Deputy Police & Crime Commissioner *							
J Peach (leaver 10.05.24)	2024/25	3,252	-	-	3,252	712	3,964
J Peach	2023/24	29,510	-	-	29,510	4,958	34,468
Chief Executive (Interim) Jack Hudson (starter 29.07.24)	2024/25	102,156	-	-	102,156	22,372	124,528
Chief Executive James Haylett (Leaver 19.07.24)	2024/25	37,312	-	-	37,312	8,171	45,483
Chief Executive James Haylett	2023/24	111,584	-	-	111,584	24,995	136,579
Chief Finance Officer (OPCC)							
P Trussell	2024/25	62,680	-	-	62,680	13,727	76,407
Philip Trussell (New starter 20.11.23)	2023/24	22,194	-	-	22,194	4,971	27,165
Matthew Warren (Leaver 15.11.23)*	2023/24	3,721	-	-	3,721	-	3,721
			-	-	-	-	-
Totals	2024/25	278,700	-	-	278,700	61,035	339,735
	2023/24	240,309	-	-	240,309	51,343	291,652

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:

	Group		PCC		Chief	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
£50,000 to £54,999	13	15	-	1	13	14
£55,000 to £59,999	16	4	1	-	15	4
£60,000 to £64,999	15	11	1	1	14	10
£65,000 to £69,999	6	4	-	1	6	3
£70,000 to £74,999	9	7	2	1	7	6
£75,000 to £69,999	6	1	-	-	6	1
£80,000 to £84,999	3	1	-	-	3	1
£85,000 to £69,999	2	4	-	-	2	4
£90,000 to £94,999	3	7	-	-	3	7
£95,000 to £99,999	4	5	-	-	4	5
£100,000 to £104,999	5	4	1	-	4	4
£105,000 to £109,999	3	-	-	-	3	-
£110,000 to £114,999	2	2	-	1	2	1
£115,000 to £119,999	1	1	-	-	1	1
£125,000 to £129,999	2	1	-	-	2	1
£130,000 to £134,999	1	-	-	-	1	-
£140,000 to £144,999	-	1	-	-	-	1
£145,000 to £149,999	-	1	-	-	-	1
£155,000 to £159,999	1	-	-	-	1	-
£160,000 to £164,999	1	-	-	-	1	-
£170,000 to £174,999	-	1	-	-	-	1
£195,000 to £199,999	1	-	-	-	1	-
	94	70	5	5	89	65

The numbers above include the senior employees and relevant police officers disclosed earlier in Note 16 where they earned over £50k and also includes those seconded out of force at present. The number of employees that have reached the £50k mark has increased during the last couple of year due to pay increases but the reporting threshold has not risen in line.

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 24/25. 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

28. Redundancy costs

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.

29. Group and Police and Crime Commissioner's Audit Costs

The Group has has incurred the following credits in relation to the audit of the Statement of Accounts due to incomplete Audit.

	2024/25	2023/24
	£'000	£'000
Fees payable with regard to external audit services carried out by the appointed auditor:		
Police and Crime Commissioner	85	89
Chief Constable	127	47
	<u>212</u>	<u>136</u>

30. Group and Police and Crime Commissioner's Grant Income

The Group credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2024/25.

	2024/25	2023/24
	£000	£000
Uplift Grant	4,388	2,839
Victims Commissioning	2,614	2,737
Pay Award	1,690	3,407
Other Government Grants	1,111	1,394
Pension Remedy	631	12
Serious Violence Duty	599	352
Safer Streets	354	698
Hotspot Grant	230	-
	<u>11,617</u>	<u>11,439</u>
	2024/25	2023/24
	£000	£000
Police Grant	64,330	59,623
Precepts	87,468	82,304
Home Office Local Government Funding	29,705	29,284
Localised Council Tax Support	4,822	4,822
Council Tax Freeze	1,702	1,702
Capital Grants	10	10
Pension Top up Grant	4,729	1,398
	<u>192,766</u>	<u>179,143</u>

31. Group and Police and Crime Commissioner's Related Parties

The Group is required to disclose material transactions with related parties (bodies or individuals that have the potential to control or influence the Group or to be controlled or influenced by it). Disclosure of these transactions allows readers to assess the extent to which the Group 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 Group.

Chief Constable (Police and Crime Commissioner)

The Police and Crime Commissioner has direct control over the Group's 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 7).

Central Government

Central government has significant influence over the general operations of the Group – it is responsible for providing the statutory framework within which the Group 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 Note 30.

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 a trustee 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 Group has a pooled budget arrangement (joint operation) with the six 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 Note 26.

The Group 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, 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. The LGPS scheme is administered by Cambridgeshire County Council and the PPS, NPPS and PPS 2015 are administered by XPS Pension Group; see Note 33 for details of transactions and balances outstanding.

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

32. Group and Police and Crime Commissioner's Third Party Funds

Third Party Funds are monies administered, but not owned by the Group.

Police Property Act

Under section 43 of the Powers of Criminal Courts Act 1973, the Group is empowered to seize monies or property used, or intended for use, for the purpose of crime. These seized monies are held by the Group, pending a decision by the Courts.

Misuse of Drugs Act

Section 27 of the Misuse of Drugs Act 1971 empowers Police Groups to retain monies seized during investigations. The Courts may release property or monies to the Group so that it is used to tackle drug related crime and drug abuse.

Seized Funds

We hold funds that are being pursued by ERSOU FIT for POCA and related powers – a civil case to remove the funds from those likely to have committed crime.

Property Banking

We hold funds seized from an individual whilst the investigation is carried out and a case is being built.

Other Third Party Funds

We also hold small amounts for our Police Cadets & Peterborough Youth Boxing.

The amount held under the two Acts, as at 31 March 2025, was £2.2m (31 March 2024: £2.2m 2023/24).

33. Group and Police and Crime Commissioner's Capital Expenditure and Capital Financing

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

	2024/25	2023/24
	£000	£000
<i>Opening Capital Financing Requirement</i>	27,662	23,854
<i>Capital Investment</i>		
Property, Plant and Equipment	20,508	9,677
Intangible Assets	173	310
<i>Source of Finance</i>		
Capital Receipts	-	(2)
Government Grants	(10)	(10)
Uplift Grant contribution	-	0
Drug Forfeiture Reserve	(46)	-
Fleet Reserve	(558)	(50)
Estates Development Reserve	(650)	-
Capital Carry Forward Reserve	(557)	(702)
<i>Sums set aside from revenue</i>		
Direct revenue contributions	(2,870)	(4,217)
Minimum Revenue Provision	(1,338)	(1,198)
<i>Closing Capital Financing Requirement</i>	<u>42,314</u>	<u>27,662</u>

34. 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 Group offers retirement benefits which are normally payable on retirement. The Group, however, is required to disclose its commitment to pay future retirement benefits as those benefits are earned by officers or employees.

The Group 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. 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, 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. 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 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.

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	LGPS- Police Commissioner £000	Total £000	Police Pensions £000	LGPS- Chief Constable £000	LGPS- Police Commissioner £000	Total £000
Comprehensive Income and Expenditure Account								
<i>Cost of Services:</i>								
Current service cost	11,006	6,438	180	17,624	11,238	6,629	190	18,057
Past service costs - impact of asset ceiling	-	103,523	2,767	106,290	-	116	-	116
Other past service costs	-	22	-	22	-	-	-	-
	11,006	109,983	2,947	123,936	11,238	6,745	190	18,173
<i>Financing and Investment Income and Expenditure:</i>								
Net interest expense	56,820	(298)	(65)	56,457	53,860	(850)	(49)	52,961
	56,820	(298)	(65)	56,457	53,860	(850)	(49)	52,961
<i>Total Post Employment Benefit Charged to the Deficit on the Provision of Services</i>								
	67,826	109,685	2,882	180,393	65,098	5,895	141	71,134
<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>								
Return on plan assets		7,856	145	8,001		(14,782)	40	(14,742)
Actuarial (gains)/losses arising on changes in demographic assumptions	(2,070)	(361)	(5)	(2,436)	-	(1,113)	(16)	(1,129)
Actuarial (gains)/losses arising on changes in financial assumptions	(142,080)	(41,048)	(774)	(183,902)	(25,360)	(15,390)	(253)	(41,003)
Changes in the effect of the asset ceiling		(39,931)	(172)	(40,103)		-	164	164
Other	460	(1,928)	(31)	(1,499)	38,840	44,615	102	83,557
	(143,690)	(75,412)	(837)	(219,939)	13,480	13,330	37	26,847
<i>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Account</i>								
	(75,864)	34,273	2,045	(39,546)	78,578	19,225	178	97,981
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)	(2,882)	(180,393)	(65,098)	(5,895)	(141)	(71,134)
<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	189	50,294	37,946	7,134	184	45,264

Assets and Liabilities in Relation to Post Employment Benefits

Reconciliation of present value of the scheme liabilities:

	2024/25				2023/24			
	Police Pensions £000	Unfunded Liabilities LGPS- Chief Constable £000	Unfunded Liabilities LGPS- Police Commissioner £000	Total Liabilities £000	Police Pensions £000	Unfunded Liabilities LGPS- Chief Constable £000	Unfunded Liabilities LGPS- Police Commissioner £000	Total Liabilities £000
Balance at 1 April	1,212,214	248,476	3,284	1,463,974	1,171,582	207,643	2,757	1,381,982
2021 bought forward adj				-			140	140
Current service cost	11,006	6,438	180	17,624	11,238	6,629	190	18,057
Past service costs - asset ceiling	-	103,523	2,767	106,290	-	-	-	-
Past service costs - other	-	22	-	22	-	116	-	116
Interest cost	56,820	12,111	165	69,096	53,860	9,929	143	63,932
Contributions by scheme participants	9,220	2,288	65	11,573	8,820	2,066	63	10,949
Benefits paid	(51,734)	(5,946)	(15)	(57,695)	(46,766)	(6,019)	(6)	(52,791)
<i>Remeasurement gain/loss:</i>				-				-
Actuarial (gains) and losses arising on changes in demographic assumptions	(2,070)	(361)	(5)	(2,436)	-	(1,113)	(16)	(1,129)
Actuarial (gains) and losses arising on changes in financial assumptions	(142,080)	(41,048)	(774)	(183,902)	(25,360)	(15,390)	(253)	(41,003)
Changes in the effect of asset ceiling*	-	(39,931)	(172)	(40,103)	-	38,084	164	38,248
Other	460	(1,928)	(31)	(1,499)	38,840	6,531	102	45,473
Balance at 31 March	1,093,836	283,644	5,464	1,382,944	1,212,214	248,476	3,284	1,463,974

* 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 Chief Constable and £2.767m Police Commissioner 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	LGPS- Police Commissioner £000	Total Assets £000	Police Pensions £000	LGPS- Chief Constable £000	LGPS- Police Commissioner £000	Total Assets £000
Balance at 1 April	-	254,102	4,629	258,731	-	225,360	4,096	229,456
2021 bought forward adj				-			(164)	(164)
Interest Income	-	12,409	230	12,639	-	10,779	192	10,971
<i>Remeasurement gain/loss:</i>								
The return on plan assets, excluding the amount included in the net interest expense	-	(7,856)	(145)	(8,001)	-	14,782	264	15,046
Contributions from employer	42,514	7,591	189	50,294	37,946	7,134	184	45,264
Contributions from employees into the scheme	9,220	2,288	65	11,573	8,820	2,066	63	10,949
Benefits paid	(51,734)	(5,946)	(15)	(57,695)	(46,766)	(6,019)	(6)	(52,791)
Closing fair value of scheme assets	-	262,588	4,953	267,541	-	254,102	4,629	258,731

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	289,108	251,760	1,382,944	1,463,974
Fair Value of Plan Assets	-	-	(267,541)	(258,731)	(267,541)	(258,731)
Net Liability arising from defined benefit obligation	1,093,836	1,212,214	21,567	(6,971)	1,115,403	1,205,243

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:

	LGPS- Police Commissioner £000	LGPS- Chief Constable £000	31-Mar-25 £000	LGPS- Police Commissioner £000	LGPS- Chief Constable £000	31-Mar-24 £000
Cash and Cash Equivalents	115	6,120	6,235	55	3,023	3,078
Private Equity	627	33,261	33,889	570	31,285	31,855
Debt Securities						
UK Government	439	23,290	23,729	423	23,222	23,645
Equity Instruments (by industry)						
Consumer	55	2,922	2,977	52	2,847	2,899
Manufacturing	56	2,951	3,006	55	3,014	3,069
Energy and Utilities	4	223	227	5	284	289
Financial Institutions	55	2,911	2,966	48	2,652	2,700
Health and Care	45	2,374	2,419	41	2,267	2,308
Information Technology	131	6,945	7,076	95	5,222	5,317
Other	5	242	247	5	289	294
Investment Funds and Unit Trusts						
Equities	1,942	102,953	104,895	1,959	107,530	109,489
Bonds	652	34,574	35,226	684	37,547	38,231
Infrastructure	359	-	359	354	-	354
Other	-	19,036	19,036	-	19,439	19,439
Real Estate	468	24,790	25,258	282	15,479	15,761
Derivatives	-	(3)	(3)	-	2	2
	4,953	262,588	267,541	4,628	254,102	258,730

The liabilities are the underlying commitments that the Group has to pay retirement benefits in the long-term. The total liability of £1,115,403 has a significant impact on the net worth of the Group as presented in the Balance Sheet, giving rise to negative equity of £1,064,022k. However, statutory arrangements for funding the deficit mean that the financial position of the Group 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 using approximate roll forward methods. This allows for changes in financial and demographic assumptions, benefit accrual, actual pension increases and estimated cashflows over the period. 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.

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	21.3	21.5	21.9	21.9
Women	24.2	24.2	23.9	23.6
Longevity at 65 for future pensioners:				
Men	22.7	23.1	23.3	23.6
Women	25.8	25.9	25.2	25.1
Rate of increase in salaries	3.2	3.3	3.5	3.9
Rate of increase in pensions	2.7	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 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 analysis below did not change from those used in the previous period.

	Police Commissioner Scheme		Chief Constable Scheme		Police Pension Scheme	
	Increase in Liability (%)	Approximate monetary amount £'000	Increase in Liability (%)	Approximate monetary amount £'000	Increase in Liability (%)	Approximate monetary amount £000
Change in assumptions at 31 March 2025						
0.1% increase in Real Discount Rate	2.0%	65	2.0%	3,940	-1.5%	(16,400)
0.1% increase in the Salary Increase Rate	0.0%	2	0.0%	168	0.2%	2,000
0.1% Increase in the Pension Increase Rate	2.0%	65	2.0%	3,882	1.5%	16,600
Life Expectancy (Pensioners assumed to be one year younger)	4.0%	108	4.0%	7,205	0.4%	4,600

Legal Claims & 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 benefits structures we expect the majority of eligible police members to 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.

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 cost 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, we expect that this ruling will be taken forward on a cross scheme basis and will need legal input. This may require revisiting past CETV cases for members with State Pension age 5 April 2016 and who took a CETV from the scheme before the CETVs were equalised. The scope of any costs are yet to be determined and we do not have data on historic CETVs on to estimate the potential impact, but we expect it will be a relatively small uplift for a relatively small subset of members (i.e. those who took a CETV and are in scope for a top up).

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, we are not expecting any additional costs to be recognised for 2025/26.

GMP Overpayments

We are aware that schemes have undertaken GMP reconciliation work with HMRC, and in some cases this work will result in identifying members who have been overpaid or underpaid. We have 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 us 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 your 2024/25 accounting disclosures.

Section 37 legal case Virgin Media Ltd vs NTL Pension Trustees Limited

We are aware of the case of Virgin Media Ltd vs NTL Pension Trustees II Limited (and others) relating to actuarial certifications under section 37 of the Pension Schemes Act 1993. This case potentially has implications for the validity of amendments made by schemes which were contracted-out on a salary-related basis between 6 April 1997 and the abolition of contracting-out in 2016. There is considerable uncertainty around this case including potential read across to public service pension schemes. We understand that schemes 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.

35. Group and Police and Crime Commissioner's Nature and Extent of Risks arising from Financial Instruments

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

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

The Group's risk strategy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on resources available to fund services.

Risk management is carried out by a central treasury team under policies approved by the Group in the annual treasury management strategy. Specific areas such as interest rate risk, credit risk and the investment of surplus cash are covered within this.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the PCC's customers.

The risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with banks and/or building societies unless they meet identified minimum credit criteria, in accordance with Fitch, Moody's and Standard & Poor's credit rating services. The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet minimum investment criteria. Additional selection criteria are also considered after this initial criteria is applied.

The PCC uses the creditworthiness service provided by Link Asset Service. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies – Fitch, Moody's and Standard & Poors, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- credit watches and credit outlooks from credit rating agencies;

- Credit Default Swap spreads to give early warning of likely changes in credit ratings; and
- sovereign ratings to select counterparties from only the most creditworthy countries.

The Investment Strategy for 2024/25 to 2027/28 was approved by the PCC in February 2025.

Investment limits are the lower of £10 million or 25% of available funds, with the exception of the Debt Management Account Deposit Facility and Money Market Funds where deposits may be made to a limit of 100% of available funds. Our investments cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. A risk of irrecoverability applies to all of the PCC's deposits but there was no evidence at the 31 March 2025 that this was likely to crystallise.

With respect to amounts owed by the Group's customers and contractual debtors, the Group makes prudent provision for bad debts based on an assessment of the risks for each type of debt and the age and size of the balance outstanding. The majority of the Group's dealings are with public sector partners and the risks of default and uncollectibility are considered to be lower than those associated with commercial debtors.

The following analysis summarises the Group's assessment of its potential maximum exposure to credit risk in relation to debtors:

The Group has never experienced a loss from non-performance by any of its counterparties in relation to deposits and does not expect any such loss to arise.

The Group does not generally extend credit to its public sector partners or customers beyond 30 days. £171k of the £789k balance is past its due date.

	31 March 2025 £000	31 March 2024 £000
Commercial Debtors	82	172

Liquidity Risk

As the Group has ready access to borrowings from the Public Works Loan Board, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The table below shows the liability.

	31 March 2025 £000	31 March 2024 £000
Less than one year	672	1,141
Between one and two years	12,702	1,141
Between two and five years	12,248	3,422
More than five years	11,274	17,087
	<u>36,896</u>	<u>22,791</u>

Market Risk

Interest rate risk

The Group is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. The extent of that risk is limited by the scale of borrowing and investment activities undertaken. In 2024/25 the Group's investments were all short-term investments comprising of overnight deposits, fixed term deposits and notice accounts, which therefore fall to be treated as investments at variable rates, and its borrowings were fixed rate Public Works Loan Board loans. By way of example, a rise in interest rates would have the following effects:

- borrowings at fixed rates – the fair value of the liabilities borrowings will fall; and
- investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure statement will rise.

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

The Group has a number of strategies for managing interest rate risk. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. The risk of loss is mitigated by the fact that a proportion of government grant payable on financing costs will normally move with prevailing interest rates or the Group's cost of borrowing and provide compensation for a proportion of any higher costs.

The scale of the Group's investment activities is such that the consequences of any adverse changes in interest rates on service delivery are unlikely to be significant in terms of a shortfall in resources, particularly as budgets are regularly reviewed and updated during the year. However, if interest rates had been 50 basis points higher, with all other variables held constant, the financial effect for the 2024/25 year of account would be:

	2024/25	2023/24
	£000	£000
Increase in interest receivable on variable rate investments	103	146
Increase in Government grant receivable for financing costs	-	-
Impact on Income and Expenditure Account	<u>103</u>	<u>146</u>

36. Transport Consortium

The PCC for Cambridgeshire belongs to the Chiltern Transport Consortium operated by Thames Valley Police. Cambridgeshire's contribution for 2024/25 was £2.6m (£2.5m in 2023/24 which included insurance). Insurance costs were removed from the overall charge in 23/24 and accounted for separately. For 2024-25 the insurance costs for Cambridgeshire were £805k (£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
Vehicle Costs	6,428	6,074
Vehicle Capital costs	11,676	10,696
Income	(2,709)	(2,475)
	<u>19,755</u>	<u>18,213</u>
Insurance Costs	708	830

Pension Account

The Group 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 2024/25 were at a rate of 35.3% of pensionable salary. These rates are set by the Home Office and are subject to triennial revaluation by the Government's Actuary Department.

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 31.0% 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 at Note 1, where applicable.

Full details of the Group's retirement benefits have been disclosed in Note 34.

Fund Account

	2024/25 £'000	2023/24 £'000
Contributions receivable:		
From employer:		
Normal	(24,149)	(20,172)
Early retirements	(152)	(152)
From members	(9,344)	(8,708)
Transfers in	(37)	(104)
	<u>(33,682)</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 payable for the year before top-up grant payable by sponsoring department	15,180	11,682
Amount receivable from sponsoring department	(15,180)	(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.
Agency Services	The provision of services by an Authority (the agent) on behalf of another Authority, which is legally responsible for providing those services. The responsible Authority reimburses the Authority providing the service.
Appropriations	Amounts transferred to or from revenue or capital reserves.
Asset	An item owned by the Group which has an economic value e.g. land & buildings, debts or cash.
Budget	A financial statement of the Group's plans for any given year.
Capital Adjustment Account	An account that reflects the difference between the cost of property, plant and equipment and the capital financing set aside to pay for them.
Capital Expenditure	Expenditure on new assets or on the enhancement of existing assets.
Capital Grants	Grants received towards capital spending on a particular service or project.
Capital Receipts	Proceeds from the sale of capital assets such as land or buildings. They are available to finance new capital outlay and to repay existing debt.
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.
Depreciation	The measure of the wearing out, consumption or other reduction in the useful economic life of an item of property, plant and equipment.
Earmarked Reserves	Funds set aside from the Comprehensive Income and Expenditure Statement that can only be used for specific purposes.
Effective Rate of Interest	The rate of interest that will discount the estimated cash flows over the life of a financial instrument to the amount in the balance sheet at initial measurement.
Equity Instrument	A contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.
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 Asset	A right to future economic benefits controlled by the Group.
Financial Instrument	Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.
Financial Liability	An obligation to transfer economic benefits controlled by the Group.
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 general (see Revenue Support Grant).
Impairment	The term used where the estimated recoverable amount from an asset is less than the amortised cost at which the asset is being carried on the balance sheet.
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 life time award.
Intangible Assets	An asset that lacks physical substance and yields benefits to the Group and the services it provides for a period of more than one year.
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.
Minimum Revenue Provision (MRP)	The minimum amount the Group is required by statute to set aside on an annual basis for the repayment of debt.
National Non-Domestic Rates (NNDR)	The business rate in the pound is set annually and centrally by Government. The income arising is collected in a central pool for distribution to Local Authorities on the basis of a formula.
Operation Safeguard	Operation Safeguard is the national contingency plan for police custody support to His Majesty's Prison and Probatio 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.
Precept	The cash sum levied by one Authority which is collected by another (a charging Authority). The Group is the precepting Authority and the District Councils are the charging Authorities.
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.
Property, Plant and Equipment	Assets that have a physical substance and are held for use in the provision of services or for administration purposes on a continuing basis.
Provisions	Liabilities that are of uncertain timing or amount to be settled by the transfer of economic benefits.
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 Contributions to Capital Outlay	The financing of capital expenditure directly from Revenue rather than from loans or other sources.
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.
Revenue Support Grant (RSG)	The general grant paid by Central Government to aid Local Authority (including the Group) spending generally.
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.

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