

Constable of Cleveland

STATEMENT OF ACCOUNTS – 2024/25 CONTENTS

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CHIEF FINANCE OFFICER OF THE CHIEF CONSTABLE

INTRODUCTION

1. CHANGES TO ACCOUNTING POLICIES

In line with IAS 8 the Authority has reviewed those standards issued but not yet adopted by the code and has concluded that they are not applicable. Therefore, there are no changes to the accounting policies for the 2024/25 financial year.

2. FURTHER INFORMATION

Interested members of the public have a statutory right to inspect the accounts before the audit is completed. The dates for which the accounts are available for inspection have been published on the Force website.

Further information may be obtained from the Director of Finance and Assets at Cleveland Police, St Marks House, St Marks Court, Stockton on Tees, TS17 6QW.

Ian Wright
Director of Finance and Assets

STATEMENT OF RESPONSIBILITIES

The Chief Constable's Responsibilities

The Chief Constable as a Corporation Sole is required to:

- Make arrangements for the proper administration of the Force's financial affairs and to ensure that one of the Force's officers has the responsibility for the administration of those affairs. That officer is the Director of Finance and Assets of the Chief Constable.
- Manage the Force's affairs to secure economic, efficient and effective use of resources and safeguard the assets under his operational control.

The Chief Finance Officer's Responsibilities

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

In preparing the 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;
- Complied with the Code of Practice.

DECLARATION

The Statement of Accounts gives a true and fair view of the financial position of the Chief Constable as a Corporation Sole at the accounting date and the Force's income and expenditure for the year ended 31st March 2025.

Signature:

Date:

Director of Finance and Assets to the Chief Constable

Signature:

Date:

Chief Constable for Cleveland Police

**INDEPENDENT AUDITOR'S REPORT TO THE CHIEF
CONSTABLE FOR CLEVELAND**

Report on the audit of the financial statements.

Opinion on the financial statements.

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NARRATIVE STATEMENT (PERFORMANCE/FINANCIAL REVIEW)

1. INTRODUCTION

This Foreword provides an overview of the accounting arrangements of the Police and Crime Commissioner for Cleveland and the Chief Constable (CC) of Cleveland Police.

In November 2012 the office of elected Police and Crime Commissioner (PCC) was established. At the same time the CC was established in law as a separate Corporation Sole.

The primary function of the PCC is to ensure an efficient and effective police service and to hold the CC to account on behalf of the public. The PCC is the recipient of all funding relating to policing and crime reduction, including government grant, precept and all other sources of income.

In turn the CC is responsible for maintaining the King's Peace and has direction and control over the Force's officers and staff. The CC holds office under the Crown but is appointed by the PCC. The CC operates within an annual budget set by the PCC in consultation with him. A scheme of consent is in operation between the two determining their respective responsibilities.

On the 1st April 2014 the PCC transferred designated staff to the employment of the CC under Stage 2 of the Police Reform and Social Responsibility Act.

The accounting arrangements between the PCC and CC during the financial year 2024/25 are that the accounts of the CC are integrated into the group accounts of the PCC. The PCC is responsible for the finances of the whole group and controls all assets, liabilities and reserves. The PCC receives all income and funding and makes all payments for the group.

2. THE STATEMENT OF ACCOUNTS

This Statement of Accounts covers the financial year ended 31st March 2025 and has been prepared in accordance with the provisions of the Local Audit and Accountability Act 2014 and the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

The CC spends funds on providing Policing Services on behalf of the PCC. To prepare the annual statements of the CC as a Corporation Sole within the overall group accounts of the PCC, two critical judgements in the application of accounting policies have been made and applied in respect of assets.

Firstly, within group accounts one entity must have 'control' over another. The PCC is, therefore, deemed to have 'control' over the CC and, hence, the substance of the asset control sits with the PCC. This is distinct from the operational control exercised by the CC. Consequently, all assets are shown in the accounts of the PCC rather than those of the CC.

Secondly, an asset is an item from which economic benefit is expected to flow to the entity. Economic benefit within the public sector must be measured by a change in General Fund balance due to the absence of profit-making activities. As the General Fund must be held by the PCC, and therefore, all movements shown in the Movement on Reserves Statement of the PCC, then any economic benefit must be deemed to be flowing to him.

In addition, regarding assets, the following apply:

- The CC is not allowed to borrow or have bank accounts and, therefore, these must sit with the PCC. Neither, can the CC hold any reserves and, therefore, under the matching concept, assets funded by borrowing and reserves should be in same set of books.
- Under legislation land must be owned and accounted for by the PCC. By controlling the land and, therefore, its sale, the PCC can be deemed to control the building which is located upon it.
- All contracts including PFI contracts are held by the PCC and, therefore, the assets and liabilities associated must be owned and accounted for by the PCC.

This results in 'nil' values for the above within the financial statements of the CC.

Regarding employees, the following judgement has also been made:

- In accordance with International Accounting Standard (IAS) 19 – Employee Benefits (IAS19), pension costs in respect of Police Officers and Police Staff employed by the CC are recorded in the accounts of the CC. These are then reversed out via the Movement on Reserves Statement. The CC also records the value of pension liability in the Balance sheet.

In order to show a cost associated with the overall operational activities of the Force, a Comprehensive Income & Expenditure Account is shown with an allocation of costs from the PCC being offset by funding provided by the PCC to an equal and opposite amount. The Net cost of service represents the IAS19 charges which are funded by the PCC on consolidation.

The Statements required by the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) are detailed below along with the objective of each statement:

Comprehensive Income and Expenditure Statement – This statement shows both the allocation of funding from the PCC and costs incurred by the Force in discharging its functions. In practice all funding is received, and the respective payments made, by the PCC. The balance on the comprehensive income and expenditure statement represents the impact of the pension obligations in line with accounting standard IAS19.

Movement in Reserves Statement – This statement shows the movement in the year on the different reserves. The CC holds the reserves in respect of pension liability and the movements are included within this statement in line with the accounting standard (IAS)19.

Balance Sheet – The Balance Sheet shows the value of the assets and liabilities as at 31st March 2025. These are the assets or liabilities in respect of the Police Pension Fund / Scheme and Local Government Pension Scheme in line with the accounting standard IAS19. Assets used by the CC in the delivery of policing services are held in the PCC's accounts and are charged for in the Comprehensive Income and Expenditure Statement.

Cash Flow Statement – The Cash Flow Statement shows the changes in cash and cash equivalents during the reporting period. However, as the PCC receives all income and funding and makes all payments for the Group from the PCC Police Fund, there are no cash flows for the CC. The costs of the operational activities undertaken by the CC are detailed in the Comprehensive Income and Expenditure Statement.

3. THE CHIEF CONSTABLE FOR CLEVELAND REVENUE POSITION

The Annual Statement of Accounts includes statutory technical adjustments that are not required to be reported against during the financial year such as IAS 19 Pension adjustments. It is therefore necessary to provide an audit trail of how the annual statements relate to the financial position reported throughout the year in the Corporate Financial Monitoring Reports. These reports are published throughout the year on the OPCC website following reviews by the Force's Executive Management Board and scrutinised at the PCC's scrutiny, delivery and performance meeting.

The following tables illustrate the difference between the two reporting mechanisms for transparency.

1) Management Accounts summary of the final outturn position of the CC: Table 1 below: -

| | Original 2024/25 Budget | Revised 2024/25 Budget | Year End 2024/25 Position | Outturn |
|---|-------------------------------|------------------------------|---------------------------------|--------------|
| Police Force Planned Expenditure | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> | <u>£000s</u> |
| Police Pay | 96,395 | 97,631 | 96,704 | (927) |
| Police Overtime | 3,055 | 4,148 | 4,248 | 100 |
| Police Community Support Officer Pay | 4,010 | 3,965 | 3,640 | (325) |
| Staff Pay | 38,915 | 39,622 | 40,094 | 472 |
| Non-Pay | 33,975 | 36,654 | 38,008 | 1,354 |
| Total Planned Expenditure | 176,350 | 182,019 | 182,694 | 675 |

2) Reconciliation of the Total Comprehensive Income and Expenditure Statement for CC and the Management Accounts outturn summary: -

| | |
|---|------------------|
| Total Comprehensive Income and Expenditure | £000's |
| Acturial Gains / /loss on Pension Schemes:- | (156,713) |
| Local Government Pension Scheme | (33,588) |
| Police Pension 1987 | 198,704 |
| Injury Awards | 9,248 |
| Police Pension 2006 | 15,043 |
| Police Pension 2015 | 22,263 |
| (Surplus) or Deficit on Provision of Service | 54,957 |
| Net change in Pension Liability | (79,774) |
| Employers Pension Contributions | 24,817 |
| Charge to Insurance Provision (funded by OPCC) | 0 |
| Resources Received from the PCC | 675 |
| Outturn | 675 |

Key Issues 2024 /2025

Pay Budgets

Police Pay

The Police pay and allowances budget represents 54% of the total Force budget and includes the costs associated with employees pay, allowances for example: Dog handler's allowances and expenses. It also covers the costs associated with employing Officers, employer's pension contributions and national insurance contributions.

The table below provides a summary of the current Police Officer numbers on the payroll against the planned establishment as per the Long-term financial plan. The Force has budgeted for an establishment of 1,557 FTE in the financial year, with a vacancy factor of 1.2% (-18.6 FTE). It is anticipated as this will fluctuate throughout the year in line with recruitment plans and leavers and retirement assumptions.

The projection for Police pay is for an £927K underspend.

The key drivers within the pay outturn projection remain consistent with the underlying costs been driven by :-

- 1) The current rank mix that is not reflective of the budgeted establishment. This is driving additional costs across several ranks from Sergeant to Executive level.
- 2) The on-going cost of temporary and acting salaries.
- 3) The impact of vacant posts within our collaborations.
- 4) A reduction in the projected Police Officer leavers, the impact of which is to increase costs over the life of the plan.
- 5) The ratio between officers in core roles and collaboration roles.

These costs have been offset by the release of additional budget which was ring-fenced to the HIU. The Force had budgeted for 45% of the overall costs of the HIU. As we have underspent within this area this budget has been released to offset underlaying pay pressures within Police pay.

The current head count for Police Officers is 1,555.

Police Community Support Officer Pay

The Police Community Support Officers and allowances budget represents 2.3% of the total Force budget and includes the costs associated with employees pay, allowances for example: weekend working. It also covers the costs associated with employing PCSO's, employer's pension contributions and national insurance contributions.

The outturn projection for PCSO pay is for an underspend of £325K on a budgeted FTE of 106 with a vacancy factor of 8.5%. The underspend is driven by the low starting point of 90 FTE and further reductions in year. The table below reflects the FTE as at 31st March which is 20 below LTFP.

Police Staff Pay

The Police Staff pay and allowances budget represents 22.2% of the total Force budget and includes the costs associated with employees pay, allowances for example: shift allowances and expenses. It also covers the costs associated with employing Police Staff, employer's pension contributions and national insurance contributions.

The police staff budgets also contain areas of significant risks, namely:
Delivery of the establishment re-alignment and associated savings there-in.
Significant variations in either the recruitment plans or leavers assumptions.
A vacancy factor of 2.5%.

The outturn is an overspend of £472K. The movement from the previous period is a result of the re-allocation of temporary pay costs from this area other pay and allowances noted above.

The overspend is driven by the current FTE of 874 being above the budgeted establishment whilst we transition to the new enabling services delivery model and improved recruitment and onboarding process.

A continued area of risk are People Services and ICT / DSD establishments, and it is anticipated that a more detailed review of the service areas are required to ensure the department has a "fit for purpose

structure" moving forward. As a result, it is anticipated that this review will feed into the FMS budget process for 2025/26 and will be agreed as part of the annual budget setting process.

Non-Pay.

The outturn position for non- pay expenditure was £1.354m. The main drivers of the overspend are detailed below:-

- 1) Motor vehicle insurance costs and the associated cost of claims and repair. Overspend of £0.154m.
- 2) General insurance premiums costs. Overspend of £0.263m
- 3) The costs of temporary staff contracts to support the transition within people services of £0.107m
- 4) Microsoft enterprise licences costs. Overspend of £0.174m
- 5) Police pension costs and injury awards. Overspend of £0.394m
- 6) Costs related Operation Marne. Unbudgeted of £0.078m.
- 7) General overspends across ICT and Service departments of 0.184m

Key points to note:

Operation Macadamia Financial implications.

The Force submitted its claim for costs incurred in respect of Operation Macadamia in line with the Home Office deadline of 30th September 2024. The submission amounted to £692K. The Force received notification that the claim would be paid in full and this has been released to offset the costs of the claim. It should be noted that the claim period only covered a portion of the periods the Force was required to stand up or deploy resources to. These additional costs are managed within the overall outturn.

Training Needs Analysis (TNA)

The Force continues to invest in the training needs of its workforce. Although this continues to be a risk with the increasing costs of training, increasing demand from the College of Policing and greater need for accreditation. The control measures deployed to limit expenditure in the later quarter of the year resulted in a small overspend in this area. Further work is on-going for 2025/26 and again this will require robust monitoring and reporting.

Summary of potential release from reserves / provisions.

The outturn position includes the release from reserves / provisions as detailed below. Reserves and provisions are used to smooth expenditure spikes e.g. Major incidents or known / pending liabilities e.g. Insurance claims. As a result of negotiations with the OPCC the following sums have been released.

| | | |
|--|---|-------|
| Insurance Provision: costs associated with legal claims: | | £927K |
| Operation Macadamia | : | £692K |
| NLEDS (Funded roles) | : | £100K |
| Major Incident Costs | : | £317K |
| Ill health retirements capital costs | : | £530K |

It should be noted that the release of the major incident reserve and Ill Health Capital costs reserve in 2024/25 now presents a risk in 2025/26. As the sums released have fully utilised the funds available. Therefore, any additional in-year costs above the 2025/26 budgeted position for these areas will have to be managed within the overall Force budget without reliance on a reserve contribution. Additionally, it would be prudent if the Force could allocate any future underspends to replenish these reserves to help smooth future year fluctuations.

Legal Fees & Provision for claims.

As noted above significant funds were released to pay for the liabilities in relation to insurance claims. In the last two months of the year several new claims and three old claims were re-instated which meant that our liabilities now exceed our provision. Further work is on-going to assess the validity of these claims, and an actuary review is due to report shortly to assess potential future liabilities. This position presents a significant financial risk to the Force in future years. The OPCC has indicated that any current underspend across the group this financial year will be allocated to this provision.

Force Core Revenue Budget: outturn is £675k Overspend.

The draft outturn position for the financial year is £675k overspend.

| | Budgeted Establishment 2024/25 | Available Workforce @ 31/3/25 | Variance to Budget 2023/2025 | Budgeted Establishment 2023/24 | Available Workforce @ 31/3/24 | Variance to Budget 2022/2024 |
|-----------------|-----------------------------------|----------------------------------|---------------------------------|-----------------------------------|----------------------------------|---------------------------------|
| | FTE | FTE | FTE | FTE | FTE | FTE |
| Police Officers | 1,557 | 1,525 | -32 | 1,513 | 1,511 | -2 |
| Police Staff* | 958 | 952 | -6 | 1,064 | 967 | -97 |
| Total | 2,515 | 2,477 | -38 | 2,557 | 2,478 | -99 |

* Police Staff includes PCSO (106 FTE, 86 actual FTE 31st March 2025).

4. CAPITAL

On 29th February 2024, the Group allocated the Force a capital budget of £5,189k for 2024/25. This represented new schemes totalling £4,331k and schemes already agreed to be carried forward into 2024/25 totalling £858k. Additional approval was given to carry a further £2,340k schemes forward into 2024/25 after the initial budget was agreed. The total schemes agreed to be carried forward is £3,198k. The annual approved budget at 1st April 2024 is £7,529k. Changes approved by the PCC (or the Chief Constable's CFO under delegated authority) in year resulted in a revised Capital budget of £5,298. (excluding PFI lifecycle costs).

The Group spent £5,117k on capital projects during the year and £575k on PFI lifecycle costs. The programme was fully financed by a combination of capital receipts and internal borrowing.

5. PENSIONS

As part of the terms and conditions of employment of its officers and designated staff, the CC offers retirement benefits. Although these will not actually be payable until employees retire, the CC has a commitment to make the payments. This is a requirement of IAS19. The commitment, therefore, needs to be recognised at the time that employees earn their future entitlement. The cost of this entitlement is recognised in the Comprehensive Income and Expenditure Account of the CC. A Pension liability of £1,175m is recorded in the Balance sheet of the CC.

6. CHANGE FROM 2023/24 POSITION

The 2024/25 statements highlight the following areas of change from the 2023/24 position:

Comprehensive Income & Expenditure Statement

Net Cost of Services (NCOS) has decreased by £0.237m. This is comprised of an decrease in the technical accounting adjustments to record the potential pension liability as at the end of the accounting period of £13.412m, an increase in Police Pay of £7.982m, increase in staff pay £2,723m, PCSO pay of £0.168m and an increase of non-pay & non distributed costs expenditure of £2.271m and £0.030m respectively.

Balance Sheet

The improvement in the Balance sheet of £189.243m reflects the decrease in Pension liability as reported by the actuary.

7. NON-FINANCIAL PERFORMANCE DATA

Performance management strategy and measurement framework

Our performance management strategy and associated measurement framework continues to reflect NPCC guidelines. The framework is outcome driven and has been built around the Chief Constable's mission and four strategic priorities:

- Protect people
- Protect communities
- Tackle criminals
- Be the best you can be

Within the framework we have identified a number of key performance outcomes which we are able to track and monitor using a wide range of quantifiable performance indicators alongside additional qualitative evidence and insight. Through our analysis of this data, we will be able to evidence the progress we have made and identify where further improvements are still required.

Overall public confidence and perceptions of police performance

In order to deliver effective policing services to our communities, we need to ensure a high level of public confidence. Both public confidence and perceptions of police performance are measured via the Crime Survey for England and Wales (CSEW).

The CSEW is a national survey, commissioned by the Home Office and conducted via face-to-face interviews. Although this information stream was temporarily paused during the COVID-19 pandemic due to methodological changes, Force level information is now available once again and is our primary source of data which allows us to track and monitor levels of public confidence amongst local communities. The most recent update (based on interviews undertaken in the 12 months to December 2024) would suggest that Cleveland Police has an overall public confidence rating of around 64% compared to the national average of 66%. This is 7% points higher than the rating for the 12-month period ending December 2023, (although not a statistically significant increase), and only 4% points lower than the pre-covid level (12-months ending March 2020).

Over the same period, perceptions of police performance were somewhat lower with 44% of local residents perceiving that the Cleveland Force does a good or excellent job compared to 39% during the 12-months to December 2023, and 51% in 12-months to the end of March 2020. The national average for England and Wales was 49%.

Victim satisfaction

The Force aims to place victims at the centre of everything that we do, achieving a high level of victim satisfaction is therefore a key performance outcome. Victim satisfaction is measured via a telephone based 'Victim Experience Survey' which has been in operation since May 2021. Over the past year over 1,300 victims were interviewed, and we achieved a response rate of 17%.

The results obtained via this survey are generally positive indicating an overall satisfaction level of around 73% (an improvement of 2% points on the previous year). There are however still some areas for improvement, particularly in relation to follow up and feedback, which despite a small increase on last year, continues to be the service aspect with the lowest level of satisfaction.

Victim satisfaction rates by service aspect

| Service aspect | Satisfaction rate |
|-----------------------------|-------------------|
| Ease of contact | 89% |
| Initial actions taken | 75% |
| Follow up | 64% |
| Treatment by officers/staff | 89% |
| Overall service provided | 73% |

Further analysis has shown that the main reasons for dissatisfaction include a lack of follow up or poor communication following the initial police response, and a feeling that not enough was done or no action was taken; this sometimes led to victims feeling that officers did not always take the victim's concerns seriously.

Recorded crime

Over the last 12 months there has been a 6% decrease in total recorded crime when compared to the previous year, this equates to around 4,500 fewer crimes, and therefore potential victims.

Once again decreases have been observed in relation to many of the headline categories of crime. This includes for example; violence (around 2,480 fewer crimes), public order (around 1,090 fewer crimes), vehicle crime (around 720 fewer crimes), residential burglary (around 610 fewer crimes) and criminal damage (around 570 fewer crimes).

In other areas however, the number of recorded offences has risen. In terms of volume this is most noticeable in relation to shoplifting (around 860 more offences) and drug related offences (around 490 more offences). Sexual offences and robbery have also risen albeit to a lesser extent (around 260 and 110 more offences respectively).

Antisocial behaviour (ASB) incidents

Incidents of antisocial behaviour have risen slightly over the past year, up 5% (around 860 more incidents) when compared to 2023-24. Further analysis shows that whilst most of this increase relates to 'nuisance' behaviour (around 510 more incidents) there has also been a rise in 'environmental incidents' (around 110 more incidents) and those of a 'personal' nature (around 240 more incidents).

Sickness absence

Sickness absence rates continue to fluctuate monthly and place an additional pressure on limited resources. In the 12 months to March 2025, the proportion of contractual hours lost due to sickness was around 6.3% for police officers and 5.9% for police staff. Whilst there has been a reduction in the proportion of police officer hours lost in the latest 12-month period, current levels of sickness absence are generally higher than those observed in other forces. For example, the national average is currently reported as 4.6% for officers and 5.0% for staff although these figures are now somewhat out of date (12 months to March 2024) and must therefore be treated with caution.

HMICFRS PEEL inspection

The Force's 2023-25 PEEL inspection report was published in April 2025. This assessed the Force's performance against nine areas of policing with graded judgements provided for eight of these areas as follows:

- Police powers and treating the public fairly and respectfully - good
- Preventing and deterring crime and antisocial behaviour, and reducing vulnerability – good
- Responding to the public – adequate
- Investigating crime - requires improvement
- Protecting vulnerable people - requires improvement
- Managing offenders and suspects – good
- Building, supporting and protecting the workforce – good
- Leadership and force management - adequate

The service that Cleveland Police gives to victims of crime was also inspected but not graded.

His Majesty's Chief Inspector of Constabulary recognised that the Force had improved the policing service it provides for the public and made progress in all areas since the last PEEL inspection. These improvements included a considerable investment in the Force's approach to prevention and the development of a problem-solving culture, the move to a geographic policing model, an improved understanding of how to support workforce wellbeing and revised governance and performance processes. HMICFRS also identified two areas of promising practice. However, further changes are still required and eight new areas for improvement (AFIs) were issued, all of which are now being progressed.

Governance and scrutiny arrangements associated with HMICFRS activity are the responsibility of the Deputy Chief Constable led GAIN (Governance of Audit and Inspection) Board. This board meets monthly and has responsibility for ensuring that the Force meets the standards of 'good' outlined in the HMICFRS Performance Assessment Framework (PAF) and responds effectively to areas for improvement arising from previous inspection activity. All areas of the PAF have a designated owner at Chief Officer Team level and a nominated delivery lead.

The Force's next PEEL inspection is due to take place in late 2026.

8. EVENTS AFTER THE REPORTING PERIOD

No adjusting post balance sheet events have been identified for the period accounting period 2024/25.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 31st MARCH 2025

This statement shows both the allocation of funding from the PCC and costs incurred by the Force in discharging its functions. In practice all funding is received, and the respective payments made, by the PCC. The statements have been prepared assuming the going concern concept, i.e. its functions and services will continue in operational existence for the foreseeable future. The balance on the Comprehensive Income and Expenditure Statement represents the impact of the pension obligations in line with the accounting standard IAS19.

| DETAIL | 2024/2025 | | | 2023/2024 | | |
|---|---------------------------|----------------------|-------------------------|---------------------------|----------------------|-------------------------|
| | Gross Expenditure £000 | Gross Income £000 | Net Expenditure £000 | Gross Expenditure £000 | Gross Income £000 | Net Expenditure £000 |
| Police Officer Pay Costs | 92,820 | 0 | 92,820 | 97,420 | 0 | 97,420 |
| Police Community Support Officer Pay Costs | 3,681 | 0 | 3,681 | 3,585 | 0 | 3,585 |
| Police Staff Support Pay Costs | 40,561 | 0 | 40,561 | 38,596 | 0 | 38,596 |
| Police Non Pay Costs | 37,795 | 0 | 37,795 | 35,524 | 0 | 35,524 |
| Undistributed Costs | 51 | 0 | 51 | 21 | 0 | 21 |
| Net Cost of Services | 174,908 | 0 | 174,908 | 175,145 | 0 | 175,145 |
| Intra Group Funding | | (182,533) | (182,533) | | (169,358) | (169,358) |
| Net Cost of Services | 174,908 | (182,533) | (7,625) | 175,145 | (169,358) | 5,787 |
| Other Operating Expenditure | | | 0 | | | 0 |
| Financing & Investment Income & Expenditure (Note 8) | | | 62,582 | | | 60,938 |
| (Surplus) or Deficit on Provision of Service | | | 54,957 | | | 66,725 |
| Re-measurement of defined benefit liability (Note 14) | | | (211,670) | | | (22,112) |
| Other Comprehensive Income and Expenditure | | | (211,670) | | | (22,112) |
| Total Comprehensive Income and Expenditure | | | (156,713) | | | 44,613 |

MOVEMENT ON RESERVES STATEMENT FOR THE YEAR **ENDED 31st MARCH 2025**

This statement shows the movement in the year on the different reserves. The CC holds the reserves in respect of pension liability and the movements are included within this statement in line with the accounting standard IAS19.

| | General Fund Balance £000 | Earmarked Reserves £000 | Capital Receipts Reserve £000 | Revenue Grants Unapplied Reserve £000 | Capital Grants Unapplied Reserve £000 | Total Usable Reserves £000 | Total Unusable Reserves £000 | Total CC Reserves £000 |
|---|------------------------------|----------------------------|----------------------------------|--|--|-------------------------------|---------------------------------|---------------------------|
| Balance at 31st March 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 1,364,316 | 1,364,316 |
| (Surplus) or deficit on provision of services (accounting basis) | 54,957 | 0 | 0 | 0 | 0 | 54,957 | 0 | 54,957 |
| Other Comprehensive Income and Expenditure | 0 | 0 | 0 | 0 | 0 | 0 | (244,200) | (244,200) |
| Total Comprehensive Expenditure and Income | 54,957 | 0 | 0 | 0 | 0 | 54,957 | (244,200) | (189,243) |
| Adjustments between accounting basis & funding basis under regulations Amount by which pension costs calculated in accordance with the Code are different from contributions due under the pension scheme regulations | (79,774) | 0 | 0 | 0 | 0 | (79,774) | 79,774 | 0 |
| | (79,774) | 0 | 0 | 0 | 0 | (79,774) | 79,774 | 0 |
| Employer's contributions payable to the Pension Fund and retirement benefits payable direct to pensioners | 24,817 | 0 | 0 | 0 | 0 | 24,817 | (24,817) | 0 |
| | 24,817 | 0 | 0 | 0 | 0 | 24,817 | (24,817) | 0 |
| Voluntary revenue provision for repayment of debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Adjustments between accounting basis & funding basis under regulations (Note 7) | (54,957) | 0 | 0 | 0 | 0 | (54,957) | 54,957 | 0 |
| Net (Increase) / Decrease before Transfers to Earmarked Reserves | (0) | 0 | 0 | 0 | 0 | (0) | (189,243) | (189,243) |
| Total Transfers (to)/from Reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (Increase) / Decrease in Year | (0) | 0 | 0 | 0 | 0 | (0) | (189,243) | (189,243) |
| Balance at 31 March 2025 | (0) | 0 | 0 | 0 | 0 | (0) | 1,175,073 | 1,175,073 |

MOVEMENT ON RESERVES STATEMENT FOR THE YEAR **ENDED 31st MARCH 2024**

| | General Fund Balance £000 | Earmarked Reserves £000 | Capital Receipts Reserve £000 | Revenue Grants Unapplied Reserve £000 | Capital Grants Unapplied Reserve £000 | Total Usable Reserves £000 | Total Unusable Reserves £000 | Total CC Reserves £000 |
|---|------------------------------|----------------------------|----------------------------------|--|--|-------------------------------|---------------------------------|---------------------------|
| Balance at 31st March 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 1,319,703 | 1,319,703 |
| (Surplus) or deficit on provision of services (accounting basis) | 66,725 | 0 | 0 | 0 | 0 | 66,725 | 0 | 66,725 |
| Other Comprehensive Income and Expenditure | 0 | 0 | 0 | 0 | 0 | 0 | (22,112) | (22,112) |
| Total Comprehensive Expenditure and Income | 66,725 | 0 | 0 | 0 | 0 | 66,725 | (22,112) | 44,613 |
| Adjustments between accounting basis & funding basis under regulations Amount by which pension costs calculated in accordance with the Code are different from contributions due under the pension scheme regulations | (85,824) | 0 | 0 | 0 | 0 | (85,824) | 85,824 | 0 |
| | (85,824) | 0 | 0 | 0 | 0 | (85,824) | 85,824 | 0 |
| Employer's contributions payable to the Pension Fund and retirement benefits payable direct to pensioners | 19,099 | 0 | 0 | 0 | 0 | 19,099 | (19,099) | 0 |
| | 19,099 | 0 | 0 | 0 | 0 | 19,099 | (19,099) | 0 |
| Voluntary revenue provision for repayment of debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Adjustments between accounting basis & funding basis under regulations (Note 7) | (66,725) | 0 | 0 | 0 | 0 | (66,725) | 66,725 | 0 |
| Net (Increase) / Decrease before Transfers to Earmarked Reserves | 0 | 0 | 0 | 0 | 0 | 0 | 44,613 | 44,613 |
| Total Transfers (to)/from Reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (Increase) / Decrease in Year | 0 | 0 | 0 | 0 | 0 | 0 | 44,613 | 44,613 |
| Balance at 31 March 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 1,364,316 | 1,364,316 |

BALANCE SHEET AT 31st MARCH 2025

The Balance Sheet shows the value of the assets and liabilities as at 31st March 2025. These are the assets or liabilities in respect of the Police Pension Fund and the Local Government Pension scheme in line with the accounting standard IAS19. Assets used by the CC in the delivery of policing services are charged for in the Comprehensive Income and Expenditure Statement.

| | Notes | 31 March 2025 £000 | 31 March 2024 £000 |
|------------------------------------|-------|-----------------------|-----------------------|
| Long Term Assets | | | |
| Property, Plant and Equipment | | - | - |
| Investment Property | | - | - |
| Intangible Assets | | - | - |
| Leased Assets | | - | - |
| Long Term Debtors | | - | - |
| Pension Asset | | - | - |
| Total Long Term Assets | | - | - |
| Current Assets | | | |
| Short Term Investments | | - | - |
| Assets Held for Sale | | - | - |
| Inventories | | - | - |
| Short Term Debtors | | - | - |
| Cash and Cash Equivalents | | - | - |
| Total Current Assets | | - | - |
| Total Assets | | - | - |
| Current Liabilities | | | |
| Cash and Cash Equivalents | | - | - |
| Short Term Borrowing | | - | - |
| Short Term Creditors | | - | - |
| Provisions | | - | - |
| Total Current Liabilities | | - | - |
| Long Term Creditors | | - | - |
| Provisions | | - | - |
| Long Term Borrowing | | - | - |
| Other Long Term Liabilities : PFI | | - | - |
| Pensions Liability | 14 | (1,175,073) | (1,364,316) |
| Total Long Term Liabilities | | (1,175,073) | (1,364,316) |
| Total Liabilities | | (1,175,073) | (1,364,316) |
| Net Liabilities | | (1,175,073) | (1,364,316) |
| Usable Reserves | | - | - |
| Unusable Reserves | 15 | 1,175,073 | 1,364,316 |
| Total Reserves | | 1,175,073 | 1,364,316 |

CASHFLOW STATEMENT 2024/2025

The Cash Flow Statement shows the changes in cash and cash equivalents during the reporting period. However, as the PCC receives all income and funding and makes all payments for the Group from the PCC Police Fund. There are no cash flows for the CC. The costs of the operational activities undertaken by the CC are detailed in the Comprehensive Income and Expenditure Statement.

| | 31 March 2024 £000 | 31 March 2023 £000 |
|---|-------------------------------|-------------------------------|
| OPERATING ACTIVITIES | | |
| <u>Cash Outflows</u> | - | - |
| <u>Cash Inflows</u> | - | - |
| Operating Activities Net Cash Flow | - | - |
| INVESTING ACTIVITIES | | |
| Investing Activities Net Cash Flow | - | - |
| Net Cash Outflow/(Inflow) before financing | - | - |
| FINANCING ACTIVITIES | | |
| Financing Activities Net Cash Flow | - | - |
| Net (Increase)/Decrease in cash | - | - |
| Cash brought forward | - | - |
| Cash carried forward | - | - |
| Net (Increase)/Decrease in cash | - | - |

NOTES TO THE CORE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

A) OVERHEADS AND SUPPORT SERVICES

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2024/25 (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, apart from:

- Undistributed Costs – the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

The cost categories are defined in SeRCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Cost of Services.

B) VALUE ADDED TAX

VAT is included in the accounts only if it is irrecoverable from His Majesty Revenue Customs (HMRC). There have been no significant VAT issues in 2024/25.

C) PRIOR PERIOD ADJUSTMENTS

Prior period adjustments, where material and applicable to prior years, are accounted for by restating the comparative figures for the preceding period in the Statement of Accounts and notes and adjusting the opening balance of the reserves for the cumulative effect.

D) REVENUE RECOGNITION

Revenue shall be measured at the fair value of the consideration received or receivable. Revenue is recognised only when it is probable that the economic benefits or service potential associated with the transaction will flow to the Group.

E) PENSIONS

The PCC Group participates in two different pension schemes, which meet the needs of police officers and support staff. The schemes provide members with defined benefits related to pay and service. Employees' and employers' contribution levels are based on percentages on pensionable pay set nationally by the Home Office and are subject to triennial review by the Government Actuary Department. The schemes are as follows: -

i) Uniformed Police

The CC meet the pension payments by the payment of an employer's pension contribution based on a percentage of pay into the pension fund.

The pension fund is balanced to nil each year by a transfer to/from the Police Fund.

This scheme has no assets and does not take into account the liabilities to pay pensions and other benefits after the period end.

ii) Support Staff

Support Staff, subject to certain qualifying criteria, are eligible to join the Local Government Superannuation Scheme, which is operated by Teesside Pension Fund. The pension costs charged to the CC accounts equate to the employer's contributions paid to the fund on behalf of eligible employees. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis.

The pensions costs included in the accounts in respect of these schemes have been determined in accordance with relevant Government Regulations. The CC complies with the requirements of IAS19 in that the Balance Sheet shows the full value of future liabilities in respect of retirement benefits payable to its employees.

The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) requires the following accounting policies to be applied to the various elements of the net asset/liability:

- Where a CC participates in more than one scheme, schemes with net assets should be shown separately from those with net liabilities.
- The attributable assets of each scheme should be measured at fair value, which is based on bid value.
- The attributable liabilities of each scheme should be measured on an actuarial basis using the projected unit method.
- Scheme liabilities should be discounted at a rate that reflects the time value of money and the characteristics of the liability.
- The surplus/deficit in each scheme is the excess/shortfall of the value of the assets in the scheme over/below the present value of the scheme.
- The current service cost should be based on the most recent actuarial valuation at the beginning of the period, with the financial assumptions updated to reflect conditions at that date.
- The interest cost should be based on the discount rate and the present value of the scheme liabilities at the beginning of the period.
- The expected return on assets is based on long-term expectations at the beginning of the period and is expected to be reasonably stable.
- Actuarial gains/losses may arise from any new valuation and from updating the latest actuarial valuation to reflect conditions at the balance sheet date.
- Past service costs should be disclosed on a straight-line basis over the period in which the increase in benefits rest.
- Losses arising on a settlement or curtailment not allowed for in the actuarial assumptions should be measured at the date on which the employer becomes demonstrably committed to the transaction and disclosed in the notes to the accounts covering that date. Gains arising from settlement/curtailments not allowed for in the actuarial assumptions should be measured at the date on which all parties whose consent is required are irrevocably committed to the transaction.

F) RESERVES

The CC records the impact of future pension liabilities in the unusable section of reserves. This is offset by a long-term liability.

G) POST BALANCE SHEET EVENTS

Events after the Balance Sheet date are reflected by the CC up to the date when the Statement of Accounts are authorised for issue.

H) CONTINGENT LIABILITIES

A contingent liability arises where an event has taken place that gives rise to a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but are disclosed in a note to the accounts.

I) CONTINGENT ASSETS

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

Contingent assets are not recognised in the Balance Sheet but are disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

J) JOINT CONTROLLED OPERATIONS

CC Cleveland engages in collaborative working arrangements with the Northumbria, North Yorkshire and Durham Forces. The collaborative arrangements cover the delivery of several specific services on a regional basis. (Details of which can be found at Note 16 of the accounts).

Each participant accounts for the assets it controls, the liabilities it incurs, the expenses that it incurs and the income receivable in relation to amounts re-charged to the venture.

The CC also engages in collaborative working in partnership with North Yorkshire and Durham Forces (Evolve). This Collaboration is monitored by a Joint Governance Board.

2. EXPENDITURE & FUNDING ANALYSIS

The Expenditure & Funding Analysis shows how the annual expenditure of the Force is consumed and the resources provided by the PCC in comparison with those resources consumed or earned by the Force in accordance with generally accepted accounting practice.

| | Expenditure Chargeable to the General Fund £000's | 2024/2025 Adjustments Between funding & Accounting Basis £000's | Net Expenditure in the CIES £000's | Expenditure Chargeable to the General Fund £000's | 2023/2024 Adjustments Between funding & Accounting Basis £000's | Net Expenditure in the CIES £000's |
|--|--|--|---|--|--|---|
| Funding | | | | | | |
| Police Officer Pay Costs | 100,952 | 8,132 | 92,820 | 92,971 | (4,449) | 97,420 |
| Police Community Support Officer Pay Costs | 3,641 | (40) | 3,681 | 3,472 | (114) | 3,585 |
| Police Staff Support Pay Costs | 40,094 | (467) | 40,561 | 37,371 | (1,224) | 38,596 |
| Police Non Pay Costs | 37,795 | 0 | 37,795 | 35,524 | 0 | 35,524 |
| Undistributed Costs | 51 | 0 | 51 | 21 | 0 | 21 |
| Net Cost of Services | 182,533 | 7,625 | 174,908 | 169,358 | (5,787) | 175,145 |
| Intra Group Funding | (182,533) | 0 | (182,533) | (169,358) | 0 | (169,358) |
| Net Cost of Services | 0 | 7,625 | (7,625) | 0 | (5,787) | 5,787 |
| Other Operating Expenditure (Note 9) | 0 | 0 | 0 | 0 | 0 | 0 |
| Financing & Investment Income & Expenditure (Note 8) | 0 | (62,582) | 62,582 | 0 | (60,938) | 60,938 |
| Taxation & Non-Specific Grant Income (Note 11) | 0 | 0 | 0 | 0 | 0 | 0 |
| (Surplus) or Deficit on Provision of Service | 0 | (54,957) | 54,957 | 0 | (66,725) | 66,725 |

| | Adjustments Between funding & Accounting Basis | Adjustments for Capital | Pension Adjustments | Other Adjustments |
|--|---|-------------------------------|------------------------|----------------------|
| | £000's | Note 2a £000's | Note 2b £000's | Note 2c £000's |
| Notes to Funding Analysis 2024/2025 | | | | |
| Police Officer Pay Costs | 8,132 | 0 | 8,132 | 0 |
| Police Community Support Officer Pay Costs | (40) | 0 | (40) | 0 |
| Police Staff Support Pay Costs | (467) | 0 | (467) | 0 |
| Police Non Pay Costs | 0 | 0 | 0 | 0 |
| Undistributed Costs | 0 | 0 | 0 | 0 |
| Net Cost of Services | 7,625 | 0 | 7,625 | 0 |
| Financing & Investment Income & Expenditure (Note 8) | (62,582) | 0 | (62,582) | 0 |
| (Surplus) or Deficit on Provision of Service | (54,957) | 0 | (54,957) | 0 |

| | Adjustments Between funding & Accounting Basis | Adjustments for Capital | Pension Adjustments | Other Adjustments |
|--|---|-------------------------------|------------------------|----------------------|
| | £000's | Note 2a £000's | Note 2b £000's | Note 2c £000's |
| Notes to Funding Analysis 2023/2024 | | | | |
| Police Officer Pay Costs | (4,449) | 0 | (4,449) | 0 |
| Police Community Support Officer Pay Costs | (114) | 0 | (114) | 0 |
| Police Staff Support Pay Costs | (1,224) | 0 | (1,224) | 0 |
| Police Non Pay Costs | 0 | 0 | 0 | 0 |
| Undistributed Costs | 0 | 0 | 0 | 0 |
| Net Cost of Services | (5,787) | 0 | (5,787) | 0 |
| Financing & Investment Income & Expenditure (Note 8) | (60,938) | 0 | (60,938) | 0 |
| (Surplus) or Deficit on Provision of Service | (66,725) | 0 | (66,725) | 0 |

2a Adjustments for Capital Purpose

Adjustments for capital purposes – 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 with a transfer of income on disposal of assets and amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those 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.

2b Pension Adjustments

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

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

2c 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 Financing and investment income and expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses and Deficits on the Collection Fund.

3. ACCOUNTING STANDARDS ISSUED NOT ADOPTED

No new accounting standards were issued that were not adopted.

4. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

Future government funding

There is a high degree of uncertainty about future levels of funding for police services. However, it has been determined that this uncertainty is not sufficient to provide an indication that the assets might be impaired and/or reduce levels of service provision.

Accounting principles

It has been determined that substantially all assets and reserves of the PCC Group are recognised on the Group Balance Sheet.

5. ASSUMPTIONS MADE ABOUT THE FUTURE & OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the CC about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances and transactions cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

Pension Liability: Estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages and mortality rates. A firm of consulting actuaries is engaged to provide the CC with expert advice about the assumptions to be applied. Details of which are contained within Note: 14 Pension liability. The overall pension liability at the 31st March 2025 is £1,175m.

6. MATERIAL ITEMS OF INCOME AND EXPENSE

There are no material items of income and expense which are not already disclosed on the face of the Comprehensive Income and Expenditure Statement or in the associated notes.

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS & FUNDING BASIS UNDER REGULATIONS

FOR THE YEAR ENDED 31ST MARCH 2025

| | General Fund Balance £000 | Earmarked Reserves £000 | Capital Receipts Reserve £000 | Revenue Grants Unapplied Reserve £000 | Capital Grants Unapplied Reserve £000 | Total Usable Reserves £000 | Total Unusable Reserves £000 | Total CC Reserves £000 |
|--|------------------------------|----------------------------|----------------------------------|--|--|-------------------------------|---------------------------------|---------------------------|
| Adjustments between accounting basis & funding basis under regulations | | | | | | | | |
| Amount by which pension costs calculated in accordance with the Code are different from contributions due under the pension scheme regulations | (79,774) | 0 | 0 | 0 | 0 | (79,774) | 79,774 | 0 |
| | (79,774) | 0 | 0 | 0 | 0 | (79,774) | 79,774 | 0 |
| Employer's contributions payable to the Pension Fund and retirement benefits payable direct to pensioners | 24,817 | 0 | 0 | 0 | 0 | 24,817 | (24,817) | 0 |
| | 24,817 | 0 | 0 | 0 | 0 | 24,817 | (24,817) | 0 |
| Voluntary revenue provision for repayment of debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Adjustments between accounting basis & funding basis under regulations | (54,957) | 0 | 0 | 0 | 0 | (54,957) | 54,957 | 0 |

FOR THE YEAR ENDED 31ST MARCH 2024

| | General Fund Balance £000 | Earmarked Reserves £000 | Capital Receipts Reserve £000 | Revenue Grants Unapplied Reserve £000 | Capital Grants Unapplied Reserve £000 | Total Usable Reserves £000 | Total Unusable Reserves £000 | Total CC Reserves £000 |
|--|------------------------------|----------------------------|----------------------------------|--|--|-------------------------------|---------------------------------|---------------------------|
| Adjustments between accounting basis & funding basis under regulations | | | | | | | | |
| Amount by which pension costs calculated in accordance with the Code are different from contributions due under the pension scheme regulations | (85,824) | 0 | 0 | 0 | 0 | (85,824) | 85,824 | 0 |
| | (85,824) | 0 | 0 | 0 | 0 | (85,824) | 85,824 | 0 |
| Employer's contributions payable to the Pension Fund and retirement benefits payable direct to pensioners | 19,099 | 0 | 0 | 0 | 0 | 19,099 | (19,099) | 0 |
| | 19,099 | 0 | 0 | 0 | 0 | 19,099 | (19,099) | 0 |
| Voluntary revenue provision for repayment of debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Adjustments between accounting basis & funding basis under regulations | (66,725) | 0 | 0 | 0 | 0 | (66,725) | 66,725 | 0 |

8. FINANCING AND INVESTMENT INCOME & EXPENDITURE

| | 2024/2025 £000 | 2023/2024 £000 |
|--|-------------------|-------------------|
| Pension interest cost & expected return on pension assets | 62,582 | 60,938 |
| Total Finance and Investment Income and Expenditure | 62,582 | 60,938 |

9. OFFICERS' EMOLUMENTS

During the financial year the numbers of police officers and staff whose remuneration, excluding employers' pension contributions, was £50,000 or more in bands of £5,000 were: **(Note: - the analysis in the table below includes only those bands which contain employees.)**

| Remuneration Band | Number of Employee 2024/25 | | | 2023/2024 |
|---------------------|----------------------------|---------------|------------|------------|
| | Police Officers | Support Staff | Total | |
| £50,000 - £54,999 | 238 | 37 | 275 | 229 |
| £55,000 - £59,999 | 142 | 15 | 157 | 122 |
| £60,000 - £64,999 | 113 | 6 | 119 | 97 |
| £65,000 - £69,999 | 57 | 0 | 57 | 35 |
| £70,000 - £74,999 | 42 | 0 | 42 | 11 |
| £75,000 - £79,999 | 14 | 1 | 15 | 9 |
| £80,000 - £84,999 | 3 | 4 | 7 | 9 |
| £85,000 - £89,999 | 8 | 3 | 11 | 7 |
| £90,000 - £94,999 | 2 | 4 | 6 | 5 |
| £95,000 - £99,999 | 5 | 0 | 5 | 2 |
| £100,000 - £104,999 | 4 | 1 | 5 | 5 |
| £105,000 - £109,999 | 1 | 0 | 1 | 0 |
| £110,000 - £114,999 | 0 | 0 | 0 | 2 |
| £120,000 - £124,999 | 0 | 1 | 1 | 1 |
| £125,000 - £129,999 | 0 | 0 | 0 | 3 |
| £130,000 - £134,999 | 2 | 0 | 2 | 0 |
| £140,000 - £144,999 | 1 | 0 | 1 | 0 |
| £175,000 - £179,999 | 0 | 0 | 0 | 1 |
| £190,000 - £194,999 | 1 | 0 | 1 | 0 |
| Total | 633 | 72 | 705 | 538 |

This table below includes senior employees and relevant police officers (as per the requirements of LAAP bulletin 85) which are disclosed by position or name (as required):

Remuneration Disclosure 2024/25:

The remuneration disclosures only include a classification of payment when costs have been incurred. As a result, bonus payments, compensation for loss of office and other payments have been excluded as no costs have been incurred.

| Post Holder | Annualised Salary | Salary (Including Fees & Allowances) | Expense Allowances | Benefits in Kind | Other Payments | Total Remuneration excluding Pension Contribution 24/25 | Pension Contributions |
|--------------------------------------|-------------------|--------------------------------------|--------------------|------------------|----------------|---|-----------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Chief Constable - M Webster : Note 1 | 189,292 | 191,695 | 507 | 1,380 | 0 | 193,582 | 66,641 |
| DCC | 141,838 | 141,838 | 45 | 739 | 0 | 142,622 | 50,053 |
| ACC 1 | 133,555 | 133,555 | 441 | 0 | 0 | 133,996 | 47,016 |
| ACC 2 | 62,296 | 62,296 | 0 | 0 | 0 | 62,296 | 39,081 |
| ACC 3 | 133,009 | 133,009 | 0 | 0 | 0 | 133,009 | 46,952 |
| CFO : CC | 120,440 | 120,440 | 0 | 0 | 0 | 120,440 | 18,668 |

Remuneration Disclosure 2023/24:

| Post Holder | Annualised Salary | Salary (Including Fees & Allowances) | Expense Allowances | Benefits in Kind | Other Payments | Total Remuneration excluding Pension Contribution 23/24 | Pension Contributions |
|-----------------------------|-------------------|--------------------------------------|--------------------|------------------|----------------|---|-----------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Chief Constable - M Webster | 178,683 | 178,541 | 100 | 4,882 | 0 | 183,522 | 53,858 |
| DCC 1 | 134,340 | 130,677 | 80 | 0 | 0 | 130,757 | 40,510 |
| ACC 1 | 129,600 | 126,067 | 1,645 | 14,953 | 0 | 142,665 | 39,081 |
| ACC 2 | 129,600 | 126,067 | 193 | 0 | 0 | 126,260 | 39,081 |
| ACC 3 | 122,307 | 120,248 | 0 | 0 | 0 | 120,248 | 37,277 |
| CFO : CC | 117,192 | 114,148 | 0 | 0 | 0 | 114,148 | 16,985 |

Key: -

DCC = Deputy Chief Constable

ACC = Assistant Chief Constable

CFO (CC) = Chief Finance Officer of the Chief Constable

10. TERMINATION BENEFITS

In the financial year no termination benefits were paid. (£0.000m 2023/24).

11. RELATED PARTIES

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

Central Government has effective control over the general operations of the CC – it is responsible for providing the statutory framework within which the CC operates and provides the majority of its funding in the form of Grants (via the PCC Group) and prescribes the terms of many of the transactions the CC has with other parties. Grants received by the Group from Government Departments are included within the Intra Group funding on the face of the CIES.

All transactions with other public bodies were made with the PCC and are disclosed in the Group and PCC financial statements.

There were no related party transactions involving the CC, or chief officers of the Force.

The Police and Crime Commissioner for Cleveland (PCC) primary function is to ensure an efficient and effective police service and to hold the CC to account on behalf of the public. The PCC is the recipient of all funding relating to policing and crime reduction, including government grant, precept and all other sources of income. The PCC provides all the funding to the CC for the delivery of Policing function.

12. AUDIT COSTS

The CC incurred the following fees totalling £41k relating to external audit:

| | 2024/2025 £000 | 2023/2024 £000 |
|--|-------------------|-------------------|
| Fees payable to external audit with regard to external audit services carried out by the appointed auditor | 41 | 47 |
| Total Audit Costs | 41 | 47 |
| | | |

13. PENSIONS

As part of the terms and conditions of employment of its officers and designated staff the CC offers retirement benefits. Although these benefits will not actually be payable until employees retire, the CC has a commitment to disclose the payments that will need to be made at the time that employees earn their future entitlement.

The CC participates in two Pension schemes namely:

The **Police Pension Scheme** for police officers. This is an unfunded scheme, meaning that there are no investment assets built up to meet the pension liabilities, and cash must be generated to meet actual pensions payments as they eventually fall due. Participants of the scheme can leave the scheme within two years of their joining date and receive a full refund of their contributions.

The **Local Government Pension Scheme** for police staff, Teesside Pension Fund administered by XPS Pensions Group – this is a funded scheme, meaning that the employer and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. Participants of the scheme can leave the scheme within two years of their joining date and receive a full refund of their contributions.

We recognise the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on injury and medical pensions paid in the year and the capital equivalent charge as a result of medical and injury early retirements, so the real cost of retirement benefits is reversed out within the Movement on Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement during the year:

| | Local Government Pension Scheme | | Police Pension Scheme | | Total | |
|--|---------------------------------|-------------------|-----------------------|-------------------|-------------------|-------------------|
| | 2024/2025 £000 | 2023/2024 £000 | 2024/2025 £000 | 2023/2024 £000 | 2024/2025 £000 | 2023/2024 £000 |
| Comprehensive Income and Expenditure Statement | | | | | | |
| Cost of Services: | | | | | | |
| Current service cost | 5,704 | 6,006 | 11,488 | 12,744 | 17,192 | 18,750 |
| Curtailment/settlements | - | - | - | - | - | - |
| Past service cost | - | - | - | 6,136 | - | 6,136 |
| Financing and Investment Income and Expenditure | | | | | | |
| Interest cost | 8,511 | 8,151 | 64,147 | 61,631 | 72,658 | 69,782 |
| Expected return on assets | (10,076) | (8,844) | - | - | (10,076) | (8,844) |
| Total Post employment Benefit Charged to the Surplus and Deficit on Provision of Service | 4,139 | 5,313 | 75,635 | 80,511 | 79,774 | 85,824 |
| Other post employment Benefit Charged to the CIES | | | | | | |
| Return on Plan assets | 4,217 | (10,514) | - | - | 4,217 | (10,514) |
| Actuarial (gains) /losses : Financial Assumptions | (31,414) | (11,627) | (201,691) | (46,470) | (233,105) | (58,097) |
| Actuarial (gains) /losses: Demographic assumptions | (306) | (984) | (8,800) | (15,388) | (9,106) | (16,372) |
| Actuarial (gains) /losses : liability experience | (1,530) | 5,196 | 2,108 | 58,578 | 578 | 63,774 |
| Total Post Employment Benefit Charged to the CIES | (24,894) | (12,616) | (132,748) | 77,231 | (157,642) | 64,615 |
| Movement in Reserves Statement: | | | | | | |
| Reversal of net changes made to the surplus or deficit for the Provisions of Services for post employment benefits in accordance with the code | (4,139) | (5,313) | (75,635) | (80,511) | (79,774) | (85,824) |
| Actual amount charged against General fund balances for pensions in the year: | | | | | | |
| Contribution in year | 5,170 | 4,643 | 19,620 | 14,431 | 24,790 | 19,074 |

Employer contributions are calculated as the difference between the benefits paid and the member contributions in the year.

| | Local Government Pension Scheme | | 1987 Police Pension Scheme | | Injury Awards | | 2006 Police Pension Scheme | | 2015 Police Pension Scheme | | Total | |
|--|---------------------------------|------------------|----------------------------|------------------|------------------|------------------|----------------------------|------------------|----------------------------|------------------|------------------|------------------|
| | 31/03/25 £000 | 31/03/24 £000 | 31/03/25 £000 | 31/03/24 £000 | 31/03/25 £000 | 31/03/24 £000 | 31/03/25 £000 | 31/03/24 £000 | 31/03/25 £000 | 31/03/24 £000 | 31/03/25 £000 | 31/03/24 £000 |
| Estimated funded liabilities in scheme | 152,341 | 173,701 | - | - | - | - | - | - | - | - | 152,341 | 173,701 |
| Estimated unfunded liabilities in scheme | 232 | 257 | 1,012,250 | 1,178,258 | 60,357 | 68,745 | 44,166 | 56,662 | 58,300 | 60,651 | 1,175,305 | 1,364,573 |
| Less :Estimated assets in scheme | 215,194 | 206,488 | - | - | - | - | - | - | - | - | 215,194 | 206,488 |
| Net Liability | (62,621) | (32,530) | 1,012,250 | 1,178,258 | 60,357 | 68,745 | 44,166 | 56,662 | 58,300 | 60,651 | 1,112,452 | 1,331,786 |

Note 14 contains details of the assumptions made in estimating the figures included in this note.

14. PENSIONS LIABILITY.

Note 1E of the accounting policies contains details of the CC's participation in the Police Pension Scheme and Local Government Pension Scheme in providing police officers and designated staff with retirement benefits.

The underlying assets and liabilities for retirement benefits attributable to the CC at 31st March 2025 are as follows.

- The liabilities show the underlying commitments that the PCC has in the long run to pay retirement benefits. The total net liability of £1,175m has a substantial impact on the net worth of the CC as recorded in the Balance Sheet, resulting in a negative overall balance of £1,175m.

However, statutory arrangements for funding the deficit mean that the financial position of the PCC remains healthy.

- Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The Police Pension Scheme Fund and Local Government Pension Scheme liabilities have been assessed by Aon Hewitt and Hyman Robertson, independent firm of actuaries, with estimates for the CC being based on the latest full valuation of the scheme as at 31st March 2023.

The main assumptions used in their calculations are detailed below:

| | Local Government Pension Scheme | | Police Pension Scheme | |
|---|---------------------------------|----------|-----------------------|----------|
| | 31/03/25 | 31/03/24 | 31/03/25 | 31/03/24 |
| Pension account revaluation-2015 | 0.0% | 0.0% | 3.8% | 3.9% |
| Rate of inflation (CPI) (Note 1) | 2.8% | 2.8% | 2.5% | 2.6% |
| Rate of increase in salaries | 3.8% | 3.8% | 3.5% | 3.6% |
| Rate of increase in pensions | 2.8% | 2.8% | 2.5% | 2.6% |
| Rate for discounting scheme liabilities | 5.8% | 4.9% | 5.8% | 4.8% |

Note 1: The accounting standard requires employers to use their best estimate of long-term inflation (consumer prices inflation for the LGPS). Therefore, the assumption in the table above represents our best estimate of average annual inflation for the next 20 years.

| Mortality Assumptions | | | | |
|-----------------------|---------------------------------|---------|----------------------------|---------|
| | Local Government Pension Scheme | | All Police Pension Schemes | |
| | Males | Females | Males | Females |
| Retiring today | 20.40 | 23.40 | 21.60 | 23.60 |
| Retiring in 20 years | 21.20 | 24.90 | 22.80 | 25.00 |

The Police Pension Scheme has no assets to cover its liabilities. Assets in the Teesside Pension Fund are valued at fair value, principally market value for investments, and consist of the following categories, by proportion of the total assets held by the Fund:

| | Assets at 31 March 2024 | | Assets at 31 March 2025 | | Asset Split as at 31 March 2025 | |
|--------------|-------------------------|---------------|-------------------------|---------------|---------------------------------|---------------|
| | £000 | % | £000 | % | Quoted | Unquoted |
| Equities | 178,539 | 86.5% | 174,052 | 81.0% | 0.0% | 81.0% |
| Property | 20,449 | 9.9% | 23,574 | 11.0% | 0.0% | 11.0% |
| Cash | 7,500 | 3.6% | 17,568 | 8.0% | 0.0% | 8.0% |
| Total | 206,488 | 100.0% | 215,194 | 100.0% | 0.0% | 100.0% |

The table below summaries the Re-measurements of the defined benefit liability as recognised in the CC CIES: -

| Analysis of Amount Recognised in Other Comprehensive Income | | | | | | | | | | |
|---|---------------------------------|---------------------------|----------------------------|------------------|------------------|------------------|----------------------------|------------------|----------------------------|------------------|
| | Local Government Pension Scheme | | 1987 Police Pension Scheme | | Injury Awards | | 2006 Police Pension Scheme | | 2015 Police Pension Scheme | |
| | Year to 31/03/25 | Year to 31/03/24 Restated | Year to 31/03/25 | Year to 31/03/24 | Year to 31/03/25 | Year to 31/03/24 | Year to 31/03/25 | Year to 31/03/24 | Year to 31/03/25 | Year to 31/03/24 |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Actual Return Less Expected return on Pension Scheme Assets | (4,217) | 10,514 | 36,875 | 33,433 | 0 | 0 | 0 | 0 | 0 | 0 |
| Experience Gains and Losses Arising on the Scheme Liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Experience Gains/(Losses) on Liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Changes in Demographic/Financial Assumptions Underlying the Present Value of the Scheme Liabilities | 33,250 | 7,415 | 161,829 | 12,540 | 9,248 | (3,839) | 15,043 | (46) | 22,263 | (5,375) |
| Asset ceiling Adjustment | (62,621) | (32,530) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Actuarial Gain/(Loss) in Pension Plan | (33,588) | (14,601) | 198,704 | 45,973 | 9,248 | (3,839) | 15,043 | (46) | 22,263 | (5,375) |
| Actuarial Gain/ (Loss) Recognised in Other Comprehensive Income | (33,588) | (14,601) | 198,704 | 45,973 | 9,248 | (3,839) | 15,043 | (46) | 22,263 | (5,375) |

NB: Asset Ceiling Adjustment.

An asset ceiling test limits the amount of the net pension asset that can be recognised to the lower of:-

- (1) the amount of the net pension asset or
- (2) the present value of any economic benefits available in the form of refunds or reductions in future contributions to the plan.

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The Force's actuary has calculated the present value of reduction in future contributions to the plan by calculating the net present value of future service costs less net present value of future contributions.

The application of the asset ceiling test has resulted in an adjustment of £62,621m in 2024/25 and £32.530m in 2023/24 from the actuarial valuation

Summary of Costs recognised in Other Comprehensive Income: -

| | 31/03/25 | 31/03/24 |
|---------------------------------|----------------|---------------|
| | £000 | £000 |
| Local Government Pension Scheme | (33,588) | (14,601) |
| 1987 Police Pension Scheme | 198,704 | 45,973 |
| Injury Awards | 9,248 | (3,839) |
| 2006 Police Pension Scheme | 15,043 | (46) |
| 2015 Police Pension Scheme | 22,263 | (5,375) |
| Total | 211,670 | 22,112 |

| Asset and Benefit Obligation Reconciliation | | | | | | | | | | |
|---|---------------------------------|--------------------------|----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| | Local Government Pension Scheme | | 1987 Police Pension Scheme | | Injury Awards | | 2006 Police Pension Scheme | | 2015 Police Pension Scheme | |
| | Year to 31/03/25 £000 | Year to 31/03/24 £000 | Year to 31/03/25 £000 | Year to 31/03/24 £000 | Year to 31/03/25 £000 | Year to 31/03/24 £000 | Year to 31/03/25 £000 | Year to 31/03/24 £000 | Year to 31/03/25 £000 | Year to 31/03/24 £000 |
| Opening Defined Benefit Obligation | 173,958 | 170,032 | 1,178,258 | 1,105,419 | 68,745 | 63,765 | 56,662 | 33,399 | 60,651 | 132,366 |
| Current Service Cost | 5,704 | 6,006 | 0 | 0 | 1,028 | 1,098 | 0 | 0 | 10,460 | 11,646 |
| Interest Cost | 8,511 | 8,151 | 55,149 | 50,752 | 3,219 | 2,930 | 2,716 | 1,568 | 3,063 | 6,381 |
| Actuarial losses (gains) | (33,250) | (7,415) | (161,829) | (12,540) | (9,248) | 3,839 | (15,043) | 46 | (22,263) | 5,375 |
| Losses (gains) on curtailments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Liabilities extinguished on settlements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Liabilities assumed in a business combination | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Estimated benefits paid net of transfers in | (4,505) | (4,838) | (59,331) | (51,773) | (3,387) | (2,887) | (174) | (96) | (1,009) | (756) |
| Past Service Cost | 0 | 0 | 0 | 86,395 | 0 | 0 | 0 | 21,741 | 0 | (102,000) |
| Contribution by Scheme participants | 2,182 | 2,047 | 3 | 5 | 0 | 0 | 5 | 4 | 7,398 | 7,639 |
| Additional Employer Contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unfunded pension payments | (27) | (25) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Closing Defined Benefit Obligation | 152,573 | 173,958 | 1,012,250 | 1,178,258 | 60,357 | 68,745 | 44,166 | 56,662 | 58,300 | 60,651 |

| | | | | | | | | | | |
|---|----------------|----------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Opening fair value of Scheme assets | 206,488 | 185,278 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expected return on Scheme assets | 10,076 | 8,844 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Actuarial gains (losses) | (4,217) | 10,514 | 36,875 | 33,433 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contributions by employer including unfunded benefits | 5,197 | 4,668 | 22,453 | 18,335 | 3,387 | 2,887 | 169 | 92 | (6,389) | (6,883) |
| Contributions by Scheme participants | 2,182 | 2,047 | 3 | 5 | 0 | 0 | 5 | 4 | 7,398 | 7,639 |
| Change to Accounting Policies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Estimated benefits paid including unfunded benefits | (4,532) | (4,863) | (59,331) | (51,773) | (3,387) | (2,887) | (174) | (96) | (1,009) | (756) |
| Gain on Settlement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asset ceiling Adjustment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fair Value of Scheme Assets at end of Period | 215,194 | 206,488 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Reconciliation of Opening and Closing Net Obligation | | | | | | | | | | |
|--|----------|----------|--------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Opening Surplus / (Deficit) | 32,530 | 15,246 | (1,178,258) | (1,105,419) | (68,745) | (63,765) | (56,662) | (33,399) | (60,651) | (132,366) |
| Current Service Cost | (5,704) | (6,006) | 0 | 0 | (1,028) | (1,098) | 0 | 0 | (10,460) | (11,646) |
| Contributions by employer including unfunded benefits | 5,197 | 4,668 | 22,453 | 18,335 | 3,387 | 2,887 | 169 | 92 | (6,389) | (6,883) |
| Past Service Costs | 0 | 0 | 0 | (86,395) | 0 | 0 | 0 | (21,741) | 0 | 102,000 |
| Interest Costs | (8,511) | (8,151) | (55,149) | (50,752) | (3,219) | (2,930) | (2,716) | (1,568) | (3,063) | (6,381) |
| Expected return on Scheme assets | 10,076 | 8,844 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Actuarial (losses) gains | 29,033 | 17,929 | 198,704 | 45,973 | 9,248 | (3,839) | 15,043 | (46) | 22,263 | (5,375) |
| Asset ceiling Adjustment | (62,621) | (32,530) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fair Value of Scheme Assets/ (Liabilities) at end of Period | 0 | 0 | (1,012,250) | (1,178,258) | (60,357) | (68,745) | (44,166) | (56,662) | (58,300) | (60,651) |

| Summary Reconciliation of Closing Net Obligation | | | |
|--|--------------------|--------------------|--|
| | 31/03/25 £000 | 31/03/24 £000 | |
| Local Government Pension Scheme | 0 | 0 | |
| 1987 Police Pension Scheme | (1,012,250) | (1,178,258) | |
| Injury Awards | (60,357) | (68,745) | |
| 2006 Police Pension Scheme | (44,166) | (56,662) | |
| 2015 Police Pension Scheme | (58,300) | (60,651) | |
| Total | (1,175,073) | (1,364,316) | |

| Impact Assets Ceiling Adjustment | | | |
|--|------------------|------------------|--|
| | 31/03/25 £000 | 31/03/24 £000 | |
| Closing Defined Benefit Obligation | (152,573) | (173,958) | |
| Fair Value of Scheme Assets at end of Period | 215,194 | 206,488 | |
| Asset ceiling Adjustment | (62,621) | (32,530) | |
| Total | 0 | 0 | |

The table below provides details of estimated Pension expenses in future periods: -

| | Police Pension Schemes | Local Government Pensions |
|-------------------|-------------------------------|----------------------------------|
| | Year to 31/03/26 | Year to 31/03/26 |
| | £000s | £000s |
| Funded: - | | |
| Service cost | 6,489 | 4,068 |
| Net Interest cost | 66,477 | (3,664) |
| Total | 72,966 | 404 |

| | Police Pension Schemes | Local Government Pensions |
|--------------------|-------------------------------|----------------------------------|
| | Year to 31/03/26 | Year to 31/03/26 |
| | £000s | £000s |
| UnFunded :- | | |
| Service cost | - | - |
| Net Interest cost | - | - |
| Total | - | - |

| Funded LGPS benefits : Cleveland Police | Sensitivity Analysis | | |
|--|-----------------------------|-------------------|-------------------|
| | +0.1% p.a. | Base 24/25 | -0.1% p.a. |
| Discount Rate Assumptions | | | |
| Present Value of total obligation (£000's) | 155,638 | 152,573 | 149,508 |
| % change in present value of total obligation | 2.0% | | -2.0% |
| Rate of General increase in Salaries | | | |
| Present Value of total obligation (£000's) | 152,723 | 152,573 | 152,423 |
| % change in present value of total obligation | 0.1% | | -0.1% |
| Rate of increase in pensions in payment and deferred pensions assumptions, and rate of pension accounts assumptions | | | |
| Present Value of total obligation (£000's) | 155,573 | 152,573 | 149,573 |
| % change in present value of total obligation | 2.0% | | -2.0% |
| Post retirement mortality assumption | +1 Year | Base 24/25 | -1 Year |
| Present Value of total obligation (£000's) | 158,676 | 152,573 | 146,470 |
| % change in present value of total obligation | 4.0% | | -4.0% |

| Police Pension Schemes | Sensitivity Analysis | | |
|--|----------------------|-------------------|----------------|
| | Cleveland Police | | |
| | +0.1% p.a. | Base 24/25 | -0.1% p.a. |
| 1987 Police Pension Scheme:- | | | |
| Discount Rate Assumptions | | | |
| Present Value of total obligation (£000's) | 999,091 | 1,012,250 | 1,025,409 |
| % change in present value of total obligation | -1.3% | | 1.3% |
| Rate of General increase in Salaries | | | |
| Present Value of total obligation (£000's) | 1,013,262 | 1,012,250 | 1,011,238 |
| % change in present value of total obligation | 0.1% | | -0.1% |
| Rate of increase in pensions in payment and deferred pensions assumptions, and rate of pension accounts assumptions | | | |
| Present Value of total obligation (£000's) | 1,024,397 | 1,012,250 | 1,000,103 |
| % change in present value of total obligation | 1.2% | | -1.2% |
| Post retirement mortality assumption | +1 Year | Base 24/25 | -1 Year |
| Present Value of total obligation (£000's) | 1,035,532 | 1,012,250 | 988,968 |
| % change in present value of total obligation | 2.3% | | -2.3% |
| 2006 Police Pension Scheme:- | | | |
| Discount Rate Assumptions | | | |
| Present Value of total obligation (£000's) | 43,062 | 44,166 | 45,270 |
| % change in present value of total obligation | -2.5% | | 2.5% |
| Rate of General increase in Salaries | | | |
| Present Value of total obligation (£000's) | 44,740 | 44,166 | 43,592 |
| % change in present value of total obligation | 1.3% | | -1.3% |
| Rate of increase in pensions in payment and deferred pensions assumptions, and rate of pension accounts assumptions | | | |
| Present Value of total obligation (£000's) | 44,696 | 44,166 | 43,636 |
| % change in present value of total obligation | 1.2% | | -1.2% |
| Post retirement mortality assumption | +1 Year | Base 24/25 | -1 Year |
| Present Value of total obligation (£000's) | 45,182 | 44,166 | 43,150 |
| % change in present value of total obligation | 2.3% | | -2.3% |
| Injury Awards :- | | | |
| Discount Rate Assumptions | | | |
| Present Value of total obligation (£000's) | 59,512 | 60,357 | 61,202 |
| % change in present value of total obligation | -1.4% | | 1.4% |
| Projected Service Costs (£000's) | 879 | 907 | 936 |
| Approx % Change in Projected Service Cost | -3.1% | | 3.2% |
| Rate of General increase in Salaries | | | |
| Present Value of total obligation (£000's) | 60,478 | 60,357 | 60,236 |
| % change in present value of total obligation | 0.2% | | -0.2% |
| Projected Service Costs (£000's) | 907 | 907 | 907 |
| Approx % Change in Projected Service Cost | 0.0% | | 0.0% |
| Rate of increase in pensions in payment and deferred pensions assumptions, and rate of pension accounts assumptions | | | |
| Present Value of total obligation (£000's) | 61,081 | 60,357 | 59,633 |
| % change in present value of total obligation | 1.2% | | -1.2% |
| Projected Service Costs (£000's) | 936 | 907 | 879 |
| Approx % Change in Projected Service Cost | 3.2% | | -3.1% |
| Post retirement mortality assumption | +1 Year | Base 24/25 | -1 Year |
| Present Value of total obligation (£000's) | 61,745 | 60,357 | 58,969 |
| % change in present value of total obligation | 2.3% | | -2.3% |
| Projected Service Costs (£000's) | 928 | 907 | 886 |
| Approx % Change in Projected Service Cost | 2.3% | | -2.3% |
| 2015 Police Pension Scheme :- | | | |
| Discount Rate Assumptions | | | |
| Present Value of total obligation (£000's) | 56,726 | 58,300 | 59,932 |
| % change in present value of total obligation | -2.7% | | 2.8% |
| Projected Service Costs (£000's) | 5,152 | 5,582 | 6,029 |
| Approx % Change in Projected Service Cost | -7.7% | | 8.0% |
| Rate of General increase in Salaries | | | |
| Present Value of total obligation (£000's) | 58,300 | 58,300 | 58,300 |
| % change in present value of total obligation | 0.0% | | 0.0% |
| Projected Service Costs (£000's) | 5,582 | 5,582 | 5,582 |
| Approx % Change in Projected Service Cost | 0.0% | | 0.0% |
| Rate of increase in pensions in payment and deferred pensions assumptions, and rate of pension accounts assumptions | | | |
| Present Value of total obligation (£000's) | 59,932 | 58,300 | 56,726 |
| % change in present value of total obligation | 2.8% | | -2.7% |
| Projected Service Costs (£000's) | 6,029 | 5,582 | 5,152 |
| Approx % Change in Projected Service Cost | 8.0% | | -7.7% |
| Post retirement mortality assumption | +1 Year | Base 24/25 | -1 Year |
| Present Value of total obligation (£000's) | 59,641 | 58,300 | 56,959 |
| % change in present value of total obligation | 2.3% | | -2.3% |
| Projected Service Costs (£000's) | 5,889 | 5,582 | 5,269 |
| Approx % Change in Projected Service Cost | 5.5% | | -5.6% |

15. UNUSABLE RESERVES

| Description of Reserve | 31 March 2023 £000 | Additions in Year £000 | Reductions in Year £000 | 31 March 2024 £000 | Additions in Year £000 | Reductions in Year £000 | 31 March 2025 £000 |
|--------------------------------|-----------------------|------------------------------|-------------------------------|--------------------------|------------------------------|-------------------------------|-----------------------|
| Pension Reserve | 1,319,703 | (82,585) | 127,198 | 1,364,316 | (341,714) | 152,471 | 1,175,073 |
| Total Unusable Reserves | 1,319,703 | (82,585) | 127,198 | 1,364,316 | (341,714) | 152,471 | 1,175,073 |
| | | | | | | | |

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. Further information can be found in Note 13: Pensions.

16. ACCOUNTING FOR COLLABORATIVE ARRANGEMENTS

The Cleveland Police Force has five strategic collaborative arrangements that are classified as Joint Operations under the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

They are:

1. Northeast Regional Organised Crime Unit (NEROCU) (rebranded from Northeast Regional Special Operations Unit (NERSOU).
2. Cleveland North Yorkshire Major Cold Case Review Team
3. National Police Air Service (NPAS).
4. Cleveland Durham Tactical Training Unit (TTC)
5. Forensic Collision Investigation (FCIN)

In line with the requirements under IFRS 3, 10, 11 and 12 as well as IAS27 and 28 and in line with the CIPFA Code of Practice the following notes must be disclosed in the annual statements.

1 North East Regional Organised Crime Unit (NEROCU)

NEROCU is a joint unit staffed by the Cleveland, Durham and Northumbria Police Forces to deliver an increased response to tackling serious and organised crime that transcends Force borders in the region. It comprises several highly specialised teams of officers and staff from the three Forces who work with embedded partners from Her Majesty's Revenue and Customs (HMRC), UK Border Force and the National Crime Agency (NCA) to effectively tackle serious and organised crime across the region.

In accordance with the CIPFA Code of Practice mechanism it was determined that the arrangement be classified as a Joint Operation therefore there are no group accounting considerations only single entity statements are required.

The governance of the Joint Operation is managed through a Section 22A Agreement whereby the three Forces have equal voting rights in terms of decision made about the unit, but the funding is through a combination of Home Office Grants and Force contributions. The Force allocation is based on Home Office Core Grant allocations and for the financial period April 2023 to March 2025 the funding contributions made were Cleveland 24.30%, Durham 22.74% and Northumbria 52.96%.

Jointly funded assets are classified and those purchased through specific Home Office grants and by contributions from each force. These are currently valued at £1,554K (NBV) of which Cleveland's share is valued at £402K. The unit has reserves of £792K of which Cleveland's share is £190K (Prior year £183K).

NEROCU operates throughout the North East region.

The statement below highlights the income and expenditure, assets and liabilities for the financial year 2024/25 as required under the Section 22A agreement.

| North East Regional Organised Crime Unit | | | | |
|--|------------------------------|---------------------------------------|--|--|
| | Apportionment Total Costs | Durham 2024/25 22.74% £000's | Cleveland 2024/25 24.30% £000's | Northumbria 2024/25 52.96% £000's |
| Employees Costs | 17,643 | 4,012 | 4,287 | 9,344 |
| Non Pay Costs | 2,752 | 626 | 669 | 1,457 |
| Income | (7,004) | (1,593) | (1,702) | (3,709) |
| | 13,391 | 3,045 | 3,254 | 7,092 |
| Contributions / Reserve | | | | |
| Durham | 3,043 | 3,043 | | |
| Cleveland | 3,252 | | 3,252 | |
| Northumbria | 7,087 | | | 7,087 |
| Reserve movements | 9 | 2 | 2 | 5 |
| | 13,391 | 3,045 | 3,254 | 7,092 |
| Reserve as 31st March | 792 | 179 | 190 | 423 |
| | | | | |

| North East Regional Organised Crime Unit | | | | |
|--|------------------------------|---------------------------------------|--|--|
| | Apportionment Total Costs | Durham 2023/24 22.91% £000's | Cleveland 2023/24 24.17% £000's | Northumbria 2023/24 52.92% £000's |
| Employees Costs | 14,761 | 3,357 | 3,587 | 7,818 |
| Non Pay Costs | 2,131 | 485 | 518 | 1,129 |
| Income | (6,208) | (1,412) | (1,509) | (3,288) |
| | 10,684 | 2,429 | 2,596 | 5,659 |
| Contributions / Reserve | | | | |
| Durham | 2,459 | 2,459 | | |
| Cleveland | 2,595 | | 2,595 | |
| Northumbria | 5,682 | | | 5,682 |
| Reserve movements | (52) | 2 | (12) | 5 |
| | 10,684 | 2,461 | 2,583 | 5,687 |
| Reserve as 31st March | 801 | 181 | 193 | 428 |
| | | | | |

2 Cleveland North Yorkshire Major Cold Case Review Team.

The Cleveland North Yorkshire Major Cold Case Review Team is staffed by North Yorkshire Police Forces to provide a historic case reviews for both Cleveland and North Yorkshire Forces.

In accordance with the CIPFA Code of Practice mechanism it was determined that the arrangement be classified as a Joint Operation therefore there are no group accounting considerations only single entity statements are required.

The governance of the Joint Operation is managed through a Section 22A Agreement whereby the two Forces have equal voting rights in terms of decision made about the unit. The Force funding contributions made were Cleveland 50.0% and North Yorkshire 50.0%.

The statement below highlights the income and expenditure for the financial year 2024/25 as required under the Section 22A agreement. All Forces hold their assets and liabilities separately within their individual group accounts.

| Cleveland and North Yorkshire Cold Case Review Team | | | |
|---|------------------------------|--|--|
| | Apportionment Total Costs | Cleveland 2024/25 50.00% £000's | North Yorkshire 2024/25 50.00% £000's |
| Employees Costs | 286 | 143 | 143 |
| Non Pay Costs | 2 | 1 | 1 |
| Income | 0 | 0 | 0 |
| | 288 | 144 | 144 |
| Contributions | | | |
| Cleveland | 144 | 144 | |
| North Yorkshire | 144 | | 144 |
| | 288 | 144 | 144 |

| Cleveland and North Yorkshire Cold Case Review Team | | | |
|---|------------------------------|--|--|
| | Apportionment Total Costs | Cleveland 2023/24 50.00% £000's | North Yorkshire 2023/24 50.00% £000's |
| Employees Costs | 294 | 147 | 147 |
| Non Pay Costs | 12 | 6 | 6 |
| Income | 0 | 0 | 0 |
| | 306 | 153 | 153 |
| Contributions | | | |
| Cleveland | 153 | 153 | |
| North Yorkshire | 153 | | 153 |
| | 306 | 153 | 153 |

3 National Police Air Service (NPAS).

The National Police Air Service provides air support services under a section 22 agreement. The annual contribution for each Force is calculated on the percentage of flying hours per region. The annual contribution in 2024/25 by Cleveland Police was £0.667m. (£0.738m 2023/24).

4 Cleveland Durham Tactical Training Unit (TTC)

TTC is a joint unit staffed by both the Cleveland and Durham Police Forces to provide firearms operations and training,

In accordance with the CIPFA Code of Practice mechanism it was determined that the arrangement be classified as a Joint Operation therefore there are no group accounting considerations only single entity statements are required.

The governance of the Joint Operation is managed through a Section 22A agreement whereby both Forces have a 50:50 financial obligation in terms of the joint operations income and expenditure and have equal voting rights in terms of decisions made about the unit.

CDTTU operates across the Durham and the Cleveland Force boundaries.

The statement below highlights the income and expenditure for the financial year 2024/25 as required under the Section 22A agreement. There are no joint assets or liabilities held within the unit only annual revenue costs. Both forces hold their assets and liabilities separately within their individual group accounts.

| Tactical Training Unit | | | | |
|-------------------------------|-----------------------|---------------|-----------------------------|--------------------------------|
| | Total Costs £000's | Apportionment | Durham 2024/25 £000's | Cleveland 2024/25 £000's |
| Tactical Training Unit | | | | |
| Employees Costs | 976 | 50% | 488 | 488 |
| Non Pay Costs | 1,729 | 50% | 865 | 865 |
| Income | (15) | 50% | (8) | (8) |
| Total Unit Costs | 2,690 | | 1,345 | 1,345 |
| Reserve as 31st March | | | | |
| Tactical Training Unit | 162 | 50% | 81 | 81 |
| | 162 | | 81 | 81 |

| Tactical Training Unit | | | | |
|-------------------------------|------------------------------|---------------|-----------------------------|--------------------------------|
| | Total Costs £000's | Apportionment | Durham 2023/24 £000's | Cleveland 2023/24 £000's |
| Tactical Training Unit | | | | |
| Employees Costs | 866 | 50% | 433 | 433 |
| Non Pay Costs | 1,543 | 50% | 772 | 772 |
| Income | (80) | 50% | (40) | (40) |
| Total Unit Costs | 2,329 | | 1,165 | 1,165 |
| Reserve as 31st March | | | | |
| Tactical Training Unit | Total Reserves 162 | 50% | 81 | 81 |
| | 162 | | 81 | 81 |

5 Forensic Collision Investigation (FCIN)

The Forensic Collision Investigation (FCIN) is a joint unit staffed by both the Cleveland and Durham Police Forces.

In accordance with the CIPFA Code of Practice mechanism it was determined that the arrangement be classified as a Joint Operation therefore there are no group accounting considerations only single entity statements are required.

The governance of the Joint Operation is managed through a Section 22A Agreement whereby the two Forces have equal voting rights in terms of decision made about the unit. The unit is funded by contributions of Cleveland 50.0% and Durham 50.0%.

The statement below highlights the income and expenditure for the financial year 2024/25 as required under the Section 22A agreement. All Forces hold their assets and liabilities separately within their individual group accounts.

| FORENSIC COLLISION INVESTIGATION (FCIN) | | | | |
|---|-----------------------|---------------|-----------------------------|--------------------------------|
| FCIN | Total Costs £000's | Apportionment | Durham 2024/25 £000's | Cleveland 2024/25 £000's |
| Employees Costs | 887 | 50% | 444 | 444 |
| Non Pay Costs | 177 | 50% | 89 | 89 |
| Income | (1) | 50% | (1) | (1) |
| | 1,063 | | 532 | 532 |
| Reserve as 31st March | Total Reserves | | | |
| Road Policing | - | 50% | - | - |
| Tactical Training Unit | - | 50% | - | - |
| | - | | - | - |

| FORENSIC COLLISION INVESTIGATION (FCIN) | | | | |
|---|-----------------------|---------------|-----------------------------|--------------------------------|
| FCIN | Total Costs £000's | Apportionment | Durham 2023/24 £000's | Cleveland 2023/24 £000's |
| Employees Costs | 788 | 50% | 394 | 394 |
| Non Pay Costs | 159 | 50% | 80 | 80 |
| Income | (1) | 50% | (1) | (1) |
| | 946 | | 473 | 473 |
| Reserve as 31st March | Total Reserves | | | |
| Road Policing | - | 50% | - | - |
| Tactical Training Unit | - | 50% | - | - |
| | - | | - | - |

17. CONTINGENT LIABILITIES / ASSETS

Contingent Liabilities: -

Municipal Mutual Insurance (MMI)

Due to the potential liabilities that the force may face in regard to the on-going requirements to pay long standing claims against MMI, it is prudent to identify a contingent liability in the statement of accounts. It is an unknown amount and has an unknown longevity due to the nature of the claims.

McCloud judgement: Re unlawful discrimination arising from transitional provisions in the Police Pension Regulations 2015

Decisions were taken by the Government in 2012 to reduce the burden of public sector pensions to the taxpayer. The Police Pension Schemes 1987 and 2006 were to be closed on 1 April 2015 and all members transferred to the Police Pension Scheme 2015. Members of the 1987 and 2006 schemes

were given transitional arrangements to leave their existing schemes dependent upon their age. This was challenged by the judiciary and firefighters and found to be discriminatory (known as the McCloud judgement). The challenge has been confirmed as also applying to the Police Pension Schemes.

In order to make amendments to the Police Pension Schemes, primary and secondary legislation has been passed. The Public Service Pensions and Judicial Offices Act 2022 has closed the 1997 and 2006 Police Pension Schemes and all members transferred to the 2015 scheme on 1 April 2022. For members in the 1987 and 2006 schemes, they will be given a choice as to which scheme is most beneficial to them from 1 April 2015 to 31 March 2022. This choice is not made until the point at which the member retires as the circumstances of retirement could mean that one scheme is more beneficial than another for this period.

Due to the complexities of the pension schemes, all data held on Members has been rechecked and complex calculations are being undertaken for all Members to assess the individual impact of returning them to their original scheme. The cost to the Chief Constable will be adjusted the national pension valuation mechanism.

Those Officers who left the Pension Scheme will be able to apply to re-join the scheme and the Chief Constable will be required to pay the employer contributions for the re-joiners by the end of 2024/25. Work is due to commence after the initial Remedial Service Statements (RSS) have been produced on 31 August 2024. All applications to re-join will be considered by the Head of People Services and until this work is completed, the cost to the Chief Constable remains unknown.

There have also been a number of claims for compensation due to 'injury to feelings' from pension scheme members due to the impact of these changes. The Chief Constable (along with all other Chief Constables) has delegated this to the Home Office to settle (and pay the associated costs with no recharge to the Force).

Impact on pension liability

Allowing for all eligible members to accrue benefits from their legacy scheme during the remedy period would lead to an increase in the Police Pension Scheme liabilities. For the Chief Constable of Cleveland, this effects around 760 members. Scheme actuaries originally estimated the increase in scheme liabilities for the Chief Constable of Cleveland to be 1.1% or £19m of pension scheme liabilities. This was recognised in the 2018-19 accounts. The estimated annual increase in liabilities is in the region of £5M p.a. reflecting an additional year's benefits from the remedy and will apply until 31 March 2024.

The impact of an increase in scheme liabilities arising from McCloud judgement will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Police Pension valuation is due to be reported in 2024/25, although this timetable is subject to change.

The impact of an increase in annual pension payments arising from McCloud is determined through the Police Pension Fund Regulations 2007. These require a police authority to maintain a pension fund into which officer and employer contributions are paid and out of which pension payments to retired officers are made. If the police pension fund does not have sufficient funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the police authority in the form of a central government top-up grant.

Contingent Asset:-

There are no assets as at the balance sheet date.

18. POST BALANCE SHEET EVENT

The following non-adjusting event has been identified:

In June 2023 the High Court ruled in the case of Virgin Media Limited v NTL Pension Trustees. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by the correct actuarial confirmation. The High Court ruling has since been appealed. In a judgment delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court.

The current position in relation to local government pension schemes (LGPS) is that actuarial confirmations for all amendments have not yet been located. The most recent update was in July 2024 from Government's Actuary Department (GAD) and included the following information:

- Relevant certificates have been located in respect of the 2014 reforms.
- We believe a certificate will have been prepared in respect of the 2008 reforms, but the initial electronic search for this has meant paper files would now need to be retrieved from archive storage to try and locate this.

While it is known there is potential for additional pension liabilities to be recognised, the impact in monetary terms is not known and it is reasonable to form the view that it is not reasonably estimable. While the Court of Appeal has upheld the High Court judgement, there are further actions that could be taken regarding the case. In addition, the certificate in respect of the 2008 reforms could be located.

19. AUTHORISATION OF ACCOUNTS

The Director of Finance and Assets of the Chief Constable for Cleveland Police has set and authorised the date of issue for the Statement of Accounts as the 27st June 2024. This is the date up to which events after the Balance Sheet date have been considered.

POLICE PENSION FUND

Police Pension Fund Regulations 2009 (SI 2009 No 2060)

| PENSION FUND ACCOUNT | 2024/2025 £000 | 2023/2024 £000 |
|---|---------------------------|---------------------------|
| Contributions Receivable | | |
| From Employer | | |
| Normal | (21,150) | (17,765) |
| Capital contribution due to Ill Health Early Retirement | (1,302) | (570) |
| From Members | (8,178) | (7,717) |
| Transfers In | | |
| Individual Transfers in from Other Schemes | (30) | (135) |
| Benefits Payable | | |
| Pensions | 51,331 | 47,331 |
| Commutations and Lump Sum Retirement Benefits | 8,575 | 5,704 |
| Lump Sum death benefits | 0 | 136 |
| Ill Health Lump Sum Benefits | 2,098 | 1,321 |
| Payments to and on Account of Leavers | | |
| Refunds of Contributions | 89 | 114 |
| Inter Authority Adjustments | 47 | 228 |
| Individual Transfers out to Other Schemes | 65 | 6 |
| Sub-Total for the year before transfer from the PCC to fund the deficit for the year | 31,545 | 28,653 |
| Additional funding payable to the PCC to fund the deficit for the year (Home Office) | (31,545) | (28,653) |
| Additional funding payable by the PCC to fund the deficit for the year | 0 | 0 |
| Net Amount Payable/Receivable for the Year | 0 | 0 |

| NET ASSETS STATEMENT | 31 March 2025 | 31 March 2024 |
|---------------------------------------|----------------------|----------------------|
| | £000 | £000 |
| Current Assets | | |
| Debtors:- | | |
| Other Local Authorities | 0 | 0 |
| Bodies External to General Government | 0 | 0 |
| Total Current Assets | 0 | 0 |
| Long Term Assets | | |
| Bodies External to General Government | 0 | 0 |
| Total Long Term Assets | 0 | 0 |
| Current Liabilities | | |
| Creditors :- | | |
| Other Local Authorities | 0 | 0 |
| Bodies External to General Government | 0 | 0 |
| Total Current Liabilities | 0 | 0 |
| Long Term Liabilities | | |
| Bodies External to General Government | 0 | 0 |
| Total Long Term Liabilities | 0 | 0 |
| Net Assets | 0 | 0 |
| PENSION FUND ACCOUNT | 0 | 0 |

Notes to the Pension Fund

The Pension Fund Accounts have been prepared in accordance with the Code of Practice and on an accrual's basis. This means that sums due to or from the Pension Fund are included as they fall due, whether the cash has been received or paid. The accounting convention adopted is historical cost.

The funding arrangements for the Police Pension scheme in England and Wales changed on 1st April 2006. Before 1st April 2006 the scheme did not have a percentage of pensionable pay type of employer's contribution, rather each Police Authority was responsible for paying the pensions of its own former employees on a pay-as-you-go basis. Under the new arrangements the scheme remains unfunded but will no longer be on a pay-as-you-go basis as far as individual entities are concerned. Entities will no longer meet the pension outgoings directly; instead they will pay an employer's pension contribution based on a percentage of pay into the Pension Fund. Each entity is required by legislation to operate a Pension Fund and the amounts that must be paid into and out of the Pension Fund are specified by regulation.

The Pension fund has no investment assets and the fund is balanced to nil each year by a transfer to/from the Police Fund. Benefits payable are funded by contributions from employers (35.3%) and employees (in a range of 12.44% to 13.78%) and any difference is met by a top-up grant from the Home Office.

Employers are also required to make payments into the Pension fund in respect of ill health retirements as they are granted.

Transfer values are those sums payable by or received from, other pension schemes for individuals only and relate to periods of previous pensionable employment. Transfers are accounted for on a receipts and payments basis.

The Pension Fund was established and is controlled under the Police Pension Fund Regulations 2009 (SI 2009 No 2060).

The Fund is administered by the entity.

The accounting policies detailed in this Statement of Accounts have been followed in dealing with items which are judged material in accounting for, or reporting on, the transactions and net assets of the fund. No significant estimation techniques have been adopted.

The Net Assets Statement does not include liabilities to pay pension and other benefits after the Balance Sheet date. The liabilities of the Pension scheme are accounted for under IAS19 and details can be found above.

Details of the long-term pension fund obligation are provided in Notes 13 and 14 of the main statements.

DRAFT

GLOSSARY OF TERMS

This Glossary of Terms is designed to aid interpretation of the CC's Statement of Accounts.

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 BENEFITS: The benefits for service up to a given point in time, whether vested rights or not.

ACTUARIAL GAINS AND LOSSES: For a defined benefit scheme, the changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains or losses) or the actuarial assumptions have changed.

ACTUARIAL VALUATION: A valuation of assets held, an estimate of the present value of benefits to be paid and an estimate of required future contributions, by an actuary, on behalf of a pension fund.

ASSET: An item which has a value; for example, land and buildings, vehicles, equipment, cash.

BALANCE SHEET: This sets out the financial position of an organisation on a particular date. It shows the balances and reserves at the organisation's disposal, its long-term indebtedness, the fixed and net current assets employed in its operations and summarised information on the fixed assets held.

BUDGET: A statement of an organisation's plans in financial terms. A budget is prepared and approved before the start of each financial year and is used to monitor actual expenditure throughout the year.

CASH FLOW STATEMENT: This summarises the cash receipts and payments arising from transactions for both revenue and capital purposes.

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA): This is the main professional body for accountants working in the public services.

CONTINGENCY: The sum of money set aside to meet unforeseen expenditure or liability.

CREDITORS: Individuals or organisations to whom money is owed at the end of the financial year.

CURRENT ASSETS AND LIABILITIES: Current assets are items that can be readily converted into cash. Current liabilities are items that are due immediately or in the short term.

CURRENT SERVICE COSTS (PENSIONS): The increase in the present value of a defined benefit scheme's liabilities expected to arise from the employee service in the current period.

CURTAILMENT: For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service.

DEBTORS: Individuals or organisations from whom money is owed at the end of the financial year.

DEFERRED LIABILITIES: Liabilities which, by arrangement, are payable beyond the next year, at some point in the future or paid off by an annual sum over a period of time.

DEFERRED PENSIONS: Individuals who have ceased to be active members but are entitled to benefits payable at a later date.

DEFINED BENEFIT SCHEME: A pension scheme which defines the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme.

DISCRETIONARY BENEFITS: Retirement benefits which the employer has no legal, contractual or constructive obligation to award and which are awarded under discretionary powers.

EXPECTED RATE OF RETURN ON PENSION ASSETS: For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

EXTRAORDINARY ITEMS: Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside ordinary activities and are not expected to recur.

FINANCE AND OPERATING LEASE: A Finance lease transfers all the risks and rewards of ownership of a fixed asset to the lessee. If these leases are used, the assets acquired must be included within the fixed assets in the balance sheet at the market value of the asset involved. With an operating lease the ownership of the asset remains with the leasing company and an annual rent is charged to the relevant service revenue account.

FINANCIAL REGULATIONS: A written code of procedures approved by the Police and Crime Commissioner, intended to provide a framework for proper financial management.

GAD: The Government Actuaries Department. They provide estimates of the liabilities of the Police Pension Scheme.

GOING CONCERN: The concept that an organisation will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

INCOME AND EXPENDITURE ACCOUNT: This summarises the resources generated and consumed for the year and shows how the costs have been financed.

INTEREST COSTS (PENSIONS): For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS): Standards and Interpretations adopted by the International Accounting Standards Board (IASB). They comprise:

- (a) International Financial Reporting Standards;
- (b) International Accounting Standards; and
- (c) Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).

INVESTMENTS (PENSION FUND): The investments of a Pension Fund will be accounted for in the statements of that Fund. However, sponsoring bodies are also required to disclose, as part of disclosures relating to retirement benefits, the attributable share of pension scheme assets associated with their underlying obligations.

OUTTURN: The actual amount spent in the financial year.

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

PAYMENTS IN ADVANCE: These represent payments prior to 31 March for supplies and services received after 1 April.

PENSION FUND: A fund which makes pension payments on retirement of its participants.

PROJECTED UNIT METHOD: An accrued benefits valuation method in which the scheme liabilities make allowances for projected earnings. The scheme liabilities at the valuation date relate to:

- the benefits for pensioners and deferred pensioners, and their dependents, allowing where appropriate for future increases and
- the accrued benefits for members in service at the valuation date.

RESERVES: Monies set aside that do not fall within the definition of provisions.

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

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

SERVICE REPORTING CODE OF PRACTICE FOR LOCAL AUTHORITIES (SeRCOP): A CIPFA guide to accounting for best value which provides a consistent and comparable calculation of the cost of services.

SETTLEMENT: An irrevocable action that relieves the employer (or the defined benefit scheme) of the primary responsibility for a pension obligation and eliminates significant risks relating to the obligations and the assets used to affect the settlement.

STATEMENT OF ACCOUNTING POLICIES: This explains the basis of the figures in the accounts. The accounts can only be properly appreciated if the policies that have been followed in dealing with material items are explained. Changes in policies from previous years have been clearly shown.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS: This explains the responsibilities of both the Police and Crime Commissioner and Police and Crime Commissioner's Chief Finance Officer in respect of the Statement of Accounts.

TRANSFER VALUES: Payment made by one pension scheme to another in respect of accrued pension rights when a member of a scheme changes pensionable employment.