

Chief Constable of Cleveland

STATEMENT OF ACCOUNTS – 2025/26

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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 2025/26 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
Assistant Chief Officer – Enabling Services

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 Assistant Chief Officer – Enabling Services.
- 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 Assistant Chief Officer – Enabling Services 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 2026.

Signature:

Date:

Assistant Chief Officer – Enabling Services for 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.

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[Signature]

Mark Kirkham, Partner For and on behalf of Forvis Mazars LLP (Local Auditor)

5th Floor

3 Wellington Place

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Date

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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 2025/26 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 2026 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 2025/26.

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 IAS 19, 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 2025/26 (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 2026. 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 IAS 19. 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 2025/26 Budget	Revised 2025/26 Budget	Year End 2025/26 Position	Outturn
<u>Police Force Planned Expenditure</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Police Pay	100,570	103,285	103,651	366
Police Overtime	2,775	3,458	3,993	536
Police Community Support Officer Pay	4,430	4,179	4,154	(25)
Staff Pay	40,670	44,932	44,090	(842)
Non-Pay	36,005	37,615	37,651	36
Total Planned Expenditure	184,450	193,469	193,539	71

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

	£000's
Total Comprehensive Income and Expenditure	17,622
Actuarial Gains / /loss on Pension Schemes:-	
Local Government Pension Scheme	(1,228)
Police Pension 1987	32,937
Injury Awards	(101)
Police Pension 2006	796
Police Pension 2015	1,121
(Surplus) or Deficit on Provision of Service	51,147
Net change in Pension Liability	(76,765)
Employers Pension Contributions	25,618
Charge to Insurance Provision (funded by OPCC)	0
Resources Received from the PCC	71
Outturn	71

Key Issues 2025 /2026

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 and 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 1,517 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, leavers and retirement assumptions.

The Police pay overspent by £0.366m.

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

- 1) The actual FTE in posts at start of the year was higher than anticipated increasing cost in the first half of the year.
- 2) The current rank mix is not reflective of the budgeted establishment. This is driving additional costs across several ranks from Sergeant to Executive level.
- 3) The on-going cost of temporary and acting salaries.
- 4) The impact of vacant posts within our collaborations.
- 5) The ratio between officers in core roles and collaboration roles.

The current FTE for Police Officers is 1,528 as of 31st March 2026. (Budgeted at 1,517 FTE).

Police Pay Overtime

The Police overtime budget represents 1.5% of the total Force budget. The overtime budget supports operations across the Force, in areas such as Major incidents, planned operation, and reactive overtime and is categorised as normal and Bank holiday overtime.

The outturn overspend is £0.536m and remains consistent with prior periods projections namely: -

- Specialist Crime & Major incidents: Overspend £0.431m.
- Local Policing: Overspend £0.281m.
- Operations: Underspend £0.128m.
- Other: Underspends £0.048m.

Major incidents and Local policing remain a concern. The Local policing pressure has been addressed in the 2026/27 budget planning process but will require robust management. The Major incidents remain an issue given the numbers and severity of the incidents; this will be managed within the current processes to mitigate the financial risk in the coming year.

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 and 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 for PCSO pay is £0.025m underspend in line with prior years forecast. The current FTE for PCSO's is 100 as at 31st March 2026. (Budgeted at 102 FTE).

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 and 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 area of significant risk, namely:

- Final 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 6%.

The outturn for Police staff is for an underspend of £0.842m. The outturn underspend has increased by £99k. This is primarily as the result of the application of grants received.

The controls in place with the of the establishment monitoring group has given improved control over the staff recruitment process and allows us to “pull leavers” as required to both escalate or restrict recruitment across both staff and Police workforce. This has a positive impact of the financial position.

The FTE as at the 31st March 2026 is 887 FTE against the budget of 917 FTE.

Non-Pay.

The outturn position for non- pay expenditure was £0.036m overspent. The overspend comprises several elements the main drivers being :-

- 1) Police pension costs and injury awards. overspend of £0.697m
- 2) Enterprise Microsoft licences overspend of £0.180m.
- 3) Forensic charges overspend of £0.140m.
- 4) Insurance related costs overspend of £0.080m.
- 5) Use of central contingency / reserves £0.392m contribution.
- 6) Employee related underspends of £0.096m.
- 7) Transport related underspend of £0.046m.
- 8) Premise related underspends of £0.193m.
- 9) General overspends across ICT and Service departments of £0.304m
- 10) Net savings on our collaboration budgets FCIN & NEROCU of £0.080m

Key points to note:

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 throughout the year have ensured that the Force delivered within its budget and supported all training needs contained within the TNA in the year.

Insurance Provision for claims.

Throughout the reporting reported period, and in the long term financial plans, the OPCC & Force have recognised the challenging position in relation to requirement to enhance the overall Insurance provision.

The Force in conjunction with the OPCC has made significant progress in addressing this risk, throughout the year and as part of year end process we have: -

Had a net increase of £1.5m in the insurance provision to £4.2m. This comprises contributions from force and OPCC budgets, offset by payments of £1.2m. Plans are in place to further provide resources in future budget plans to maintain the provision at the required levels.

In addition to the provision the Force has increased its insurance reserve to £1.2m.

The amounts set aside are significant and as a result have an impact on the resources available to support wider Force budgets and demand. The information sharing and reporting in this area has improved significantly which gives greater awareness of risk and supports future financial planning. As noted above significant funds were released to pay for the liabilities in relation to the 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 actuarial 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 £0.071m Overspend.

The table below highlights the significant pressures contained within the £0.071m overspend. The pressures listed below are offset by release of non-pay contingency, the release of a rebate in relation to charges applied by "Motorola" for Airwave services, projected staff savings because of application of grant funding and a reduction in the pressure on "unachieved savings". The result is a net pressure of £1.3m which remains a risk to the 2026/27 budget.

In year pressures within the outturn		
	£	Area
Major Incident forecast pressure plus Post Mortems	563,000	Overtime & Non Pay
Local Policing Overtime	281,000	Overtime
Onboarding Custody Contract	300,000	Custody
Forensics Pressure : Demand driven pro-active teams	100,000	Non Pay
Pension / Injury Awards / Sanction costs	627,000	Non Pay
Non Pay efficiency Programme	53,500	Non Pay
Police Pay Allowances	38,500	Non Pay
Total Pressures	1,963,000	
CMA Credits	(135,000)	Income
NLEDS Funding	(100,000)	Income
AVMM	(198,000)	Income
Release of Contingency	(238,000)	Contingency
Non Pay efficiency Programme achieved	(40,000)	Non Pay
Application of Funds / savings	(711,000)	
Net Pressures	1,252,000	

4. CAPITAL

The Group allocated the Force a capital budget of £6.783m for 2025/26. This represented new schemes totalling £5.715m and schemes already agreed to be carried forward into 2025/26 totalling £1.068m. Changes approved by the PCC (or the Chief Constable's CFO under delegated authority) in year resulted in a revised Capital Budget of £5.274m. (excluding PFI Lifecycle Costs).

The Group spent £5.197m on capital projects during the year and £1.770m 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 £1,193m is recorded in the Balance sheet of the CC.

6. CHANGE FROM 2024/25 POSITION

The 2025/26 statements highlight the following areas of change from the 2024/25 position:

Comprehensive Income & Expenditure Statement

Net Cost of Services (NCOS) has increased by £2.651m. This is comprised technical accounting adjustments to record the potential pension liability as at the end of the accounting period of £7.795m, an increase in Police Pay of £6.692m, increase in staff pay £3,996m, PCSO pay of £0.513m and an decrease of non-pay & non distributed costs expenditure of £0.704m and £0.051m respectively.

Balance Sheet

The Balance sheet deficit of £1,192,695m reflects the increase in Pension liability £35,244m 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 National Police Chiefs Council (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. Whilst this is our primary source of data which allows us to track and monitor levels of public confidence amongst local communities, at individual police force level this data must be treated with caution due to the size of the sample used. The most recent update (based on interviews undertaken in the 12 months to December 2025) would suggest that Cleveland Police has an overall public confidence rating of around 59% compared to the national average of 67% (up 1% point). This is 4% points lower than the rating for the 12-month period ending December 2024, (although not a statistically significant decrease).

Over the same period, perceptions of police performance were somewhat lower with 39% of local residents perceiving that the Cleveland Force does a good or excellent job compared to 44% during the 12-months to December 2024, a reduction of 5% points (but again, not a statistically significant decrease). The national average for England and Wales was 49% (no change).

Victim satisfaction

The Force aims to place victims at the centre of everything we do and 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 around 1,300 victims were interviewed, and we achieved a response rate of 16%.

The results obtained via this survey are generally positive indicating an overall satisfaction level of circa 72%, which is a marginal reduction compared to last year (down 0.5% point). Further improvements are still required particularly in relation to follow up and feedback which 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% (no change)
Initial actions taken	73% (no change)
Follow up	64% (no change)
Treatment by officers/staff	88% (-1% point)
Overall service provided	72% (-1% point)

Further analysis has shown that the main reasons for dissatisfaction are in keeping with those observed last year and 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 3% increase in total recorded crime when compared to the previous year. This equates to around 2,200 additional crimes, and therefore potential victims.

Unfortunately, increases have been observed in relation to a number of the headline categories of crime. This includes shoplifting (around 1,100 additional crimes), robbery (around 519 additional crimes) violence (around 557 additional crimes) and sexual offences (around 272). Whilst these increases are challenging, our analysis tells us that some of these additional crimes are the result of proactive activity to encourage reporting.

In other areas however, the number of recorded offences has decreased. In terms of volume, the most noticeable reductions include vehicle crime (around 420 fewer offences), house burglary (around 350 fewer offences) and other types of theft (around 330 fewer offences).

Antisocial behaviour (ASB) incidents

Incidents of antisocial behaviour have risen slightly over the past year, up 1.5% (around 275 more incidents) when compared to 2024-25. Further analysis shows that the rise is associated with incidents of a personal nature (around 290 more incidents) whilst most of this increase relates to nuisance behaviour, environmental issues have fallen slightly.

Sickness absence

Sickness absence rates continue to fluctuate monthly and place an additional pressure on limited resources. In the 12 months to March 2026, the proportion of contractual hours lost due to sickness was around 8.0% for police officers (up 1.2% points) and 5.7% for police staff (down 0.2% points).

Furthermore, current levels of sickness absence remain generally higher than those observed in other forces. For example, the national average is currently reported as 5.0% for officers and 5.2% for staff although these figures are now somewhat out of date (12 months to March 2025) and must therefore be treated with caution.

HMICFRS PEEL inspection

The findings from the Force's last PEEL inspection report were 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, Fire & Rescue Services (HMICFRS) recognised that the Force had improved the policing service it provides for the public and made progress in all areas. 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 were still required and eight new areas for improvement (AFIs) were issued. To date two of these have been closed by HMICFRS following improvements made by the Force. Work against the remaining AFIs is ongoing and progress will be assessed during the Force's next PEEL inspection in 2026.

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.

8. EVENTS AFTER THE REPORTING PERIOD

See Note 18.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 31st MARCH 2026

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	2025/2026			2024/2025		
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Police Officer Pay Costs	93,429	0	93,429	92,820	0	92,820
Police Community Support Officer Pay Costs	4,055	0	4,055	3,681	0	3,681
Police Staff Support Pay Costs	42,984	0	42,984	40,561	0	40,561
Police Non Pay Costs	37,090	0	37,090	37,795	0	37,795
Undistributed Costs	0	0	0	51	0	51
Net Cost of Services	177,559	0	177,559	174,908	0	174,908
Intra Group Funding		(192,979)	(192,979)		(182,533)	(182,533)
Net Cost of Services (after funding)	177,559	(192,979)	(15,420)	174,908	(182,533)	(7,625)
Other Operating Expenditure			0			0
Financing & Investment Income & Expenditure (Note 8)			66,567			64,160
(Surplus) or Deficit on Provision of Service			51,147			56,535
Re-measurement of defined benefit liability (Note 14)			(33,525)			(245,778)
Other Comprehensive Income and Expenditure			(33,525)			(245,778)
Total Comprehensive Income and Expenditure			17,622			(189,243)

MOVEMENT ON RESERVES STATEMENT FOR THE YEAR ENDED 31st MARCH 2026

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.

	Fund Balance £000	Usable Reserves £000	Unusable Reserves £000	CC Reserves £000
Balance at 31st March 2025	0	0	1,175,073	1,175,073
(Surplus) or deficit on provision of services (accounting basis)	51,147	51,147	0	51,147
Total Comprehensive Expenditure and Income	51,147	51,147	(33,525)	17,622
Total Adjustments between accounting basis & funding basis under regulations (Note 7)	(51,147)	(51,147)	51,147	0
Net (Increase) / Decrease before Transfers to Earmarked Reserves	0	0	17,622	17,622
Total Transfers (to)/from Reserves	0	0	0	0
(Increase) / Decrease in Year	0	0	17,622	17,622
Balance at 31 March 2026	0	0	1,192,695	1,192,695

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

	General Fund Balance £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total CC Reserves £000
Balance at 31st March 2024	0	0	1,364,316	1,364,316
(Surplus) or deficit on provision of services (accounting basis)	56,535	56,535	0	56,535
Total Comprehensive Expenditure and Income	56,535	56,535	(245,778)	(189,243)
Total Adjustments between accounting basis & funding basis under regulations (Note 7)	(56,535)	(56,535)	56,535	0
Net (Increase) / Decrease before Transfers to Earmarked Reserves	0	0	(189,243)	(189,243)
Total Transfers (to)/from Reserves	0	0	0	0
(Increase) / Decrease in Year	0	0	(189,243)	(189,243)
Balance at 31 March 2025	0	0	1,175,073	1,175,073

BALANCE SHEET AT 31st MARCH 2026

The Balance Sheet shows the value of the assets and liabilities as at 31st March 2026. 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 2026 £000	31 March 2025 £000
Total Long Term Assets		-	-
Total Current Assets		-	-
Total Assets		-	-
Total Current Liabilities		-	-
Other Long Term Liabilities : PFI		-	-
Pensions Liability	14	(1,192,695)	(1,175,073)
Total Long Term Liabilities		(1,192,695)	(1,175,073)
Total Liabilities		(1,192,695)	(1,175,073)
Net Liabilities		(1,192,695)	(1,175,073)
Usable Reserves		-	-
Unusable Reserves	15	1,192,695	1,175,073
Total Reserves		1,192,695	1,175,073

CASHFLOW STATEMENT 2025/2026

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 2026 £000	31 March 2025 £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 2025/26 (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 2025/26.

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 for uniformed officers and are subject to triennial review by the Government Actuary Department. The schemes are as follows: -

i) Uniformed Police

The CC meets 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 Pension 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 2025/26 (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	2025/2026 Adjustments Between funding & Accounting Basis £000's	Net Expenditure in the CIES £000's	Expenditure Chargeable to the General Fund £000's	2024/2025 Adjustments Between funding & Accounting Basis £000's	Net Expenditure in the CIES £000's
Funding						
Police Officer Pay Costs	107,644	14,215	93,429	100,952	8,132	92,820
Police Community Support Officer Pay Costs	4,154	99	4,055	3,641	(40)	3,681
Police Staff Support Pay Costs	44,090	1,106	42,984	40,094	(467)	40,561
Police Non Pay Costs	37,090	0	37,090	37,795	0	37,795
Undistributed Costs	0	0	0	51	0	51
Net Cost of Services	192,979	15,420	177,559	182,533	7,625	174,908
Intra Group Funding	(192,979)	0	(192,979)	(182,533)	0	(182,533)
Net Cost of Services	0	15,420	(15,420)	0	7,625	(7,625)
Financing & Investment Income & Expenditure (Note 8)	0	(66,567)	66,567	0	(64,160)	64,160
(Surplus) or Deficit on Provision of Service	0	(51,147)	51,147	0	(56,535)	56,535

	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
Net Cost of Services	7,625	0	7,625	0
Financing & Investment Income & Expenditure (Note 8)	(64,160)	0	(64,160)	0
(Surplus) or Deficit on Provision of Service	(56,535)	0	(56,535)	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 2025/2026				
Police Officer Pay Costs	14,215	0	14,215	0
Police Community Support Officer Pay Costs	99	0	99	0
Police Staff Support Pay Costs	1,106	0	1,106	0
Net Cost of Services	15,420	0	15,420	0
Financing & Investment Income & Expenditure (Note 8)	(66,567)	0	(66,567)	0
(Surplus) or Deficit on Provision of Service	(51,147)	0	(51,147)	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

The Authority has reviewed those standards issued but not yet adopted by the code and has concluded that they are not applicable.

4. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICES

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 2026 is £1,193m.

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 2026

	General Fund Balance £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	(76,765)	(76,765)	76,765	0
	(76,765)	(76,765)	76,765	0
Employer's contributions payable to the Pension Fund and retirement benefits payable direct to pensioners	25,618	25,618	(25,618)	0
	25,618	25,618	(25,618)	0
Voluntary revenue provision for repayment of debt	0	0	0	0
Total Adjustments between accounting basis & funding basis under regulations	(51,147)	(51,147)	51,147	0

FOR THE YEAR ENDED 31ST MARCH 2025

	General Fund Balance £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	(81,352)	(81,352)	81,352	0
	(81,352)	(81,352)	81,352	0
Employer's contributions payable to the Pension Fund and retirement benefits payable direct to pensioners	24,817	24,817	(24,817)	0
	24,817	24,817	(24,817)	0
Voluntary revenue provision for repayment of debt	0	0	0	0
Total Adjustments between accounting basis & funding basis under regulations	(56,535)	(56,535)	56,535	0

8. FINANCING AND INVESTMENT INCOME & EXPENDITURE

	2025/2026 £000	2024/2025 £000
Pension interest cost & expected return on pension assets	66,567	64,160
Total Finance and Investment Income and Expenditure	66,567	64,160

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 2025/26			2024/2025
	Police Officers	Support Staff	Total	
£50,000 - £54,999	256	44	300	275
£55,000 - £59,999	217	19	236	157
£60,000 - £64,999	96	9	105	119
£65,000 - £69,999	91	0	91	57
£70,000 - £74,999	42	2	44	42
£75,000 - £79,999	15	0	15	15
£80,000 - £84,999	8	1	9	7
£85,000 - £89,999	6	1	7	11
£90,000 - £94,999	2	0	2	6
£95,000 - £99,999	8	4	12	5
£100,000 - £104,999	3	0	3	5
£105,000 - £109,999	1	1	2	1
£110,000 - £114,999	2	1	3	0
£120,000 - £124,999	1	0	1	1
£130,000 - £134,999	0	1	1	2
£140,000 - £144,999	0	0	0	1
£170,000 - £174,999	1	0	1	0
£190,000 - £194,999	0	0	0	1
Total	749	83	832	705

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 2025/26:

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	Total Remuneration excluding Pension Contribution 25/26	Pension Contributions
	£	£	£	£	£	£
Chief Constable - M Webster	68,680	67,219	0	0	67,219	22,773
Chief Constable - V Fuller	125,522	125,522	0	1	125,523	44,309
DCC 1 : V Fuller	49,176	49,176	15	0	49,191	17,359
DCC 2 : D Felton	69,761	69,761	0	0	69,761	24,625
ACC 1	37,953	37,953	0	0	37,953	13,397
ACC 2	68,492	77,685	0	0	77,685	24,178
ACO : CC	132,749	132,749	5	0	132,754	20,576

Remuneration Disclosure 2024/25:

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

Key: -

DCC = Deputy Chief Constable

ACC = Assistant Chief Constable

ACO (CC) = Assistant Chief Officer of the Chief Constable

10. TERMINATION BENEFITS

In the financial year no termination benefits were paid. (£0.000m 2024/25).

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 £64k relating to external audit:

	2025/2026 £000	2024/2025 £000
Fees payable to external audit with regard to external audit services carried out by the appointed auditor	64	41
Total Audit Costs	64	41

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 Tyne & Wear Pension Fund – 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	
	2025/2026 £000	2024/2025 £000	2025/2026 £000	2024/2025 £000	2025/2026 £000	2024/2025 £000
Comprehensive Income and Expenditure Statement						
Cost of Services:						
Current service cost	4,379	5,704	5,819	11,488	10,198	17,192
Past service cost	-	-	-	-	-	-
Financing and Investment Income and Expenditure						
Interest cost	8,898	8,511	66,590	64,147	75,488	72,658
Expected return on assets	(12,564)	(10,076)	-	-	(12,564)	(10,076)
Interest on the effect of the asset ceiling	3,643	1,578	-	-	-	-
Total Post employment Benefit Charged to the Surplus and Deficit on Provision of Service	4,356	5,717	72,409	75,635	73,122	79,774
Other post employment Benefit Charged to the CIES						
Return on Plan assets	(12,747)	4,217	-	-	(12,747)	4,217
Actuarial (gains) / losses : Financial Assumptions	(7,229)	(31,414)	(14,657)	(201,691)	(21,886)	(233,105)
Actuarial (gains) / losses: Demographic assumptions	4,397	(306)	9,822	(8,800)	14,219	(9,106)
Actuarial (gains) / losses : liability experience	10,871	(1,530)	4,777	2,108	15,648	578
Asset Ceiling Adjustment	5,893	28,513	-	-	-	-
Other post employment Benefit Charged to the CIES	1,185	(520)	(58)	(208,383)	(4,766)	(237,416)
Total Post Employment Benefit Charged to the CIES	5,541	5,197	72,351	(132,748)	68,356	(157,642)
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	(4,356)	(5,717)	(72,409)	(75,635)	(76,765)	(81,352)
Actual amount charged against General fund balances for pensions in the year:						
Contribution in year	5,563	5,170	20,034	19,620	25,597	24,790

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	
	31/03/26 £000	31/03/25 £000	31/03/26 £000	31/03/25 £000	31/03/26 £000	31/03/25 £000	31/03/26 £000	31/03/25 £000	31/03/26 £000	31/03/25 £000	31/03/26 £000	31/03/25 £000
Estimated funded liabilities in scheme	168,727	152,341	-	-	-	-	-	-	-	-	168,727	152,341
Estimated unfunded liabilities in scheme	189	232	1,013,551	1,012,250	61,232	60,357	45,405	44,166	72,507	58,300	1,192,884	1,175,305
Less :Estimated assets in scheme	241,116	215,194	-	-	-	-	-	-	-	-	241,116	215,194
Net Liability	(72,200)	(62,621)	1,013,551	1,012,250	61,232	60,357	45,405	44,166	72,507	58,300	1,120,495	1,112,452

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 £1,193m has a substantial impact on the net worth of the CC as recorded in the Balance Sheet, resulting in a negative overall balance of £1,193m. 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	
	31/03/26	31/03/25	31/03/26	31/03/25
Pension account revaluation-2015	3.0%	0.0%	4.1%	3.8%
Rate of inflation (CPI) (Note 1)	3.0%	2.8%	2.8%	2.5%
Rate of increase in salaries	4.0%	3.8%	3.8%	3.5%
Rate of increase in pensions	3.0%	2.8%	2.8%	2.5%
Rate for discounting scheme liabilities	6.3%	5.8%	6.2%	5.8%

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	21.00	24.00	22.10	23.90
Retiring in 20 years	21.80	25.30	23.30	25.20

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 2025		Assets at 31 March 2026		Asset Split as at 31 March 2025	
	£000	%	£000	%	Quoted	Unquoted
Equities	174,052	81.0%	195,018	81.0%	0.1%	80.9%
Property	23,574	11.0%	26,414	11.0%	0.0%	11.0%
Cash	17,568	8.0%	19,684	8.0%	0.0%	8.0%
Total	215,194	100.0%	241,116	100.0%	0.1%	99.9%

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

	Local Government Pension Scheme		1987 Police Pension Scheme		Injury Awards		2006 Police Pension Scheme		2015 Police Pension Scheme	
	Year to 31/03/26	Year to 31/03/25	Year to 31/03/26	Year to 31/03/25	Year to 31/03/26	Year to 31/03/25	Year to 31/03/26	Year to 31/03/25	Year to 31/03/26	Year to 31/03/25
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Actual Return Less Expected return on Pension Scheme Assets	10,467	(4,217)	34,695	36,875	0	0	0	0	0	0
Changes in Demographic/Financial Assumptions Underlying the Present Value of the Scheme Liabilities	(5,759)	33,250	(1,758)	161,829	(101)	9,248	796	15,043	1,121	22,263
Asset ceiling Prior Year Reversal	62,621	32,530								
Asset ceiling Adjustment	(68,557)	(61,043)	0	0	0	0	0	0	0	0
Actuarial Gain/(Loss) in Pension Plan	(1,228)	520	32,937	198,704	(101)	9,248	796	15,043	1,121	22,263
Actuarial Gain/ (Loss) Recognised in Other Comprehensive Income	(1,228)	520	32,937	198,704	(101)	9,248	796	15,043	1,121	22,263

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 £68.557m in 2025/26 and £61.043m in 2024/25 from the actuarial valuation.

Summary of Costs recognised in Other Comprehensive Income: -

	31/03/26	31/03/25
	£000	£000
Local Government Pension Scheme	(1,228)	520
1987 Police Pension Scheme	32,937	198,704
Injury Awards	(101)	9,248
2006 Police Pension Scheme	796	15,043
2015 Police Pension Scheme	1,121	22,263
Total	33,525	245,778

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 31/03/26 £000	Year to 31/03/25 £000	Year to 31/03/26 £000	Year to 31/03/25 £000	Year to 31/03/26 £000	Year to 31/03/25 £000	Year to 31/03/26 £000	Year to 31/03/25 £000	Year to 31/03/26 £000	Year to 31/03/25 £000
Opening 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
Current Service Cost	4,379	5,704	0	0	909	1,028	0	0	4,910	10,460
Interest Cost	8,898	8,511	57,066	55,149	3,400	3,219	2,547	2,716	3,577	3,063
Actuarial losses (gains)	5,759	(33,250)	1,758	(161,829)	101	(9,248)	(796)	(15,043)	(1,121)	(22,263)
Estimated benefits paid net of transfers in	(5,081)	(4,505)	(57,525)	(59,331)	(3,535)	(3,387)	(517)	(174)	(1,506)	(1,009)
Past Service Cost	0	0	0	0	0	0	0	0	0	0
Contribution by Scheme participants	2,409	2,182	2	3	0	0	5	5	8,347	7,398
Unfunded pension payments	(21)	(27)	0	0	0	0	0	0	0	0
Closing Defined Benefit Obligation	168,916	152,573	1,013,551	1,012,250	61,232	60,357	45,405	44,166	72,507	58,300

Opening fair value of Scheme assets	215,194	206,488	0	0	0	0	0	0	0	0
Expected return on Scheme assets	12,564	10,076	0	0	0	0	0	0	0	0
Actuarial gains (losses)	10,467	(4,217)	34,695	36,875	0	0	0	0	0	0
Contributions by employer including unfunded benefits	5,584	5,197	22,828	22,453	3,535	3,387	512	169	(6,841)	(6,389)
Contributions by Scheme participants	2,409	2,182	2	3	0	0	5	5	8,347	7,398
Estimated benefits paid including unfunded benefits	(5,102)	(4,532)	(57,525)	(59,331)	(3,535)	(3,387)	(517)	(174)	(1,506)	(1,009)
Fair Value of Scheme Assets at end of Period	241,116	215,194	0	0	0	0	0	0	0	0

Reconciliation of Opening and Closing Net Obligation										
Opening Surplus / (Deficit)	62,621	32,530	(1,012,250)	(1,178,258)	(60,357)	(68,745)	(44,166)	(56,662)	(58,300)	(60,651)
Current Service Cost	(4,379)	(5,704)	0	0	(909)	(1,028)	0	0	(4,910)	(10,460)
Contributions by employer including unfunded benefits	5,584	5,197	22,828	22,453	3,535	3,387	512	169	(6,841)	(6,389)
Past Service Costs	0	0	0	0	0	0	0	0	0	0
Interest Costs	(8,898)	(8,511)	(57,066)	(55,149)	(3,400)	(3,219)	(2,547)	(2,716)	(3,577)	(3,063)
Expected return on Scheme assets	12,564	10,076	0	0	0	0	0	0	0	0
Actuarial (losses) gains	4,708	29,033	32,937	198,704	(101)	9,248	796	15,043	1,121	22,263
Interest effect of the asset ceiling	(3,643)	(1,578)	0	0	0	0	0	0	0	0
Asset ceiling Adjustment	(68,557)	(61,043)	0	0	0	0	0	0	0	0
Fair Value of Scheme Assets/ (Liabilities) at end of Period	0	0	(1,013,551)	(1,012,250)	(61,232)	(60,357)	(45,405)	(44,166)	(72,507)	(58,300)

Summary Reconciliation of Closing Net Obligation		
	31/03/26 £000	31/03/25 £000
Local Government Pension Scheme	0	0
1987 Police Pension Scheme	(1,013,551)	(1,012,250)
Injury Awards	(61,232)	(60,357)
2006 Police Pension Scheme	(45,405)	(44,166)
2015 Police Pension Scheme	(72,507)	(58,300)
Total	(1,192,695)	(1,175,073)

Impact Assets Ceiling Adjustment		
	31/03/26 £000	31/03/25 £000
Closing Defined Benefit Obligation	(168,916)	(152,573)
Fair Value of Scheme Assets at end of Period	241,116	215,194
Interest on the effect of the asset ceiling	(3,643)	(1,578)
Asset ceiling Adjustment	(68,557)	(61,043)
Total	0	0

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

	Police Pension Schemes	Local Government Pensions
	Year to 31/03/27	Year to 31/03/27
	£000s	£000s
Funded: -		
Service cost	-	4,334
Net Interest cost	-	(10)
Total	-	4,324

	Police Pension Schemes	Local Government Pensions
	Year to 31/03/27	Year to 31/03/27
	£000s	£000s
UnFunded :-		
Service cost	-	-
Net Interest cost	-	-
Total	-	-

Funded LGPS benefits : Cleveland Police	Sensitivity Analysis		
	+0.1% p.a.	Base 25/26	-0.1% p.a.
Discount Rate Assumptions			
Present Value of total obligation (£000's)	165,926	168,916	165,926
% change in present value of total obligation	-1.8%		-1.8%
Rate of General increase in Salaries			
Present Value of total obligation (£000's)	169,070	168,916	168,762
% 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)	171,751	168,916	166,081
% change in present value of total obligation	1.7%		-1.7%
Post retirement mortality assumption	-1 Year	Base 25/26	+1 Year
Present Value of total obligation (£000's)	175,673	168,916	162,159
% change in present value of total obligation	4.0%		-4.0%

Police Pension Schemes	Sensitivity Analysis		
	Cleveland Police		
	+0.1% p.a.	Base 25/26	-0.1% p.a.
1987 Police Pension Scheme:-			
Discount Rate Assumptions			
Present Value of total obligation (£000's)	1,000,375	1,013,551	1,026,727
% change in present value of total obligation	-1.3%		1.3%
Rate of General increase in Salaries			
Present Value of total obligation (£000's)	1,014,565	1,013,551	1,012,537
% 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)	1,025,714	1,013,551	1,001,388
% change in present value of total obligation	1.2%		-1.2%
Post retirement mortality assumption			
	-1 Year	Base 25/26	+1 Year
Present Value of total obligation (£000's)	1,035,849	1,013,551	990,239
% change in present value of total obligation	2.2%		-2.3%
2006 Police Pension Scheme:-			
Discount Rate Assumptions			
Present Value of total obligation (£000's)	44,315	45,405	46,540
% change in present value of total obligation	-2.4%		2.5%
Rate of General increase in Salaries			
Present Value of total obligation (£000's)	45,995	45,405	44,815
% 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)	45,950	45,405	44,906
% change in present value of total obligation	1.2%		-1.1%
Post retirement mortality assumption			
	-1 Year	Base 25/26	+1 Year
Present Value of total obligation (£000's)	46,404	45,405	44,361
% change in present value of total obligation	2.2%		-2.3%
Injury Awards :-			
Discount Rate Assumptions			
Present Value of total obligation (£000's)	60,436	61,232	62,089
% change in present value of total obligation	-1.3%		1.4%
Projected Service Costs (£000's)	909	938	968
Approx % Change in Projected Service Cost	-3.1%		3.2%
Rate of General increase in Salaries			
Present Value of total obligation (£000's)	61,354	61,232	61,110
% change in present value of total obligation	0.2%		-0.2%
Projected Service Costs (£000's)	938	938	938
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)	61,967	61,232	60,558
% change in present value of total obligation	1.2%		-1.1%
Projected Service Costs (£000's)	968	938	909
Approx % Change in Projected Service Cost	3.2%		-3.1%
Post retirement mortality assumption			
	-1 Year	Base 25/26	+1 Year
Present Value of total obligation (£000's)	62,579	61,232	59,824
% change in present value of total obligation	2.2%		-2.3%
Projected Service Costs (£000's)	959	938	916
Approx % Change in Projected Service Cost	2.2%		-2.3%
2015 Police Pension Scheme :-			
Discount Rate Assumptions			
Present Value of total obligation (£000's)	70,549	72,507	74,537
% change in present value of total obligation	-2.7%		2.8%
Projected Service Costs (£000's)	4,372	4,810	5,262
Approx % Change in Projected Service Cost	-9.1%		9.4%
Rate of General increase in Salaries			
Present Value of total obligation (£000's)	72,507	72,507	72,507
% change in present value of total obligation	0.0%		0.0%
Projected Service Costs (£000's)	4,810	4,810	4,810
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)	74,537	72,507	70,549
% change in present value of total obligation	2.8%		-2.7%
Projected Service Costs (£000's)	5,262	4,810	4,372
Approx % Change in Projected Service Cost	9.4%		-9.1%
Post retirement mortality assumption			
	-1 Year	Base 25/26	+1 Year
Present Value of total obligation (£000's)	74,102	72,507	70,839
% change in present value of total obligation	2.2%		-2.3%
Projected Service Costs (£000's)	5,118	4,810	4,497
Approx % Change in Projected Service Cost	6.4%		-6.5%

15. UNUSABLE RESERVES

Description of Reserve	31 March 2024 £000	Additions in Year £000	Reductions in Year £000	31 March 2025 £000	Additions in Year £000	Reductions in Year £000	31 March 2026 £000
Pension Reserve	1,364,316	(341,714)	152,471	1,175,073	(140,264)	157,886	1,192,695
Total Unusable Reserves	1,364,316	(341,714)	152,471	1,175,073	(140,264)	157,886	1,192,695

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 2025 to March 2026 the funding contributions made were Cleveland 22.81%, Durham 24.08% and Northumbria 53.11%.

Jointly funded assets are classified and those purchased through specific Home Office grants and by contributions from each force. These are currently valued at £1.007m (NBV) of which Cleveland's

share is valued at £0.270m. The unit has reserves of £2.179m of which Cleveland's share is £0.524m (Prior year £0.190m).

NEROCU operates throughout the North East region.

The statement below highlights the income and expenditure, assets and liabilities for the financial year 2025/26 as required under the Section 22A agreement.

North East Regional Organised Crime Unit				
	Apportionment Total Costs	Durham 2025/26 22.81% £000's	Cleveland 2025/26 24.08% £000's	Northumbria 2025/26 53.11% £000's
Employees Costs	19,571	4,464	4,713	10,394
Non Pay Costs	2,482	566	598	1,318
Income	(9,067)	(2,068)	(2,183)	(4,815)
	12,986	2,962	3,127	6,897
Contributions / Reserve				
Durham	3,278	3,278		
Cleveland	3,461		3,461	
Northumbria	7,633			7,633
Reserve movements	(1,387)	(316)	(334)	(737)
	12,986	2,962	3,127	6,896
Reserve as 31st March	2,179	495	524	1,160

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	(315)	(337)	(735)
	13,391	2,727	2,915	6,352
Reserve as 31st March	792	179	190	423

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 2025/26 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 2025/26 50.00% £000's	North Yorkshire 2025/26 50.00% £000's
Employees Costs	241	121	121
Non Pay Costs	1	1	1
Income		0	0
	242	121	121
Contributions			
Cleveland	121	121	
North Yorkshire	121		121
	242	121	121

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

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 2025/26 by Cleveland Police was £0.718m. (£0.667m 2024/25).

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 2025/26 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 2025/26 £000's	Cleveland 2025/26 £000's
Tactical Training Unit				
Employees Costs	998	50%	499	499
Non Pay Costs	1,816	50%	908	908
Income	(21)	50%	(10)	(10)
Total Unit Costs	2,794		1,397	1,397
Reserve as 31st March	Total Reserves			
Tactical Training Unit	162	50%	81	81
	162		81	81

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

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 2025/26 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 2025/26 £000's	Cleveland 2025/26 £000's
Employees Costs	965	50%	483	483
Non Pay Costs	189	50%	94	94
Income	-	50%	-	-
	1,154		577	577
Reserve as 31st March	Total Reserves			
Road Policing	-	50%	-	-
Tactical Training Unit	-	50%	-	-
	-		-	-

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%	-	-
	-		-	-

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.

18. POST BALANCE SHEET EVENT

No post balance sheet events have been identified.

19. AUTHORISATION OF ACCOUNTS

The Assistant Chief Officer – Enabling Services of the Chief Constable for Cleveland Police has set and authorised the date of issue for the Statement of Accounts as the 29th June 2024. This is the date up to which events after the Balance Sheet date have been considered.

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POLICE PENSION FUND

Police Pension Fund Regulations 2009 (SI 2009 No 2060)

PENSION FUND ACCOUNT	2025/2026 £000	2024/2025 £000
Contributions Receivable		
From Employer		
Normal	(21,948)	(21,150)
Capital contribution due to Ill Health Early Retirement	(880)	(1,302)
From Members	(8,415)	(8,178)
Transfers In		
Individual Transfers in from Other Schemes	(98)	(30)
Benefits Payable		
Pensions	53,665	51,331
Commutations and Lump Sum Retirement Benefits	6,048	8,575
Lump Sum death benefits	240	0
Ill Health Lump Sum Benefits	1,843	2,098
Payments to and on Account of Leavers		
Refunds of Contributions	147	89
Inter Authority Adjustments	635	47
Individual Transfers out to Other Schemes	49	65
Sub-Total for the year before transfer from the PCC to fund the deficit for the year	31,286	31,545
Additional funding payable to the PCC to fund the deficit for the year (Home Office)	(31,286)	(31,545)
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 2026	31 March 2025
	£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.

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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.