



STAFFORDSHIRE
POLICE

Unaudited Statement of Accounts 2025/26

Staffordshire Police



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Section 1

1. Narrative Report

Message from Rebecca Riggs, Acting Chief Constable of Staffordshire Police



This statement of accounts sets out the financial performance and position of the Chief Constable over the last 12 months, which reflects the complexity of modern policing.

We have saved £9 million in the last 12 months and need to save £13 million in the coming year, and we have changes ahead in terms of both national police reform and local government reform.

While we operate within a challenging and changing environment, our plan remains ambitious. This must be complemented by ensuring that we invest in the right technologies and capabilities for both the near future and the medium term.

Our performance picture has been steady over this reporting period, which is as a result of the hard work and dedication of our officers, staff and volunteers and their commitment to making Staffordshire safer.

Our focus to provide a responsive service and to be there when you need us most has seen 999 performance improve over the last 12 months. We are now answering 92 per cent of 999 calls within 10 seconds. Meanwhile, our non-emergency (101) call performance is also improving – in February our average time to answer 101 calls was just over one minute.

Our dedicated Road Crime Team are committed to enforcement and preventative activity. The team plays a major role in tackling vehicle-related offences. In 2025, they carried out 3,744 drug and alcohol tests, arrested 1,003 people, seized 244 stolen vehicles, and recovered £16.2 million in criminal assets.

Our financial situation is challenging. We are operating in a difficult and fast changing environment where we are having to make tough decisions.

A handwritten signature in black ink, appearing to read 'R. Riggs'.

Rebecca Riggs
Acting Chief Constable of Staffordshire Police

Introduction

This narrative report explains the structures and governance arrangements of the PCC and Chief Constable as well as a summary of financial and non-financial performance of Staffordshire Police during 2025/26. The PCC and the Chief Constable form an accounting group for reporting purposes. This set of Accounts includes the Statements for the Chief Constable as a single entity set of Accounts. The PCC and Group Accounts are published in a separate document.

The structure and content of the Statement of Accounts have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom. The narrative report consists of the following sections:

- 1.1 Strategy and structure, including an explanation of the PCC and the Group
- 1.2 Force Governance
- 1.3 Our Workforce
- 1.4 About Staffordshire
- 1.5 Non-financial performance
- 1.6 Partnership Collaboration
- 1.7 Financial Review
- 1.8 Key risks, future challenges and financial sustainability
- 1.9 Conclusion
- 1.10 Summary on the Statement of Accounts

The policing environment remains increasingly complex and demanding, and 2025/26 has been no exception. Staffordshire Police continues to respond to evolving patterns of demand, including the growing complexity of crime, particularly in areas such as safeguarding, serious violence, online offending and crimes involving vulnerable individuals. Ongoing investment in workforce capacity, technology and crime prevention initiatives has supported the Force in addressing these challenges and maintaining effective service delivery.

Officer and staff resources have been maintained at levels that enable the continued delivery of visible and responsive policing services. Investment in digital capability, alongside the development of more efficient ways of working, has further enhanced the Force's ability to deploy resources effectively. However, there remains an ongoing requirement to identify efficiencies and improve productivity to support the long-term financial sustainability of the organisation.

Maintaining public trust and confidence remains a key priority for the Chief Constable. There continues to be a strong focus on upholding the highest standards of professional conduct, supported by robust processes to address misconduct and reinforce public assurance in policing services.

The wider economic environment continues to present challenges during 2025/26. While inflationary pressures have begun to ease, the legacy impact of previous increases—particularly in pay, energy and contractual costs—continues to affect the Force's financial position. Nationally, policing continues to operate within a constrained funding environment, requiring careful prioritisation of resources and a sustained focus on delivering value for money.

Throughout the year, significant activity has taken place to enhance the efficiency and effectiveness of policing across Staffordshire. This has been underpinned by strong partnership working at local, regional and national levels, enabling a coordinated approach to tackling crime, protecting vulnerable individuals and supporting victims. The Chief Constable has continued to focus on ensuring that the Force remains financially sustainable while delivering high-quality policing services to the communities of Staffordshire and Stoke-on-Trent.

This Narrative Statement also highlights the key risks and uncertainties facing the Force, including funding constraints, fluctuations in demand and the need to adapt to an increasingly complex policing landscape. It

provides forward-looking commentary on financial sustainability and the actions being taken to ensure that Staffordshire Police remains well positioned to respond to future challenges.

1.1 Strategy and structure

The Police Reform and Social Responsibility Act 2011 established the Police and Crime Commissioner (PCC) and the Chief Constable as two separate legal entities, each with distinct roles and responsibilities. Within this framework, the Chief Constable is responsible for the direction and control of operational policing, including the employment of police officers and staff, a function that formally transferred on 1 April 2014.

These accounts have been prepared in accordance with the requirements of the Police Reform and Social Responsibility Act 2011 and the applicable accounting framework. Although the PCC and Chief Constable are separate legal entities, they operate within a closely integrated financial and operational environment. For accounting purposes, the two bodies are reflected within a group structure; however, these accounts focus specifically on the activities and responsibilities of the Chief Constable.



The Chief Constable is accountable to the law for the exercise of police powers and is responsible for the delivery of operational policing services, including public protection, crime investigation and the maintenance of law and order. In undertaking these duties, the Chief Constable remains operationally independent. At the same time, the Chief Constable is accountable to the Police, Fire and Crime Commissioner for the efficient and effective use of resources and the delivery of policing services in line with the strategic priorities set out in the Police and Crime Plan.

These accounts demonstrate how the resources made available have been utilised by the Chief Constable to deliver operational policing across Staffordshire and Stoke-on-Trent. This includes the deployment and management of officers and staff, the use of assets and technology, and the management of day-to-day expenditure in support of policing activities.

The Chief Constable, supported by the Chief Officer team, is responsible for delivering policing services in accordance with the priorities set out in the Police and Crime Plan for Staffordshire and Stoke-on-Trent (2024–2028). This plan provides the strategic framework within which operational policing activity is delivered, ensuring alignment with local priorities for crime reduction, public protection and community safety.

Whilst the commissioner is responsible for setting the strategic direction and overall funding framework, the Chief Constable is responsible for managing resources efficiently and effectively within that framework. This includes ensuring that operational delivery is supported by sound financial management, effective workforce planning and appropriate use of assets.

The governance arrangements that underpin these responsibilities emphasise accountability, transparency and value for money. These accounts therefore provide a clear explanation of how the Chief Constable has exercised their functions during the year and how resources have been applied to meet policing objectives, manage risks and respond to the challenges facing Staffordshire Police.

The four priorities of the Police and Crime Plan 2024-2028 are outlined below:

An outstanding local Police service

Closer to communities to really understand what matters to them and proactive in solving their concerns. Easy to contact, focused on the needs of victims and providing excellent customer service. Proficient and professional in everything they do. This will mean that people are safer and feel safer, and are confident in and proud of Staffordshire Police.

Preventing and protecting

Prevent harm and protect people (particularly children and those who are vulnerable) by intervening early, ensuring they are appropriately safeguarded and receive the help and support they need. Challenge and support people to make life choices that will prevent them from offending or reoffending. Doing so will mean fewer victims of crime.

Supporting victims

Ensure that victims (which includes witnesses) are treated with respect and empathy to ensure they remain confident in the force's response and are provided with high quality, specialist support services so they feel able to cope and recover from the impact of crime and ASB.

Impactful partnerships

Bring partners together and ensure the appropriate agency plays to its strengths in preventing crime and ASB, protecting people from harm, supporting those affected and delivering justice. Encourage people to get more involved in shaping priorities, volunteering and helping to solve problems in their community.

1.2 Force Governance

The Chief Constable is responsible for ensuring that business is conducted in accordance with the law and proper standards, and that public funds are safeguarded and properly accounted for. This includes a statutory responsibility to secure continuous improvement in the exercise of functions, having regard to economy, efficiency and effectiveness.

In discharging these responsibilities, the Chief Constable is required to put in place appropriate arrangements for the governance of the Force's affairs and to facilitate the effective exercise of statutory functions. This includes maintaining a sound system of internal control throughout the year and ensuring robust arrangements are in place for the identification and management of risk.

The Chief Constable and the Staffordshire Commissioner have jointly approved a Corporate Governance Framework, which incorporates key governance documents such as Financial Regulations, Contract Regulations and a Scheme of Delegation. These documents are reviewed regularly to ensure they remain current, effective and accessible, supporting transparency and accountability across the organisation.

The Annual Governance Statement (AGS), which accompanies the Statement of Accounts, is a statutory document prepared individually for the Chief Constable and the Staffordshire Commissioner. It provides a comprehensive overview of the governance framework in place across Staffordshire Police and outlines how the framework has operated during the financial year. The AGS also identifies any significant governance issues and sets out the actions required to address these and should be read alongside this Statement of Accounts.

A key element of the governance framework is the Joint Audit and Risk Committee (JARC), which provides independent assurance to both the Chief Constable and the Commissioner. The Committee meets regularly and considers a range of reports including internal and external audit findings, financial monitoring, risk management, governance arrangements, and key strategies and policies. Through its scrutiny and challenge function, the Committee supports effective oversight of governance, risk and control arrangements.

The Chief Constable is also subject to scrutiny through formal governance arrangements with the Staffordshire Commissioner. This includes regular Governance and Performance meetings, which provide a structured forum to review operational performance, financial management, workforce matters and strategic risks. These arrangements are supported by ongoing engagement between senior officers of the Force and representatives of the Office of the Police, Fire and Crime Commissioner, ensuring transparency and effective accountability.

In addition, wider governance and scrutiny is supported through engagement with external bodies, including the Police, Fire and Crime Panel, which has statutory responsibilities in relation to policing governance and oversight.

Overall, these arrangements provide a robust framework through which the Chief Constable is able to demonstrate effective stewardship of public resources, maintain strong governance and internal control, and ensure that Staffordshire Police delivers policing services that are efficient, effective and aligned with the needs of local communities.

1.3 Our Workforce

Staffordshire Police continues to recognise that a skilled, diverse and inclusive workforce is fundamental to delivering high-quality policing services and maintaining public trust. The organisation remains committed to embedding Equality, Diversity and Inclusion (EDI) across all aspects of its operations, ensuring compliance with the Public Sector Equality Duty (PSED) and supporting improved outcomes for both communities and employees.

The workforce strategy aligns with the broader Policing and EDI Strategies, with a focus on creating an inclusive organisational culture, enabling staff to reach their full potential, and ensuring that services are designed to meet the needs of diverse communities.



Officers 2,073	Specials 107
Police Staff 1,590	PCSOs 167

1.4 About Staffordshire

Staffordshire Police provides policing services across the County of Staffordshire and the City of Stoke-on-Trent. Our purpose is keeping our communities safe and reassured through preventing crime, protecting the public and bringing offenders to justice.

Staffordshire has the largest total road length of any authority area of the West Midlands and has one of the largest in the country. There are 64 miles of motorway in Staffordshire and the West Coast Mainline connects the county by rail. The section of the motorway through Staffordshire and Cheshire has around 21 million vehicle movements per year.

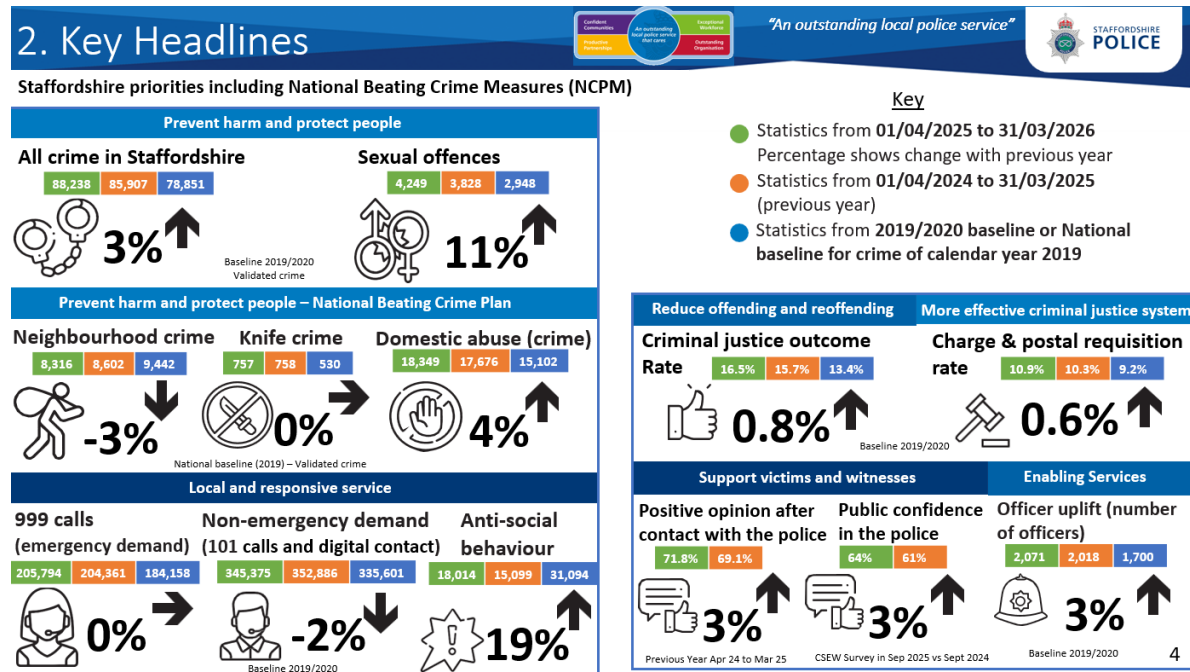
About Staffordshire



1.5 Non-Financial Performance

During 2025/26, the Force has demonstrated a continued improvement in overall operational performance while managing increasing demand and the evolving complexity of modern policing. This progress reflects sustained investment in workforce capability, technological transformation, and targeted operational initiatives aligned to local priorities and national crime measures.

Whilst recorded crime increased slightly over the period, performance improvements were observed across key service areas including emergency response, public confidence, victim satisfaction, and criminal justice outcomes, demonstrating the Force's commitment to delivering an effective and responsive policing service.



Further information can be found here [Performance](#)

1.6 Partnership and Collaboration

Regional Policing

Criminal activity is not constrained by geographical boundaries, making effective collaboration with neighbouring police forces essential. Staffordshire Police operate within a regional framework to address cross-border criminality and to deliver specialist capabilities that would not be sustainable at an individual force level.

The Chief Constable works in partnership with regional colleagues to support a coordinated approach to tackling serious and organised crime. This includes participation in the Regional Organised Crime Unit (ROCU), which brings together resources from Staffordshire, West Midlands, Warwickshire and West Mercia forces to deliver a cohesive and intelligence-led response to serious and organised criminal networks operating across the region.

In addition, Staffordshire Police is supported by the West Midlands Counter Terrorism Unit, which forms part of the national counter-terrorism policing network. This unit provides specialist expertise and resources to respond to the threat of international terrorism and domestic extremism, ensuring that the Force is able to contribute to and benefit from a coordinated national approach to counter-terrorism activity.

The Chief Constable also supports collaborative approaches to workforce development. Staffordshire Police works with partner forces and academic institutions, including Staffordshire University, to deliver Police Constable Entry Route (PCER) programmes. These programmes provide structured pathways for new recruits through both undergraduate and postgraduate routes, supporting the development of a skilled and professional workforce.

Further collaboration is evident through shared services arrangements with neighbouring forces, including joint provision of Legal Services and Firearms Licensing with West Midlands Police. These arrangements support greater efficiency, consistency of service and improved resilience across the region.

Police and Fire Collaboration in Staffordshire

Staffordshire Police continues to benefit from close collaboration with Staffordshire Fire and Rescue Service. This partnership supports a more integrated approach to public safety and enables more efficient use of resources.

Joint working has delivered both operational and financial benefits. A coordinated estates strategy has enabled co-location of police and fire teams within shared facilities across a number of sites in Staffordshire, improving accessibility for communities while reducing the cost of maintaining separate estates.

In addition, a range of support services are delivered on a shared basis, including fleet management, estates management, corporate communications, finance, procurement and logistics, human resources, occupational health, and equality, diversity and inclusion. These shared service arrangements generate efficiencies and enable resources to be redirected to frontline policing activity.

Collaborative working also enhances operational effectiveness. Closer integration between police and fire services supports a more joined-up approach to safeguarding vulnerable individuals and responding to incidents such as missing persons searches, where the combined capabilities of both services can be utilised to improve outcomes.

1.7 Financial Review

The financial performance for 2025/26 demonstrates effective financial management within the Chief Constable's area of responsibility. The resources made available to support operational policing totalled £272.365m, resulting in an operating surplus of £0.790m (0.29%) against the approved net revenue budget.

This underspend will be transferred to PCC general reserves, strengthening financial resilience in an increasingly uncertain external environment.

During 2025/26, the Chief Constable demonstrated strong stewardship of resources, delivering the £0.790m (0.29%) underspend through robust financial management, effective in-year monitoring and disciplined control over both pay and non-pay expenditure.

Delivery of the savings programme remained a key priority, with 87% of planned savings achieved during the year. This reflects sustained progress against the Medium Term Financial Strategy while maintaining the delivery of operational policing services in a challenging environment.

Financial resilience has been strengthened, with general reserves increasing to £10.574m, equivalent to 3.88% of the net revenue budget. This provides additional capacity to manage financial risks and respond to future pressures impacting operational policing.

The Chief Constable has continued to manage cash resources effectively, reducing reliance on external borrowing through the use of internal balances. This has reduced financing costs and supports the delivery of value for money.

Further efficiencies have been achieved through improved procurement and commercial practices, alongside the continued focus on workforce planning and cost control. These measures have ensured that resources remain aligned to operational priorities despite ongoing inflationary and demand pressures.

In addition, increased Home Office grant funding, including support through the Police Officer Maintenance Grant, has enabled the Chief Constable to sustain officer numbers and maintain service delivery across Staffordshire and Stoke-on-Trent.

Overall, this performance reflects a continued focus on financial sustainability, efficiency and value for money, ensuring that the resources provided are effectively deployed to support the delivery of policing priorities.

1.8 Key risks, future challenges and financial sustainability

The Chief Constable maintains a robust and well-established risk management framework to ensure that strategic, operational and financial risks are appropriately identified, assessed and managed. Corporate risk registers are subject to regular review by the Chief Officer team and senior managers, supported by established governance arrangements. Independent assurance is provided through bodies such as the Joint Audit and Risk Committee (JARC), which reviews risk management processes and the effectiveness of controls.

The Medium-Term Financial Strategy (MTFS) and annual budget setting process are closely aligned to the Force's risk profile. Resources are prioritised towards areas of greatest operational and strategic importance, with a risk-based approach adopted to ensure that policing services are maintained whilst responding to emerging pressures and uncertainties.

The national policing landscape continues to evolve, with the Government's Police Reform White Paper (January 2026) setting out a programme of significant reform. This includes a greater emphasis on neighbourhood policing, improved national performance frameworks, enhanced operational capabilities, and an increased focus on prevention and early intervention. The reforms also introduce a more consistent, data-driven approach to performance and reinforce expectations around visible policing and public confidence.

The reform agenda places increasing emphasis on the use of technology, data and collaborative working to deliver more efficient and effective services. Whilst these developments present opportunities to enhance operational capability and productivity, they also introduce additional requirements and expectations, with associated financial and operational pressures. There remains a risk that nationally driven initiatives may not be fully funded, requiring local mitigation through prioritisation, efficiency programmes and ongoing transformation activity.

Further uncertainty exists in relation to wider public sector reform, including local government reorganisation and devolution. Whilst the full implications for policing are not yet clear, Staffordshire Police's established partnership arrangements provide a strong foundation to respond to future changes. Demand modelling continues to be informed by data analysis, historic trends and operational insight to ensure that the Force's operating model remains responsive to changing patterns of demand and emerging risks.

The financial outlook remains challenging, characterised by ongoing uncertainty in government funding, continued inflationary pressures and increasing reliance on local funding sources. A significant proportion of the cost base relates to pay, which limits financial flexibility and increases exposure to nationally determined pay awards. In addition, cost pressures arising from national programmes, technological investment and service demand are not always fully funded, placing further pressure on available resources.

In response to these challenges, the Chief Constable maintains a prudent approach to financial management, ensuring that resources are deployed efficiently and aligned to operational priorities. This

includes supporting the delivery of transformation and efficiency programmes, maintaining strong financial controls and ensuring that risks are actively managed within the financial planning framework.

The capital programme continues to play a key role in supporting operational effectiveness, including investment in technology, digital transformation and the estate. However, constraints in capital funding require careful prioritisation, with continued reliance on borrowing and revenue contributions increasing longer-term financial commitments.

Despite the ongoing challenges, the Chief Constable's financial position remains stable, supported by robust financial planning, effective governance and a strong track record of delivering efficiencies. While the external environment remains uncertain, Staffordshire Police is well positioned to manage emerging risks and maintain financial sustainability through disciplined financial management, continued transformation and a sustained focus on value for money.

1.9 Conclusion

The Chief Constable will continue to drive value for money across all areas of operational policing through robust financial management and rigorous in-year monitoring of financial performance. This approach ensures that operational demand is met within the resources available in the approved budget. For 2025/26, the Chief Constable delivered a net revenue outturn of £271.574m against a budget of £272.364m, resulting in an underspend of £0.790m (0.29%) (Group position). This reflects strong financial control within a challenging operating environment.

Operational delivery continues to be aligned to the strategic priorities set out in the Police and Crime Plan, with a focus on maintaining an effective and responsive local policing service, enhancing neighbourhood presence and investing in digital and operational capability. Delivery of these priorities takes place within a context of relatively constrained funding and lower officer numbers per head of population compared to other forces, requiring a continued emphasis on efficiency, productivity and the effective deployment of resources.

The Chief Constable is responsible for ensuring that financial management arrangements operate in accordance with the CIPFA Code and recognised best practice. A strong focus is maintained on cost control and the delivery of efficiency savings, with £8.643m of savings achieved during 2025/26 (87% of the planned target), alongside additional in-year efficiencies identified to manage emerging financial pressures. Looking ahead, a key challenge remains balancing increasing demand for policing services with the resources available. This includes managing ongoing pay and inflationary pressures, reducing reliance on vacancy-led underspends and overtime, and maintaining financial resilience as reserves are utilised in a planned and sustainable manner over the life of the Medium-Term Financial Strategy.

The delivery of the capital programme remains critical to supporting operational effectiveness and future service delivery. Investment of £23.867m during 2025/26 in estates, digital infrastructure and operational equipment supports ongoing transformation and the drive for long-term efficiency.

The Chief Constable will continue to focus on improving productivity, maximising the benefits of technology and sustaining strong partnership working to deliver effective policing outcomes. Maintaining financial resilience, managing funding uncertainties and delivering the required savings programme will remain central to ensuring that Staffordshire Police continues to provide a high-quality and sustainable service to the public.



John Bloomer CPFA

Director of Resources, Assistant Chief Officer (Section 151 Officer), Staffordshire Police

1.10 Summary on the Statement of Accounts

The Statement of Accounts are prepared using International Financial Reporting Standards (IFRS) on a going concern basis, assuming that Staffordshire Police will continue in operation for the foreseeable future. Additionally, the accounts have been prepared in accordance with the Accounts and Audit Regulations 2022 and the Code of Practice on Local Authority Accounting 2025/26.

The Chief Constable is required by statute to make funding decisions on a different basis from the way in which these decisions are reported within the Statement of Accounts. A number of adjustments are therefore made to the statement of accounts to incorporate accounting adjustments in the areas of pensions, employee benefits and depreciation.

It is the purpose of the statement of accounts consisting of the financial statements and notes to the accounts to demonstrate that the Chief Constable has accounted for public money properly and been economical, efficient and effective in the use of that public money. The accounts provide useful information to a wide range of users about the financial position, financial performance and cash flows of Staffordshire Police. The accounts are, therefore, necessarily detailed and technical with explanatory notes included where applicable.

The Statement of Accounts are a legal requirement under the Accounts and Audit Regulations 2015 and must comply with proper accounting practices. These practices are set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code) which is based on International Financial Reporting Standards and other supporting accounting standards.

Statement of Responsibilities for the Statement of Accounts which sets out the respective responsibilities of the Authority and the Treasurer for the accounts.

Statement of Accounting Policies which sets out the basis for recognising, measuring and disclosing transactions in the accounts;

Movement in Reserves Statement (MIRS) which reconciles the Income and Expenditure Account with General Fund Balances taking into account contributions to reserves committed for future expenditure;

Comprehensive Income and Expenditure Statement (CIES) which summaries the income and expenditure activity for the financial year. This statement analyses the income and expenditure by type of spend.

Balance Sheet which sets out statement of the financial position as at 31st March, showing the assets, liabilities and reserves as valued at that date.

Cash Flow Statement which summaries the changes in cash balances during the year and sets out whether the change is due to operating activities, new investment or financing activities.

Auditors Report gives the auditors opinion on whether the accounts provide a true and fair view of the financial position and operations for the year.

Disclosure Notes to these financial statements it provides more detail on the Group and PCC accounting policies and individual transactions.

Police Pension Fund Account (Police Officers ONLY) is to provide a basis for demonstrating the balance of cash-based transactions taking place over the year and for identifying the arrangements needed to close the balance for that year.

Section 2

Audit Certificate

2.1 Independent Auditor's Report to the members of The Chief Constable of Staffordshire Police

To be inserted when audit completed.

Section 3

Statement of Responsibilities

Responsibilities of the Chief Constable of Staffordshire Police

The Chief Constable is required to:

- Make arrangements for the proper administration of the financial affairs of Staffordshire Police Force and to ensure that one of its officers (Section 151 Officer) has responsibility for the administration of those affairs. In this organisation the Director of Resources is the Section 151 Officer;
- Manage Staffordshire Police's affairs to secure the economic, efficient and effective use of resources and safeguard its assets;
- Approve the Statement of Accounts.

I accept the above responsibilities and approve these Statement of Accounts for 2025/26.

Acting Chief Constable Rebecca Riggs
Chief Constable
Staffordshire Police
Date

Responsibilities of the Director of Resources to the Chief Constable

The Director of Resources is required to:

- Ensure that the financial affairs of the force are properly administered and that financial regulations are observed and kept up to date;
- Report to the Chief Constable, the PCC and the external auditor, any unlawful, or potentially unlawful expenditure by the Chief Constable or officers of the Chief Constable;
- Provide information to the CFO to the PCC as required to enable production of group accounts.

The Director of Resources is responsible for the preparation of the Statement of Accounts for the Chief Constable 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)*.

In preparing these Statement of Accounts the Director of Resources has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Local Authority Code.

The Director of Resources has also:

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

Director of Resources Certificate

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Corporation Sole of the Chief Constable of Staffordshire Police as at 31st March 2026 and its income and expenditure for the year ended 31st March 2026.

John Bloomer
Director of Resources (S151 Officer)
Staffordshire Police
Date

Section 4

Financial Statement Accounting Policies

This section explains the accounting policies applied in producing the Statement of Accounts. The accounting policies apply to all of the Group, OPCC and CC single entity transactions and statements unless stated otherwise. Where the term “Group” is used below this refers to both the individual statements as well.

1. General Principles (IAS 8)

The Statement of Accounts have been prepared in accordance with proper accounting principles contained within the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), and the International Financing Reporting Standards (IFRS).

2. Group Accounts

Following the passing of the Police Reform and Social Responsibility Act 2011, Staffordshire Police Authority was replaced with two ‘corporation sole’ bodies, the Police and Crime Commissioner for Staffordshire Police (PCC) and the Chief Constable of Staffordshire Police (CC). Both bodies are required to prepare separate Statement of Accounts. However, the Act also recognises that the Chief Constable is a wholly owned subsidiary of the PCC and proper accounting practices require group accounts to be produced.

3. Income and Cost Recognition and Intra-group Adjustment

The OPCC is responsible for the Police Fund into which all income is received including the main funding streams of Police Grant, Revenue Support Grant, National Non-Domestic Rates and Council Tax as well as income from charges and from which all costs are met.

The OPCC holds a bank account along with the Chief Constable: the OPCC transfers money to the Chief Constable bank account from where those payments can be made.

The Chief Constable’s Accounts show the cost of undertaking day to day operational policing under the direction and control of the Chief Constable. Expenditure shown in the CIES include the salaries of police officers, PCSOs and police staff as well as the cost of purchases. In addition, a charge is shown for the Chief Constable’s use of assets, which are strategically controlled by the PCC. The capital charge is equal to depreciation of property, plant and equipment and amortisation of intangible assets plus any charge for impairment through obsolescence or physical damage. To fund the operational expenditure, the Chief Constable’s Accounts show income by way of funding or financial guarantee provided by the OPCC to the Chief Constable. This treatment forms the basis of the intra-group adjustment between the Accounts of the OPCC and the CC.

The cost of post-employment benefits accrued by serving and ex-police officers and police staff and the cost of accrued absences are shown in both set of accounts.

4. Revenue from Contracts with Customers (IFRS 15)

IFRS 15 determines that the Group should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

- Revenue recognised from contracts with customers, including the disaggregation of revenue into appropriate categories
- Contract balances, including the opening and closing balances of receivables, contract assets and contract liabilities

- Performance obligations, including when the entity typically satisfies its performance obligations and the amount of the transaction price that is allocated to the remaining performance obligations in a contract
- Significant judgements, and changes in judgements, made in applying the requirements, and
- Assets recognised from the costs to obtain or fulfil a contract with a customer.

5. Accruals of Income and Expenditure

The revenue and capital accounts of the Group are maintained on an accrual basis. This means that income and expenditure are recognised in the accounts in the period in which they are earned or incurred and not when money is received or paid. The exception to the accruals basis is where the amounts involved are not material. Further details are given below:

- Where income and expenditure has been recognised but cash has not yet been received or paid; a debtors or creditor for the relevant amount is included in the Balance Sheet;
- Fees, charges and rents due from customers are accounted for as income at the date that the associated goods or services are provided;

Accruals have been made on the basis of the known value of the transaction wherever possible. Where estimates have been required to be made, they are based on appropriate and consistently applied methods. Where there has been a change to an estimation method from that applied in previous years and the effect is material, a description of the change and if practicable, the effect on the results for the current period is separately disclosed.

6. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the group's financial position or financial performance. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy has always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

7. Events after the Balance Sheet Date (IAS 10)

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

Two types of events can be identified as:

- Adjusting Events – Those events that provide evidence of conditions that existed at the year end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Non-adjusting Events- Those events that are indicative of conditions that arose after the reporting period – the statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and either their estimated financial effect or a statement that such an estimate cannot be made reliably.

8. Government Grants and Contributions (IAS 20)

Government's grant and contributions are recognised in the CIES when conditions attached to the grant or contributions has be satisfied. Government grants and contributions that have been satisfied are carried in the Balance Sheet as creditors.

9. Leases (IAS 17)

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other Leases are classified as operating leases. The PCC has full responsibility of all finance leases and non are in control of the Chief Constable.

Operating lease, the annual rentals are charged to revenue. The value of assets and related liability for future rentals are not shown on the Balance Sheet.

10. Employee Benefits (IAS 19)**Benefits Payable during Employment**

Under IAS19 short term employee benefits are those to be settled within 12 months of the year end. They include such benefits as salaries and wages, paid annual leave, paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for the service in the year in which employees render service to the Group. An accrual is made for the cost of holiday entitlements, flexi leave and time off in lieu earned by employees but not taken before the year end, which employees can carry forward into the next financial year. The accrual is made at the salary rates applicable at year end. The accrual is charged to the Surplus or Deficit on the Provision of Services but then reversed out through the MIRS so that such benefits are charged to revenue in the financial year in which the benefit occurs. The accumulated cost is carried to the Chief Constable's Balance Sheet where is it held as a liability and is matched by an unusable reserve.

Termination Benefits

This policy only applies to members of police staff including PCSOs. Termination benefits are amounts payable as a result of a decision by the Group to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy. These benefits are charged on an accruals basis to the Non Distributed Costs line in the Group's CIES. They are charged when the Group is demonstrably committed to the termination of the employment of an employee or making an offer to encourage voluntary redundancy.

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

Defined Benefit Schemes (Post-Employment Benefits)

Employees of the Group are members of one of two separate defined benefit pension schemes which provide lump sums and pensions upon retirement:

- Police Officers – Police Pension Scheme (PPS)

From 1 April 2015 the Police Pension Scheme 2015 was introduced which changed accrued pension entitlements from a final salary basis to career average. All new police recruits will join this scheme from April 2015. Police Officers in post before this date will be members of the previous 1987 and 2006 schemes or may have transferred to the 2015 scheme dependent upon protection and transitional arrangements for the previous schemes.

Under the Police Pensions Regulations 1987 (as amended) the schemes have no investment assets and the Pension Fund is balanced to nil each year by a transfer from the Police Fund. The Home Office then pay a top-up grant, not exceeding the amount of the transfer, back into the Police Fund. In accordance with

IAS19, the charge to the CIES represents the increase in the benefits earned by officers in the current period, including the related finance costs and any changes in the value of the unfunded liabilities.

International Accounting Standard (IAS) 19 requires the nominal discount rate to be set by reference to market yields on high quality corporate bonds or where there is no deep market in such bonds then by reference to government bonds. The PPS liabilities are discounted using the nominal discount rate based on government bond yield of appropriate duration plus an additional margin. Discount rates used by the actuaries and other assumptions are set out in section 7.3.7 in the accounts.

• Police Staff - the Local Government Pension Scheme (LGPS), Administered by Staffordshire County Council

In accordance with IAS19 the charge to the CIES represents the increase in the benefits earned by employees in the current period, including the related finance costs and any changes in the value of the assets and liabilities of the scheme.

The liabilities of the pension fund attributable to the Group are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of anticipated earnings for current employees.

Liabilities are discounted to their value at current prices in line with the actuary's agreed discount rate as stated in the relevant Note to the Accounts. The assets attributable to the Group are also included in the Balance Sheet at fair value:

- Quoted securities – current bid price
- Unquoted securities – professional valuation
- Utilised securities – current bid price
- Property – market value

The change in the net pensions' liability is analysed as follows:

Current service cost – the increase in liabilities as a result of years of service earned this year. This is charged to the CIES and is apportioned across service headings according to numbers of employees.

Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years and charged to the CIES as part of the Non-Distributed Costs.

Net Interest – on the net defined benefit liability (asset), i.e. the net interest expense for the Group – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

The re-measurements comprise of:

The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

Contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities, not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Group to the pension fund or directly to pensioner in the year, not the amount calculated according to the relevant accounting standards. In the MIRS, this means that there are appropriations to and from the IAS19 Pension Reserve to remove the notional debits and credits for the retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and

any such amounts payable but unpaid at the year-end. The negative balance that arises on the IAS19 Pension Reserve thereby measures the beneficial impact to the General Fund of being required to account for the retirement benefits on the basis of cash flows rather than as benefits that are earned by employees.

Discretionary Benefits

The Group also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

Injury Awards

Injury awards under The Police (Injury Benefits) Regulations 2006 are not part of the Police Pensions Scheme and are funded direct from the CIES. However, liabilities in respect of injury awards are disclosed in the Statement of Accounts as part of the Group overall liability and are measured on an actuarial basis, using the projected unit method.

11. Charges to Service Revenue Accounts for Non-Current Assets

Service revenue accounts, support services and trading accounts are debited with the following amounts to record the real cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses attributable to the clear consumption of economic benefits on tangible fixed assets used by the service, and other losses where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible fixed assets attributable to the service.

12. Jointly Controlled Operations (IAS 31)

Jointly controlled operations are activities undertaken by the Group in conjunction with other ventures that involve the use of the assets and resources of the ventures rather than the establishment of a separate entity. The Group recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the CIES with the expenditure it incurs and the share of income it earns from the activity of the operation. Jointly controlled assets are items of property, plant or equipment that are jointly controlled by the Group and other ventures, with the assets being used to obtain benefits for the ventures. The joint venture does not involve the establishment of a separate entity. The Group accounts for only its share of the jointly controlled assets, the liabilities and expenses that it incurs on its own behalf or jointly with others in respect of its interest in the joint venture and income that it earns from the venture.

13. Exceptional Items

Normally any material exceptional items are separately identified on the face of the CIES, in order to give a fair presentation of the accounts. Where these items are less significant they are included within the relevant line of the CIES, however, details of all exceptional items are given in the Explanatory Foreword.

14. Cash and Cash Equivalent (IAS 39)

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

15. Provisions (IAS 37)

Provisions have only been recognised in the accounts where there is a legal or constructive obligation to transfer economic benefits as a result of a past event and where such an amount can be reliably estimated. Provisions are charged to the CIES and, depending on their materiality, are either disclosed as a separate item on the Balance Sheet or added to the carrying balance of an appropriate current liability. When expenditure is eventually incurred, it is charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it is apparent that the provision is not required or is lower than originally anticipated, the provision is reversed and credited back to the relevant part of the CIES.

The insurance provision was established to meet liability claims which are not covered by external insurers. The balance reflects the Group's independent external insurance advisor's assessment of the level of outstanding liabilities. The provision represents non-current amounts which are expected to be recovered or settled over more than 12 months. No amounts are expected within one year.

16. Contingent Liabilities

Where a potential provision cannot be accurately estimated or an event is not considered sufficiently certain, it has not been included in the accounts but is instead disclosed in the notes as a contingent liability. A contingent liability also occurs where a liability may arise but is dependent upon the outcome of future events before it can be confirmed.

17. Contingent Assets

A contingent asset occurs where a possible asset may arise but is dependent upon the outcome of future events before it can be confirmed. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts.

18. Value Added Tax

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue & Customs and all VAT paid is recoverable from it.

19. Accounting Policies not relevant or not material

The accounting policies are reviewed each year to assess whether it is appropriate for individual policies to be included. There are a number of accounting policies that have not been included above, because the statements are not materially affected by their implementation. These policies include:

- Acquisitions and Discontinued Operations
- Restructuring of loan portfolios and treatment of bonds
- Use of capital receipts to fund disposal costs
- Foreign Currency Translation
- Intangible Assets – Recognition of website development and other internally generated assets
- Interests in companies and other entities
- Investment properties (IAS 40)
- Private Finance Initiatives and Similar Contracts.
- Heritage Assets
- Financial Instruments (IFRS 9)
- Finance Leases (IAS 17)
- Property, Plant and Equipment (PPE) (IAS 16) and Intangible Assets (IAS 38)
- Gains and Losses on Sale of Assets and Disposals
- Assets Held for Sale (IFRS 5)
- Inventories/Stocks (IAS 2)
- Revenue Expenditure Funded from Capital under Statute (REFCUS)
- Impairment (IAS 39) and Depreciation and Amortisation (IAS 16/38)

20. Assumptions about the Future and other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Chief Constable 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 cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The assumptions made about future and other major sources of estimation and uncertainty are in the following table:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Insurance Provisions	The insurance provision is based on estimates for all claims/liabilities known to the Group. Each claim is assessed and estimated based on experience and knowledge from previous similar claims and from information provided by the insurance company. These insurance provisions are updated for any known changes as and when required internally and on a monthly basis by the insurance company.	It is difficult to predict the actual outcome of most claims until they are finalised, however for these items the risk is clearly identified to the Group. A bigger risk is for any unforeseen, unusual insurance claims successfully made against the force. However, the Group has a £100,000 limit on each and every incident before the insurance company will then cover all other costs. Therefore, this is the maximum risk for every incident.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Group with expert advice about the assumptions to be applied.	The effects on the net pension's liability of changes in individual assumptions can be measured.

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

- a. Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024
- b. Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024
- c. Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024
- d. Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024

22. The statement of Accounts was authorised for issue by John Bloomer, Director of Resources to the Chief Constable of Staffordshire Police.

Section 5

Single Entity Financial Statements

5.1 Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Chief Constable, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

The statement does not show any usable reserves as these are held on behalf of the group by the PCC.

	Notes	General Fund Balance £'000	Earmarked Reserves £'000	TOTAL USABLE RESERVES £'000	TOTAL UNUSABLE RESERVES £'000	TOTAL RESERVES £'000
Balance as at 01 April 2024		0	0	0	(1,358,137)	(1,358,137)
<u>Movement in reserves during 2024/25</u>						
Total Comprehensive Income and Expenditure	5.2	28,483	0	28,483	206,725	235,208
Adjustments Between Accounting Basis and Funding Basis Under Regulations	6.1.1	(28,483)	0	(28,483)	28,483	0
Net increase/(decrease) before Transfers to Earmarked Reserves		0	0	0	235,208	235,208
Transfers To/From Earmarked Reserves		0	0	0	0	0
Increase or (Decrease) in 2024/25		0	0	0	235,208	235,208
Balance as at 31 March 2025		0	0	0	(1,122,929)	(1,122,929)
Balance as at 01 April 2025		0	0	0	(1,122,929)	(1,122,929)
<u>Movement in reserves during 2025/26</u>						
Total Comprehensive Income and Expenditure	5.2	25,220	0	25,220	18,138	43,358
Adjustments Between Accounting Basis and Funding Basis Under Regulations	6.1.1	(25,220)	0	(25,220)	25,220	0
Net increase/(decrease) before Transfers to Earmarked Reserves		0	0	0	43,358	43,358
Transfers To/From Earmarked Reserves		0	0	0	0	0
Increase or (Decrease) in 2025/26		0	0	0	43,358	43,358
Balance as at 31 March 2026		0	0	0	(1,079,571)	(1,079,571)

5.2 Comprehensive Income and Expenditure Statement (CIES)

This Statement reflects the resource of the Office of the Staffordshire Commissioner (Police and Crime Commissioner Staffordshire) that is consumed at the request of the Chief Constable (i.e. funding passed on to Staffordshire Police once the PCC has retained the funding they require). Government funding and other grant income belongs to the PCC, therefore all expenditure is funded by the PCC through an intra-group adjustment.

2024/25				2025/26		
Gross expenditure	Gross Income	Net expenditure	Note	Gross expenditure	Gross Income	Net expenditure
Police and Crime Commissioner						
212,882	0	212,882		226,200	0	226,200
212,882	0	212,882		226,200	0	226,200
0	(281,476)	(281,476)	6.2.1	0	(300,929)	(300,929)
212,882	(281,476)	(68,594)		226,200	(300,929)	(74,729)
		87,005	6.2.2			92,603
		(46,894)	6.6			(43,094)
		(28,483)				(25,220)
		(206,725)	6.5.8			(18,138)
		(206,725)				(18,138)
		(235,208)				(43,358)

5.3 Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Chief Constable. The net assets of the CC (assets less liabilities) are matched by the reserves held by the CC. The CC only holds unusable reserves, i.e. reserves that the CC is not able to use to provide services. This category of reserves includes reserves that hold timing differences shown in the Movement in Reserves Statements line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2025		Notes	31 March 2026
£'000			£'000
0			0
0	Long Term Assets		0
8,009	Short Term Debtors	6.3.1	1,064
553	Intra Group Debtors	6.3.1	6,052
8,562	Current Assets		7,116
(13,047)	Short Term Creditors	6.3.2	(13,254)
0	Intra Group Short Term Creditors	6.3.2	0
(13,047)	Current Liabilities		(13,254)
(3,664)	Provisions	6.3.3	(2,851)
(1,114,780)	Liability Related to Defined Benefit Pension Scheme	6.5.8	(1,070,582)
(1,118,444)	Long Term Liabilities		(1,073,433)
(1,122,929)	Net Liabilities		(1,079,571)
	Financed by:		
	Usable Reserves		
0	General Fund		0
0	Earmarked Reserves		0
1,122,929	Unusable Reserves	6.3.4	1,079,571
1,122,929	Total Reserve		1,079,571

I confirm that the Staffordshire Police have approved these accounts as at 31st March 2026.

John Bloomer,
Director of Resources
Assistant Chief Officer
 (Section 151 Officer)
Chief Constable for Staffordshire Police
Date

5.4 Cash Flow Statement

This statement shows the changes in cash and cash equivalents of the Chief Constable during the reporting period. The statement shows how the Chief Constable generates and uses cash and cash equivalents by classifying cash flows as; operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Chief Constable are funded by the PCC.

2024/25 £'000		Notes	2025/26 £'000
28,483	Net Surplus or (Deficit) on the provision of services	5.2	25,220
(28,483)	Adjustments to net Surplus or (Deficit) on the provision of services for non-cash movements	6.4.1	(25,220)
0	Adjustment for items included in the net Surplus or (Deficit) on the provision of services that are investing and financing activities.		0
0	Net cash flow Operating Activities		0
0	Net cash flows from Investing Activities		0
0	Net cash flows from Financing Activities		0
0	Net Increase or (decrease) in cash and cash equivalents		0
0	Cash and cash equivalents at the beginning of the reporting period		0
0	Cash and cash equivalent at the end of the reporting period		0

Section 6

Notes to the Core Financial Statements

These notes provide information that supports and helps in interpreting the financial statements.

6.1 Movement in Reserves Statements (MIRS) notes

- 6.1.1 Adjustment between accounting basis and funding basis
- 6.1.2 Expenditure and Funding Analysis
- 6.1.3 Expenditure and Income Analysed by Nature

6.2 Comprehensive Income and Expenditure Statement (CIES) notes

- 6.2.1 Intra-group Funding
- 6.2.2 Financing and investment net expenditure
- 6.2.3 External Audit Fees
- 6.2.4 Material items of income and expenditure

6.3 Balance Sheet Statement notes

- 6.3.1 Short term debtors
- 6.3.2 Short term creditors
- 6.3.3 Provisions
- 6.3.4 Unusable reserves

6.4 Cash Flow Statement notes

- 6.4.1 Operating activities

6.5 Other notes

- 6.5.1 Termination benefits and exit packages
- 6.5.2 Officers remuneration
- 6.5.3 Disclosure of remuneration for senior executives
- 6.5.4 Related party transactions
- 6.5.5 Pooled budgets and joint operations
- 6.5.6 Contingent liabilities
- 6.5.7 Events after the Balance Sheet date
- 6.5.8 Pension Scheme

6.1 Notes to the Financial Statements

6.1.1 Adjustment between Accounting Basis and Funding Basis

This note details the adjustments that are made to the Comprehensive Income & Expenditure recognised by the CC in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the CC to meet future capital and revenue expenditure.

2025/26	General Fund Balance	Movement in Unusable Reserves
	£'000	£'000
Adjustments to the Revenue Resources		
<i>Amounts by which income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements:</i>		
Pension Costs (transferred to or from pension reserve)	26,061	(26,061)
Holiday pay (transfer to the Accumulated Absences Account)	(841)	841
Total Chief Constable Adjustments	25,220	(25,220)

2024/25	General Fund Balance	Movement in Unusable Reserves
	£'000	£'000
Adjustments to the Revenue Resources		
<i>Amounts by which income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements:</i>		
Pension Costs (transferred to or from pension reserve)	29,880	(29,880)
Holiday pay (transfer to the Accumulated Absences Account)	(1,397)	1,397
Total Chief Constable Adjustments	28,483	(28,483)

Note (i) Net Change for Pensions Adjustments

This column reflects the net change for the removal of pension contributions and the addition of IAS19 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 current service costs and past service costs;
- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.
- Grant Received from Home Office in respect of the Police pension fund account.

Note (ii) Financing and Investment Income and Expenditure Adjustments

This column adjusts for investment income and borrowing costs that are charged to the Police Fund but are not included in the Net Costs of Policing Services.

Note (iii) Other Adjustments

This column reflects the timing differences relating to accruing for compensated absences earned but not taken in the year (absorbed by the Accumulated Absences Account).

6.1.3 Expenditure and Income Analysed by Nature

2024/25			2024/25		
Net Expenditure Chargeable to General Fund £'000	Adjustments between funding and IFRS Basis £'000	CIES £'000	Net Expenditure Chargeable to General Fund £'000	Adjustments between funding and IFRS Basis £'000	CIES £'000
			Expenditure		
136,468	67,005	69,463	Police Officer Pay Costs	144,452	68,846
73,018	2,202	70,816	Police Staff Pay Costs	78,355	6,185
8,683	0	8,683	PCSO Pay Costs	8,913	29
6,157	0	6,157	Other Employee Costs	5,397	0
4,471	0	4,471	Police Officer Pensions	4,638	0
228,797	69,207	159,590	Total Pay	241,755	75,060
			Non-Pay		
198	0	198	Repairs & Maintenance	58	0
4,941	0	4,941	Other Premises Costs	5,411	0
4,326	0	4,326	Vehicle Costs	3,851	0
729	0	729	Other Travel Costs	663	0
2,528	0	2,528	Administration	2,136	0
7,653	0	7,653	Operational Supplies & Service	7,908	0
12,141	0	12,141	Communications & Computers	12,671	0
(326)	0	(326)	Other Supplies & Services	(304)	0
32,190	0	32,190	Total Non-Pay	32,394	0
			Contracted		
8,698	0	8,698	Third Party Payments	9,265	0
8,698	0	8,698	Total Contracted	9,265	0
			Capital Financing		
0	0	0	Capital Financing Costs	0	0
0	0	0	Minimum Revenue Provision	0	0
0	0	0	Capital expenditure charged against the general fund balance	0	0
0	0	0	Total Capital Financing	0	0
			Non Distributed Costs		
0	(613)	613	Non Distributed Costs	0	(330)
0	(87,005)	87,005	Net interest on the net defined benefit liability	0	(92,603)
0	(87,618)	87,618		0	(92,933)
			Capital Statutory Adjustments		
11,791	11,791	0	Depreciation, Amortisation, Revaluation Loss and REFCUS	17,516	17,516
0	0	0	Loss / (gain) on disposal of non-current assets	0	0
11,791	11,791	0	Total Capital Adjustments	17,516	17,516
			Income		
0	0	0	Grants & Contributions	0	0
0	0	0	Reimbursements	0	0
0	0	0	Sales, Fees & Charges	0	0
0	(11,791)	11,791	Other Income	0	(17,516)
0	(11,791)	11,791	Total Income	0	(17,516)
			Funding		
0	0	0	Reserve Transfers	0	0
0	0	0		0	0
(281,476)	0	(281,476)	Inter Group Transfer	(300,929)	0
(0)	(18,411)	18,411	Total Police Services	0	(17,874)
0	46,894	(46,894)	Net Taxation and Grant Income (Surplus) or deficit on Provision of Services	0	43,094
(0)	28,483	(28,483)		0	25,220

6.2 Comprehensive income and expenditure statements (CIES) notes

6.2.1 Intra-Group Funding Arrangements between the PCC and the Chief Constable

The Intra-Group funding arrangement is eliminated on consolidation of the Group Accounts, a treatment adopted for any transactions between the PCC and Chief Constable. The guarantee from the PCC in respect of the resources consumed by the Chief Constable in 2025/26 amounts to £300.929m (£281.476m in 2024/25). This has been re-presented in the CIES and is now included within the Net Cost of Policing Services, in line with current best practice for the preparation of Police Accounts.

2024/25		2025/26	
£'000		£'000	
212,882	Chief Constable's cost of service	226,200	
87,005	Interest on the net defined benefit liability	92,603	
(46,894)	Home Office grant towards cost of retirement	(43,094)	
(206,725)	Re-measurement of the net defined benefit liability	(18,138)	
46,268	Resources consumed	257,571	
	Items removed through the MIRS		
236,605	Movement in pension liability	44,199	
(1,397)	Movement in accumulated absences liability	(841)	
281,476	Total resources consumed for the year by the Chief Constable and funded by the PCC	300,929	

6.2.2 Financing and Investment Net Expenditure

Financing and Investment includes the following items: -

2024/25		2025/26	
£'000		£'000	
87,005	Pension Net Interest Costs	92,603	
87,005	Total	92,603	

6.2.3 Audit Fees

The audit fees payable in 2025/26 to the Auditors in relation to the audit of CC accounts were as follows:

The external audit fees are the PSAA Ltd scale fees for the CC as an opted-in authority and reflect the auditor's assessment of audit risk and complexity. Additional charges may be submitted each year by way of fee variations for work undertaken in addition to the work planned through the normal course of the annual process.

2024/25		2025/26	
£'000		£'000	
53	External Audit Scale Fees	54	
53	Sub Total	54	
(5)	Additional External Audit Fees 2020/21	0	
(4)	Additional External Audit Fees 2021/22	0	
9	Additional External Audit Fees 2022/23	(8)	
8	Additional External Audit Fees 2023/24	0	
61	Total	46	

6.2.4 Material Items of Income and Expenditure

There are no material items of Income or Expenditure in 2025/26 that require specific disclosure.

6.3 Balance Sheet Notes

6.3.1 Debtors

This note shows money owed to the Chief Constable for funding and services provided on or before 31 March 2026 where the money has not been received by this date.

The classification used in this disclosure notes are different to those used in 2024/25; hence the prior year figures have been restated to ensure comparability, the total is not affected.

31 March 2024		31 March 2025
(Restated)		
£'000		£'000
8,008	Other Receivables	1,064
8,008	Sub-Total	1,064
553	Intra-group Funding	6,052
8,561	Total short term debtors	7,116

6.3.2 Creditors

This note shows money owed by the Group and PCC for goods and services purchased and received on or before 31 March 2026 where the money has not been paid by this date.

The classification used in this disclosure notes are different to those used in 2024/25; hence the prior year figures have been restated to ensure comparability, the total is not affected.

31 March 2024		31 March 2025
(Restated)		
£'000		£'000
13,047	Other Payables	13,254
13,047	Sub-Total	13,254
0	Intra-group Funding	0
13,047	Total short term creditors	13,254

6.3.3 Provisions

Provisions fall into two categories depending on when the related payments are expected to be made. Provisions with expected pay outs within one year are classed as current liabilities and those expected to be paid out in excess of one year are long term liabilities. Provisions are now under the control of the Chief Constable and as such have moved from the Balance Sheet of the PCC to the Balance Sheet of the Chief Constable.

Legal Case Provision

A £0.190m provision was charged to the CIES in 2024/25 in respect of costs of a court case that will give rise to payments in the future. This provision remains unchanged in 2025/26.

Insurance Provision

This provision was established to meet liability claims which are not covered by external insurers. The balance reflects the Group's independent external insurance advisor's assessment of the level of outstanding liabilities. The provision represents non-current amounts which are expected to be recovered or settled over more than 12 months. No amounts are expected within one year.

31 March 2025 £'000		31 March 2026 £'000
4,614	Group and CC Balance as at 1 April	3,474
195	Contributions to provision in year	743
(1,335)	Net expenditure in year	(1,556)
3,474	Group and CC Balance as at 31 March	2,661

Total Provisions

31 March 2025 £'000		31 March 2026 £'000
3,474	Insurance Provision	2,661
190	Legal Case Provision	190
3,664	Total Provisions as 31 March	2,851

6.3.4 Unusable Reserves

Unusable reserves have been created as result of the difference between accounting under IFRS and statutory provisions for meeting expenditure from the General Fund. These reserves represent differences due to timing of funding certain items of expenditure and are, therefore not available as a source of general funding.

31 March 2025 £'000		31 March 2026 £'000
1,114,780	Pension Reserve	1,070,582
8,149	Accumulated Absences Account	8,989
1,122,929	Total Unusable Reserves	1,079,571

Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for the funding of benefits in accordance with statutory provisions. The Chief Constable accounts for post-employment in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resource set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the CC makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible.

The debit balance on the Pension Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the CC has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time benefits come to be paid.

31 March 2025 £'000		31 March 2026 £'000
(1,351,386)	Balance as at 1 April	(1,114,780)
206,726	Re-measurement of the net defined benefit liability	18,138
(122,390)	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the CIES	(121,534)
105,376	Employer's pensions contribution and direct payments to pensioners payable in year	104,502

46,894	Additional contribution to the pension fund balance the deficit on the fund account	43,094
(1,114,780)	Total Balance as at 31 March	(1,070,582)

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31st March.

Statutory arrangements require that the impact on the General Fund is neutralised by transfers to or from the Account.

The Reserve relates to Police Officers and Staff who are under the direction and control of the Chief Constable. The opening balance of the reserve as at 1st April 2012 was transferred to the CC Single Entity with effect from that date. The entries for the CC Single Entity below relate to the balances on the Reserve that relate to those staff that were under the direct control of the CC as at 31st March 2025 and 31st March 2026.

31 March 2025 £'000		31 March 2026 £'000
(6,753)	Balance as at 1 April	(8,149)
6,753	Settlement of cancellation of accrual made at the end of the preceding year	8,149
(8,149)	Amount accrued at the end of the current year	(8,989)
(1,396)	Amount by which office remuneration charged to the CIES on accrual basis is different from remuneration chargeable in the year in accordance with statutory requirements	(840)
(8,149)	Total Balance as at 31 March	(8,989)

6.4 Cash Flow Notes

6.4.1 Operating Activities

31 March 2025 £'000		31 March 2026 £'000
(8,630)	Increase/(decrease) in revenue creditors	207
10,977	(Increase)/decrease in revenue debtors	1,448
(29,880)	Movement in pension liability	(26,061)
(950)	Movement in provisions	(813)
0	Other non-cash items charged to the net surplus or deficit on the provision of services	0
(28,483)	Adjustment to net surplus or (deficit) on the provision of services for non-cash movements	(25,220)

6.5 Other Notes

6.5.1 Termination Benefits and Exit Packages

During 2025/26 the Force approved 8 voluntary redundancies and early retirements (8 in 2024/25) at a total cost of £0.425m (£0.577m 2024/25). A breakdown of the total cost and number of exit packages are shown below:

Exit Package Cost Band	Number of exit packages		Total cost of exit packages in	
	2024/25	2025/26	2024/25	2025/26
			£	£
£0- £20,000	4	4	29,591	40,801
£20,001 - £40,000	0	2	0	66,212
£40,001 - £60,000	1	1	51,738	45,000
£60,001 - £80,000	0	0	0	0
£80,001 - £100,000	1	0	93,409	0
£100,001 - £150,000	0	0	0	0
£150,001 - £200,000	1	0	160,986	0
£200,001 - £250,000	1	0	241,330	0
£250,001 - £300,000	0	1	0	273,047
Total	8	8	577,054	425,059

6.5.2 Officers Remuneration

Senior police officers (defined as Chief Superintendent and above) and police staff receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

Chief Constable 2024/25 Number of employees	Remuneration Band	Chief Constable 2025/26 Number of employees
69	£50,000 - £54,999	79
38	£55,000 - £59,999	44
11	£60,000 - £64,999	23
10	£65,000 - £69,999	16
6	£70,000 - £74,999	9
4	£75,000 - £79,999	3
3	£80,000 - £84,999	4
2	£85,000 - £89,999	0
1	£90,000 - £94,999	4
0	£95,000 - £99,999	2
3	£100,000 - £104,999	1
1	£105,000 - £109,999	1
2	£110,000 - £114,999	0
0	£115,000 - £119,999	0
0	£120,000 - £124,999	0
0	£125,000 - £129,999	1
0	£130,000 - £134,999	0
0	£135,000 - £139,999	0
0	£140,000 - £144,999	0
0	£145,000 - £149,999	0
0	£150,000 - £154,999	0
0	£155,000 - £159,999	0
0	£160,000 - £164,999	0
0	£165,000 - £169,999	0
150	Total	187

The banding excludes the remuneration of employees and relevant police officers who have been disclosed individually under the Senior Executives note.

6.5.3 Disclosure of Remuneration for Senior Executives 2025/26

Notes	Salary	Bonuses, Fees and Allowances	Expenses allowances	Pension Contribution	Total Remuneration	
Post Holder Information	£	£	£	£	£	
<u>Senior Executives of the Chief Constable</u>						
Chief Constable- Chris Noble	203,928	0	0	71,987	275,915	
Acting Chief Constable	1	115,379	0	0	40,729	156,108
Deputy Chief Constable (A)	1	49,735	0	0	17,556	67,291
Deputy Chief Constable (B)	2	99,903	0	0	35,266	135,168
Assistant Chief Constable (A)	2	13,524	0	0	4,774	18,297
Assistant Chief Constable (B)	3	110,242	0	0	38,912	149,154
Assistant Chief Constable (C)	4	113,678	0	0	40,128	153,806
Assistant Chief Constable (D)	5	10,316	0	0	3,616	13,932
Assistant Chief Constable (E)	6	20,492	0	0	7,355	27,847
Assistant Chief Officer (S151 Officer)		131,927	0	0	29,783	161,710
Total- Group		869,124	0	0	290,105	1,159,230

- 1 The Deputy Chief Constable (A) left DCC role 31st July 2025 and Acting Chief Constable from 1st August 2025
- 2 Left Assistant Chief Constable (A) 31st July 2025. Was Acting DCC 1st August to 25th September 2025. Then became temporary DCC (B) since 26th September 2025.
- 3 Acting Assistant Chief Constable (B) 1st August 2025 to 25th September 2025. The became temporary Assistant Chief Constable (B) since 26th September 2025.
- 4 Temporary Assistant Chief Constable (C) since 21st April 2025.
- 5 Temporary Assistant Chief Constable (D) from 24th March 2025 to 20th April 2025, then returned to their substantive rank.
- 6 Temporary Assistant Chief Constable (E) since 2nd February 2026.

Disclosure of Remuneration for Senior Executives 2024/25

Post Holder Information	Notes	Salary	Bonuses, Fees and Allowances	Expenses allowances	Pension Contribution	Total Remuneration
		£	£	£	£	£
Senior Executives of the Chief Constable						
Chief Constable- Chris Noble		187,370	1,239	0	66,142	254,751
Deputy Chief Constable – John Roy	1	153,465	2,265	0	51,179	206,909
Assistant Chief Constable (A)		145,118	2,875	0	42,618	190,611
Assistant Chief Constable (B)		133,796	3,612	0	44,651	182,059
Assistant Chief Constable (C)		11,418	0	0	3,802	15,220
Assistant Chief Officer (S151 Officer)		126,338	0	0	27,163	153,501
Total Chief Constable		757,505	9,991	0	235,555	1,003,051

Notes

- 1 Deputy Chief Constable John Roy Retired 30th March 2025
- 2 Assistant Chief Constable (A) retired from the organisation on the 19th January 2025 and returned as a rejoiner on the 21st February 2025 and was successfully appointed as Deputy Chief Constable of the 31st March 2025.
- 3 Assistant Chief Constable (B) Retired 30th March 2025
- 4 Assistant Chief Constable (C) was temporarily promoted to ACC from 21st February to 2nd March. Then was successfully appointed to the role as ACC on the 31st March 2025.

6.5.4 Related Party Transactions

The Chief Constable is required to disclose material transactions with related parties; that is bodies or individuals that have the potential to control or influence the Chief Constable or to be controlled or influenced by the Chief Constable.

The Chief Constable, senior officers and departmental heads were contacted to obtain the required declarations. The Chief Constable also has business relationships with Central Government and a number of other public organisations, such as Staffordshire County Council.

Details of our related party transactions are as follows:

- Police and Crime Commissioner – all funding for operational police services is effectively controlled by the Staffordshire Commissioner (Police and Crime Commissioner for Staffordshire) and recharged to reflect the resources consumed by the CC on the PCC's behalf to deliver the Police and Crime Plan. The PCC for Staffordshire can hold the Chief Constable to account for the performance of the Force. The PCC, in consultation with the CC, decides on the level of funding that the CC receives and sets a budget for the force each year.
- Senior officers and other employees – there are no known related party transactions.
- Charitable Organisations – the Chief Constable is a Trustee of the Care of Police Survivors (COPS) which supports the surviving families of police officer's and staff who died on duty. A donation has been made during the financial year.

6.5.5 Pooled Budgets and Joint Operations

The Group actively works with other police forces to deliver areas of operational policing and back office functions. Some arrangements have financial implications and these are explained below:

Central Counties' Air Operations Unit (CCAOU) with West Mercia Police

As from 1st October 2013, the joint arrangement with West Mercia Police for the provision of air support ceased to exist. This service is now provided by NPAS the National Police Aviation Service. The charges for the service in 2025/26 amounted to £687k (2024/25 £652k).

Staffordshire Fire and Rescue Service Collaboration

The PCC became the Police, Fire and Crime Commissioner (PFCC) on the 1st August 2018. The PFCC and the PFCC staff pay and associated costs relating to their work at Staffordshire Fire and Rescue Service are recharged on a direct basis. In addition to this, there is a joint arrangement for joint projects which is run by a joint Collaboration Board programme and Strategic Governance Board. The costs for providing the service in 2025/26 were £1,855,123 (2024/25 £1,697,815).

Legal Services

During 2011/12 a Section 22a collaboration agreement was signed with West Midlands Police for the joint delivery of a Legal Services Department. The collaborative working arrangement began in 2011/12. In 2025/26 a contribution of £0.588m (£0.436m in 2024/25) was made to West Midlands Police towards the cost of legal services and this figure is included in the Comprehensive Income and Expenditure Statement of the Group.

Joint Emergency Transport Service (JETS)

The Joint Emergency Transport Service delivers all aspects of fleet services for Fire and Police vehicles in Staffordshire. JETS was established in April 2016 and is located at the Staffordshire Fire Workshop's at Trentham Lakes. Some overheads costs are shared at a 51:49 split Police: Fire respectively. Other costs are direct to each Service. All the stock is held separately with identifiable stock control. The cost to Staffordshire Police for the transport service in 2025/26 £3,506,909 (2024/25 £3,778,344).

Firearms Licensing

On 1st August 2013 a collaborative working arrangement commenced with West Midlands Police for the joint delivery of a Firearms Licensing Department based in Staffordshire and with all Police Staff being employed by Staffordshire Police. A contribution of £0.316m has been made by West Midlands Police towards the cost of the service during 2025/26 (£0.325m in 2024/25). This figure is included in the CIES of the Group. A formal agreement is in place.

Regional Organised Crime Unit (ROCU) with West Midlands Police

The West Midlands Regional Organised Crime Unit (WMROCU) is a collaboration between the police forces of Staffordshire, Warwickshire, West Midlands and West Mercia to fight organised crime across the region.

The aim of WMROCU is to reduce the impact and increase the disruption of serious and organised crime with the region and beyond. West Midlands Police acts as the lead force this joint arrangement and provides the financial management service for the unit.

The unit is funded in part by force contributions and also by grants from the Home Office and the National Cyber Security Programme (NCSP). The revenue account for this unit cover all operating costs. The details are as follows.

2024/25 £'000		2025/26 £'000
	Funding provided to West Midlands ROCU	
(17,296)	Contribution from West Midlands Police	(16,952)
(5,310)	Contribution from West Mercia Police	(5,204)
(5,158)	Contribution from Staffordshire Police	(5,056)
(2,579)	Contribution from Warwickshire Police	(2,528)
(2,399)	WMROCU Grant	(2,460)
(280)	National Cyber Security Programme funding	(311)
(252)	Asset Confiscation Enforcement grant (ACE)	(267)
(330)	ROCU Reserves	(75)
(1,120)	UCOL funding	(1,156)
(236)	ROCTA funding	(236)
(256)	Disruption Team Funding	(256)
(250)	Dark Web Funding	(253)
0	Regional Prisons Intelligence Unit	(110)
(142)	Fraud Investigation	(331)
(46)	DART	(662)
0	Regional Asset Recovery Team (RART)	(461)
0	Regional Confidential Unit	(370)
(35,654)	Total Income	(36,688)
	WM ROCU Expenditure	
1,555	Regional Asset Recovery Team (RART)	2,139
260	RART- ACE team	288
912	Regional Cyber Crime Unit	788
605	Regional Fraud Team	826
1,472	Regional Prisons Intelligence Unit	1,822
67	Operational Security (OPSY)	75
74	Regional Government Agency Intelligence Network (GAIN)	76
1,621	Command Team	1,370
6,776	Regional Confidential Unit	6,948
694	TIDU- Technical Intelligence	763
346	Enabling Services	351
5,899	SOCU	5,725
9,567	Regional Surveillance Unit (FSU)	9,500
4,404	Other Regional Operations	4,228
0	Additional Contribution to Reserves	0
428	Threat Assessment Team (ROCTA)	384
336	Disruption Team	249
317	Dark Web	262
321	DART	894
35,654	Total Expenditure	36,688
0	Total Net Expenditure	0

6.5.6 Contingent Liabilities

During the year 2025/26 Motorway Speed Enforcement (Op Cabin) The Department for Transport (DfT) has confirmed that National Highways is responsible for funding financial redress arising from erroneous speed enforcement linked to certain managed motorway cameras enforced on their behalf by Staffordshire Police. While police forces are involved in supporting the administration of the redress scheme, no liability resulting from this redress is expected to fall to the Police Force or the Police and Crime Commissioner. At the date of approval of these financial statements, the redress scheme has

not yet been fully implemented, and the final scope remains subject to further approvals. Accordingly, no provision has been recognised in these accounts, but this matter is disclosed as a contingent liability.

6.5.7 Events after the Balance Sheet date

Events after the balance sheet date have been considered for inclusion in the accounts up to the date of authorised for issue.

In May 2026, HM Treasury announced a change to the SCAPE discount rate applied to the Police Pension Scheme. The Government Actuary's Department has confirmed that this does not affect the IAS19 valuation as at 31 March 2026, as assumptions are derived based on market conditions at the reporting date.

The change is therefore treated as a non-adjusting post balance sheet event. The impact of the revised SCAPE rate will be reflected in future actuarial valuations and employer contribution rates. At this stage, the financial effect of the change cannot be reliably quantified.

6.5.8 Pensions Scheme

Participation in Pension Schemes

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

The Police Pension Scheme for Police Officers (PPS), which is an unfunded defined benefit scheme, meaning that there are no investment assets built up to meet the pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due. Further details of this scheme are given in the Supplementary Financial Statement.

The pension schemes above provide members with indexed-linked benefits, which are determined predominantly by the individual's pensionable salary and length of service. As part of the government's pension reforms, these schemes are undergoing significant changes in how they are funded and the benefits they offer. However, the purpose of this note is to explain the financial impact, in accordance with the Code, of the pension schemes, on the Accounts. Details of how the police pension schemes operate can be found on the Home Office website and details of how the LGPS operates can be found on the Staffordshire County Council website.

Discretionary post-retirement benefits on early retirement are an unfunded benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

McCloud Remedy

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

An allowance for McCloud remedy was first included in the 2018/19 disclosures as a past service cost for four years remedy service from 2015-2019. This past service cost was attributed proportionally to the 1987 and 2006 schemes. For subsequent years to 2021/22 an allowance was made in the 2015 service costs for the annual accrual of additional remedy service.

Now that the remedy window has closed, GAD have moved all McCloud related liabilities for eligible members for the period 2019 to 2022 to the associated legacy schemes. This means all McCloud liability are held within the legacy scheme GAD expect benefits to be paid from. In the 2022/23 disclosures, this led to a past service cost in the 1987 Scheme and the 2006 Scheme and a past service gain in the 2015 Scheme.

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

At the time when the 2023/24 accounting disclosures were being prepared, only a small amount of time had passed from the McCloud implementation date on 1 October 2023 which meant that the contributions adjustments made by administrators during that period were immaterial.

However, since then, GAD have refined the accounting treatment of the contribution's adjustments in the 2025/26 disclosures, so they are shown as net cashflows.

LGPS Asset Ceiling Calculation

Under the accounting standard IFRIC 14 IAS19, a net asset restriction may apply where the Employer's LGPS Assets are greater than the Obligations as at the Balance Sheet date. The Standard restricts (by way of an "asset ceiling") the amount of accounting surplus that the Employer may be able to disclose as at 31 March 2026. The Group's Balance Sheet position, prior to applying the asset ceiling adjustment is a net asset of £133.6m

The Group's LGPS actuaries, Hymans, were commissioned to prepare an asset ceiling paper to provide the Group with asset ceiling calculations as at 31 March 2026.

The asset ceiling defined by IAS19 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." IFRIC 14 IAS 19 also states: "Minimum funding requirements exist in many countries to improve the security of the post-employment benefit promise made to members of an employee benefit plan. Such requirements normally stipulate a minimum amount or level of contributions that must be made to a plan over a given future period. Therefore, a minimum funding requirement may limit the ability of the entity to reduce future contributions."

IFRIC 14 asks employers to analyse minimum funding requirement contributions split between future service and past service elements.

Under IAS19, IFRIC 14 requires an additional liability to be recognised where agreed past service contributions would give rise to a future surplus and not be available after they are paid (i.e. available as a refund or reduction in future contributions).

The methodology used by Hymans, as agreed with the Employer, assumes that the Employer has no unconditional right to a refund from the Fund and therefore there is no economic benefit available as a refund. It also assumes that economic benefit is available to the Employer as a reduction in future contributions. The methodology considers both future service contributions and past service contributions as a minimum funding requirement. Past service contributions, where positive, are used to determine if there is an additional liability to recognise under IAS19.

Taking the above methodology into account, Hymans have calculated the Asset Ceiling and the economic benefit available as a reduction in future contributions as:

the present value of future service cost (A)
less
the present value of future service contributions (B)

Where B is greater than A, the economic benefit available as a reduction in future contributions is floored at £0. This is the case for the Group and, as such, the Net Asset of £133.6m would be floored at £0.

However, the second part of the calculation takes into account the present value of agreed past service contributions. These contributions are being made by the Group is £0 per The Group and Police and Crime Commissioner for Staffordshire Statement of Accounts 2025/26 Note to the Financial Statements.

Therefore, the total effect of the asset ceiling on the net asset is £133.6m. Applying this to the calculated net asset of £133.6m results in a net liability of £0.550m. The Group has chosen to restrict its net asset

position in line with the methodology set out above and is now showing a net LGPS liability of £0.550m as at 31 March 2026, as set out in the tables below.

The adjustment of £133.6m has been applied to the Accounts as a remeasurement of the liability. Prior to applying the asset ceiling adjustment, the net remeasurement was a gain of £133.6m, but is now shown as a loss of £0.550m and is accounted for in the CIES as Other Comprehensive Income and Expenditure. See the “Reconciliation of the Re-measurement” table below for the breakdown of the remeasurement shown in the CIES.

Transactions Relating to Retirement Benefits

The CC recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the CC is required to make against Council Tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund via the Movement in Reserves Statement during the year:

Comprehensive Income and Expenditure Statement

	LGPS		PPS	
	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000
Cost of Services:				
Current service costs (Inc. employee contribution)	(10,632)	(7,821)	(24,140)	(20,780)
Past service costs (Inc. curtailments)	(313)	0	0	0
Pension transfer in	0	0	(300)	(330)
Effect of business combinations and disposals	0	0	0	0
Financing and investment income and expenditure				
Interest cost on defined benefit obligation	(15,991)	(16,507)	(87,030)	(92,750)
Interest income on plan assets	18,555	23,172	0	0
Interest on the effect of the asset ceiling	(2,539)	(6,518)	0	0
Total post-employment benefit charges to the surplus or deficit on provision of services	(10,920)	(7,674)	(111,470)	(113,860)
Re-measurement of the net defined benefit liability				
Return on plan assets (excluding the amount included in the net interest expense)	(10,450)	10,194	0	0
Re-measurement of the net defined benefit liability- demographic assumptions	568	5,031	2,870	0
Re-measurement of the net defined benefit liability- financial assumptions	61,680	14,038	206,400	55,630
Actuarial gains and losses on liabilities experience	2,998	(22,939)	(110)	(31,230)
Changes in the effect of the asset ceiling	(57,231)	(12,585)	0	0
Obligation relating to: staff previously under control of the Chief Constable and new staff in the year	0	0	0	0
Total Post Employment Benefit Charged to the CIES	(2,435)	(6,262)	209,160	24,400

Movement in Reserves Statement

	LGPS		PPS	
	2024/25	2025/26	2024/25	2025/26
	£'000	£'000	£'000	£'000
Reversal of Net Charges Made to the Surplus or Deficit for the Provision of Services for the Post-Employment Benefits in Accordance with the Code	10,920	7,674	111,470	113,860
Employers Contributions Payable to Scheme	(13,476)	(13,982)	(91,900)	(90,520)
Retirement Benefits Payable to Pensioners	0	0	0	0
Total	(2,556)	(6,307)	19,570	23,340

Pension Assets and Liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the CC obligation in respect of its defined benefit plans is as follows:

	2025/26	2024/25	2023/24	2022/23
	£'000	£'000	£'000	£'000
Present Value of the Defined Benefit Obligations				
PPS	(1,070,042)	(1,114,569)	(1,350,680)	(1,390,091)
LGPS	(439,921)	(395,288)	(379,868)	(320,219)
Fair Value of LGPS Assets	439,380	394,704	379,164	326,214
Deficit in the Scheme				
PPS	(1,070,042)	(1,114,196)	(1,350,680)	(1,390,091)
LGPS	(541)	(584)	(704)	5,995
Total	(1,070,583)	(1,114,780)	(1,351,384)	(1,384,096)

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation):

	LGPS		PPS	
	2024/25	2025/26	2024/25	2025/26
	£'000	£'000	£'000	£'000
Opening Balance at 1 April	(379,868)	(395,288)	(1,350,680)	(1,114,196)
Current Service Cost	(10,632)	(7,821)	(13,080)	(9,060)
Interest Cost	(15,991)	(16,507)	(87,030)	(92,750)
Contributions by Scheme Participants	(4,013)	(4,270)	(11,060)	(11,720)
Re-measurement Gain/(Loss)	65,246	(6,646)	209,160	24,400
Pension Transfers In	0	0	(300)	(330)
Benefits Paid	10,054	10,882	91,900	90,520
Past Service Costs (including curtailments)	(313)	0	0	0
Business combinations and disposals	0	0	0	0
Asset Ceiling adjustment for economic benefit calculation	(59,771)	(19,103)	0	0
Obligation relating to: staff previously under control of the Chief Constable and new staff in the year	0	(1,168)	0	0
Top-up-Grant	0	0	46,894	43,094
Closing Balance at 31 March	(395,288)	(439,921)	(1,114,196)	(1,070,042)

Reconciliation of the Movement in the Fair Value of the Scheme Assets

	2024/25	LGPS
	£'000	2025/26 £'000
Opening Balance at 1 April	379,164	394,704
Interest Income	18,555	23,172
<i>Re-measurement gain/(loss)</i>		
The Return on the plan assets, excluding the amount included in the net interest expense	(10,450)	10,194
Other experiences	0	2,775
Employer Contributions	13,476	13,982
Contributions by Scheme Participants	4,013	4,270
Benefits Paid	(10,054)	(10,882)
Business combinations and disposals	0	0
Obligation relating to: staff previously under control of the Chief Constable and new staff in the year	0	1,166
Closing Balance at 31 March	394,704	439,380

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The net liabilities show the underlying commitments that the CC has in the long term to pay post-employment (retirement) benefits. In assessing the liabilities for retirement benefits, the actuaries use a set of assumptions including a discount rate set by reference to long term gilt yields. The assumptions used by the actuaries in 2025/26 and the potential effect of changes in these assumptions are set out below.

However, statutory arrangements for funding the deficit mean that the financial position of the CC remains healthy. The deficit on the local government scheme will be made good by increased contributions over the working life of employees (i.e. before payments fall due), as assessed by the scheme actuary. Finance is only required to be raised to cover police officer pensions when the pensions are actually paid.

In March 2011, Lord Hutton published his report into public sector pension provision which set out recommendations for the Government on how to ensure public service pensions were sustainable and affordable in the long term. As a result, negotiations between unions, employers and government took place and a new style LGPS was agreed, the core principle of which was the move away from a final salaried scheme towards a career average scheme (CARE).

The majority of public sector pension schemes became CARE schemes from 1st April 2015 (including the Police Pension Scheme). However, the Local Government Pension Scheme was selected to make the transition 12 months earlier, on 1st April 2014.

The rate of employer contributions payable by the CC for LGPS members remained constant at 21.5%.

The Local Government Pension Scheme assets comprised:

Asset Category	31 March 2025		31 March 2026	
	Fair Value of Scheme Assets £m	% age of Total Assets	Fair Value of Scheme Assets £m	% age of Total Assets
Equity Securities:				
Consumer	8.96850	2%	0.00000	0%
Manufacturing	3.65160	1%	0.00000	0%
Energy and Utilities	0.00000	0%	0.00000	0%
Financial Institutions	11.63380	3%	0.00000	0%
Health and Care	6.80980	2%	0.00000	0%
IT	8.63100	2%	0.00000	0%
Other	0.00000	0%	0.00000	0%
Debt Securities:				
Corporate Bonds (investment grade)	29.50410	7%	18.20160	4%
Corporate Bonds (non-investment grade)	0.00000	0%	0.00000	0%
UK Government	0.00000	0%	0.00000	0%
Other	0.00000	0%	0.00000	0%
Private Equity:				
All	19.52530	5%	25.15930	6%
Real Estate:				
UK Property	31.88380	8%	39.66830	9%
Overseas Property	0.00000	0%	0.00000	0%
Investment Funds and Unit Trusts:				
Equities	186.19800	46%	240.65300	54%
Bonds	30.83480	8%	40.41800	9%
Hedge Funds	0.00000	0%	0.00000	0%
Commodities	0.00000	0%	0.00000	0%
Infrastructure	22.47260	6%	29.87840	7%
Other	36.25330	9%	43.71890	10%
Derivatives:				
Inflation	0.00000	0%	0.00000	0%
Interest Rate	0.00000	0%	0.00000	0%
Foreign Exchange	0.00000	0%	0.00000	0%
Other	0.00000	0%	0.00000	0%
Cash and Cash Equivalents:				
All	5.57040	1%	8.41650	1%
Totals:	401.93700	100%	446.11400	100%

Approximately 1.51% of the value of these Assets relates to the PCC Single Entity and 98.49% relates to the Chief Constable.

The breakdown of assets in monetary terms in the above table have been shown to the nearest £100. The additional precision in the presentation of the figures has been included because the sum of the values rounded to the nearest £1,000 will not equal the total values due to rounding. Source: Hymans Robertson LLP

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The Police Pension Scheme liabilities have been assessed by the Government Actuary Department (GAD) using their pension model. The Local Government Pension Scheme assets and liabilities have been assessed by Hymans Robertson, an independent firm of actuaries.

The principal assumptions used by the actuary have been:

	2024/25	LGPS 2025/26	2024/25	PPS 2025/26
Mortality Assumptions				
<u>Longevity at 65 for Current Pensioners</u>				
Men	20.7yrs	21.6yrs	21.9yrs	22.0yrs
Women	24.0yrs	24.6yrs	23.9yrs	24.0yrs
<u>Longevity at 65 for Future Pensioners</u>				
Men	21.9yrs	22.8yrs	23.3yrs	23.4yrs
Women	25.5yrs	26.1yrs	25.2yrs	25.3yrs
Rate of Inflation			2.70%pa	2.95%pa
Rate of Increases in Salaries	3.25%pa	3.50%pa	3.45%pa	3.70%pa
CARE Revaluation Rate			3.95%pa	4.20%pa
Rate of Increases in Pensions	2.75%pa	3.00%pa	2.70%pa	2.95%pa
Rate for Discounting Scheme Liabilities	5.80%pa	6.30%pa	5.65%pa	6.10%pa
Take Up of Option to Convert Annual Pension into Retirement Grant:				
Pre-April 2008 Service	50%	50%	N/A	N/A
Post-April 2008 Service	75%	75%	N/A	N/A

Sensitivity Analysis

IAS19 requires the disclosure of the sensitivity of the results to the methods and assumptions used. The tables below shows the sensitivities regarding the principal assumptions used to measure the schemes liabilities.

	Approximate % Increase in Employer Liability	Approximate monetary amount (000's)
LGPS Change in assumption 31 March 26		
0.1% decrease in Real Discount Rate	2.00%	5,679
1 year increase in member life expectancy	4.00%	12,524
0.5% increase in the salary Increase rate	0.00%	286
0.5% increase in the pension Increase Rate	2.00%	5,392
PPS Change in assumption 31 March 26		
0.5% Decrease in Real Discount Rate	-7.00%	(114,000)
0.5% increase in the salary Increase rate	7.00%	12,000
0.5% increase in the pension Increase Rate	2.50%	115,000
1 year increase in member life expectancy	0.50%	41,000

Section 7
PENSION FUND ACCOUNTS

6.6 Police Pension Scheme for England and Wales- Pension Fund Accounts

Fund Account 2024/25 £'000		Fund Account 2025/26 £'000
	Contributions Receivable:	
	From employer	
(29,014)	Contributions at 35.3%	(30,725)
(879)	Early retirements	(859)
(2)	Other- Pre-1974 recharge receipts	(2)
(11,225)	Officers contributions	(11,749)
		(43,335)
(41,121)	Transfers in from Other Schemes	(327)
(297)	Benefits Payable:	
	Pensions	76,031
72,952	Commutations and lump sum retirement benefits	10,439
15,121	Repayments to HO following Ombudsman decision Milne v GAD	0
0	Lump sum death benefits	131
0		86,601
	Payment to and on Account of Leavers	
	Refund of contributions	53
185	Individual transfers out to other schemes	100
53		153
		153
238	Sub-total for the year before transfer from the Group of amounts equal to the deficit	43,094
46,894	Net Amount payable/ receivable for the year	(43,094)
(46,894)		(43,094)
	Actual Home Office top up funding	(43,094)
(46,894)		(43,094)

The Chief Constable administers the Police Pension Fund Account on behalf of the PCC; amounts debited and credited to the Account are specified by legislation, the Police Pension Fund Regulations 2007 (Statutory Regulations 2007 No 1932). In relation to the Account the use of the word 'Fund' should not be taken to mean the Police Pension Scheme is a funded scheme, as there are no assets or investments associated with the Account to provide for future benefits. Instead the purpose of the Account is to provide a basis for demonstrating the balance of cash-based transactions taking place over the year and for identifying the arrangements needed to balance the account for that year.

6.7 Notes to Supplementary Financial Statements

Note 1

The annual cost of police pensions is met, in part, by contributions from the employer and serving police officers and other minor sources of income. Under the Police Pension Fund Regulations 2007. Due to the fact that the Chief Constable does not hold assets or liabilities, no cash is transacted by the Chief Constable. The fund is balanced to nil at the end of each financial year either by paying over any surplus to the Home Office or by receiving cash in the form of pension top-up grant from the Home Office to make up any deficit. The OPCC acts as intermediary where grant payment/receipt takes place – the grant is therefore shown on the OPCC's CIES (Intra-group funding) but is transferred to the Chief Constable through the Intra-Group funding. The fund does not hold any investment assets and follows the accounting policies of the Group.

Note 2

The Account collects the costs and income relating to retired police officers that are in receipt of pensions and income associated with serving police officers that are members of the Police Pension Scheme 1987 (OPPS), the New Police Pension Scheme 2006 (NPPS) or the Police Pension Scheme 2015 (PPS). There are certain exceptions to this arrangement, such as pension's payable under the Police Injury Pension Regulations, which are charged directly to the Cost of Services in the CIES;

Note 3

This Account does not take account of long-term liabilities to pay future pension benefits after the year end, details of the Chief Constables pension liability can be found in 6.5.8.

Note 4

Employers' contributions, which are set by the Home Office subject to the Government Actuary's Department triennial valuation, are calculated at 35.3%.

Accounting Policies

(a) Transfer values

The OPCC uses the receipts and payments basis for transfer values it has received or paid and for refunds of contributions. This means the accounts do not include amounts the OPCC owe or amounts which are owed to the OPCC.

(b) Debtors and creditors

The OPCC include debtors and creditors at the end of the financial year for employer's pension contributions paid in advance, top-up grant due but not received and for commuted lump sum payments to retiring police officers that have been paid but not processed through the payroll. The pension scheme financial statements do not take account of liabilities to pay pensions and other benefits after the period end.

(c) IAS 19

Relevant information from the pension accounts has been supplied to the Government Actuary Department (GAD), so the necessary information is available to help us meet IAS19. Further details of the long-term pension obligations are contained in 6.5.8 the Financial Statements.

Section 8

ABBREVIATIONS/GLOSSARY

7.1 Abbreviations

OPCC	-	Office of the Police and Crime Commissioner for Staffordshire
CC	-	Chief Constable
PCC	-	Police and Crime Commissioner
CIES	-	Comprehensive Income and Expenditure Statement
IAS	-	International Accounting Standard
IFRS	-	International Financial Reporting Standards
LGPS	-	Local Government Pension Scheme
GAD	-	Government Actuary Department
NPAS	-	National Police Aviation
MIRS	-	Movement in Reserves Statement
MTFO	-	Medium Term Financial Outlook
MTFS	-	Medium Term Financial Strategy
ROCU	-	Regional Organised Crime Unit
PCCWM	-	Police and Crime Commissioner West Midlands
CCAOU	-	Central Counties' Air Operations Unit
VFM	-	Value for Money
PCSO	-	Police Community Support Officer
OPCC	-	Office for the Police and Crime Commissioner
CMPG	-	Central Motorway Patrol Group
HMIC	-	His Majesty's Inspectorate of Constabulary
CFO	-	Chief Finance Officer
CIPFA	-	Chartered Institute of Public Finance & Accountancy
EFA	-	Expenditure and Funding Analysis

7.2 Glossary of Financial Terms

Items in **bold** are described further within the glossary.

Accounting Period

The period of time covered by the OPCC accounts. Normally twelve months, beginning on 1 April. Also known as the Financial Year.

Accounting Policies

The principles, bases, conventions, rules and practices applied by an organisation that specify how the effects of transactions and other events are to be reflected in its financial statements through recognising, measuring and presenting **assets**, **liabilities**, gains, losses and changes to **reserves**.

Accrual

Income and expenditure are recognised as they are earned or incurred, not as money is received or paid. Accruals are made for **revenue** and **capital expenditure** and income (see **debtors** and **creditors**).

Actuarial gains and losses

The changes in the net pension's **liability** that arise because events have not coincided with assumptions made at the last actuarial valuation, or because the actuaries have updated their assumptions.

Agency Services

Services that are performed by or for another authority or public body, where the agent is reimbursed for the cost of the work done.

Amortisation

The writing down of an **intangible asset** reflecting its diminution in value as its useful life expires over time.

Appropriations

Amounts transferred to or from revenue or capital reserves.

Assets

Items having measurable value in monetary terms. Assets can be defined as fixed or current. A fixed asset has use and value for more than one year e.g. land, buildings, plant, vehicles and equipment. Current assets can be readily converted into cash.

Bad (and doubtful) Debts

Debts which may be uneconomical to collect or unrecoverable.

Balance Sheet

A statement of recorded **assets** and **liabilities**, and other balances at the end of an **accounting period**.

Budget

A statement of the PCC's plans in financial terms. A budget is prepared and approved by the PCC prior to the start of each financial year.

Capital Adjustment Account

This account contains the balances previously held on the Capital Financing Account. The movements in year relate to the amount of capital expenditure financed from revenue, grants and capital receipts. It also contains the difference between amounts provided for depreciation and that required to be charged to revenue to repay the principal element of external loans.

Capital Expenditure

Expenditure on an acquisition or enhancement of fixed **assets**. Enhancement would include increases in value, lengthening the life of the **asset** or increasing the usage of the **asset**.

Capital Financing Requirement

An amount calculated from the value of Fixed Assets less the balances on Capital Adjustment Account. The sum represents the "underlying" need to borrow of the OPCC. The OPCC is required to set aside some for its revenue budget each year as provision for debt repayment. This is known as the Minimum Revenue Provision

Capital Receipt

Money received from the disposal of land and other **assets**, and from the repayment of capital grants and loans made by the OPCC.

Cash and Cash Equivalents

Cash in hand, cash overdrawn and short term investments that are readily convertible into known amounts of cash

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is the leading professional accountancy body for public services. It draws up the Accounting Code of Practices and issues professional guidance that is used to compile these accounts. CIPFA advises central government and other bodies on local government and public sector finance matters.

Code of Practice on Local Authority Accounting (UK)

Publication produced by **CIPFA** that provides detailed guidance on the proper accounting treatment to be used in the preparation of local authority statement of accounts.

Commuted Lump Sums

These are the amounts paid to officers when they retire, if they choose to have a lower pension.

Componentisation

The objective of component accounting is to follow proper accounting practice by ensuring that the plant property and equipment is accurately and fairly included in the PCC and OPCC Group's balance sheet, and that the PCC and OPCC Group's Income and Expenditure Statement properly reflects the cost of their use over their individual useful lives through depreciation charges. Authorities are required to implement this with effect from 1 April 2010 with no retrospective adjustments, although the PCC for Staffordshire started to operate component accounting during the last financial year, obtaining a full valuation of all property split down to their component parts in order to fully comply with IFRS.

Consolidated

Added together with adjustments to avoid double counting of income, expenditure or to avoid exaggeration e.g. debtors.

Contingency

A sum included in the revenue budget to cover unexpected expenditure during the **accounting period**. An example of such an event would be an exceptional price increase not anticipated at the time the budget was constructed.

Contingent Liabilities

A contingent liability is defined as either a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the organisation's control or a present obligation that arises from past events but is not recognised because either it is not probable that a transfer of economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Corporate and Democratic Core

Defined elements of support service costs which are not chargeable to services, sub-divided into Democratic Representation and Corporate Management.

Creditors

Amounts owed by an authority for works done, goods received or services rendered before the end of an **accounting period**, but for which actual payments had not been made by the end of that accounting period.

Current Service Cost

The increase in present value of a defined benefit pension scheme's **liabilities** expected to arise from employee service in the current financial year.

Current Value

The current value of an **asset** is a measurement of the assets service potential and can be measured at:

- Existing Use Value – where an active market exists,
- Depreciated Replacement Cost– for assets where there is no market and / or the assets are specialised.

Debtors

Amounts due to an authority for works done, goods supplied or service rendered before the end of an **accounting period**, but for which actual payments had not been received by the end of that accounting period.

Deferred Liabilities

Fees 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.

Defined Benefit Pension Scheme

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

Depreciation

The measure of the cost or revalued amount of the benefits of the non-current asset that have been consumed during the period.

Consumption includes the wearing out, using up or other reduction in the useful life of a non-current asset whether arising from use, the passage of time or obsolescence through either changes in technology or the demand for the service produced by the asset.

Exceptional Items

Material items which derive from events or transactions that fall within the ordinary activities of the OPCC and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

External Audit

The auditor is required to verify that all statutory and regulatory requirements have been met during the production of the OPCC accounts. There is also a requirement to review the arrangements in place to ensure the economic and effective use of resources.

Fair Value

The fair value of an **asset** is the price at which assets or liability could be exchanged in an orderly transaction between market participants at the measurement date under current market conditions.

Finance Lease

A lease, which transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee. The payments usually cover the full cost of the asset together with a return for the cost of finance. Asset held under Finance Leases are recognised on the Balance Sheet as Assets.

Financial Instrument

Any contract giving rise to a financial **asset** in one entity and a financial **liability** or equity instrument in another. Examples include the treasury management activity of the OPCC, including the borrowing and lending of money and the making of investments.

Financial Regulations

A written code of procedures approved by the PCC and intended to provide a framework for the proper financial management of the Group. The financial regulations are supported by detailed financial instructions.

Fixed Assets

Tangible assets which have value to the OPCC for more than one year.

General Fund

The common name for the account which accumulates balances for all services except the **Collection Fund**.

Going Concern

The concept that the Group 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.

Group Financial Statements

Where the OPCC has an interest in another organisation (e.g. a **subsidiary** organisation) group accounts have to be produced. These accounts report the financial position of the OPCC and all organisations in which it has an interest.

Historical Cost

This represents the original cost of acquisition, construction or purchase of a fixed **asset**.

IAS19

The objective of International Accounting Standard (IAS) 19, *Accounting for Retirement Benefits in Financial Statements of Employers* is to prescribe the accounting and Disclosure for employee

Benefits (that is, all forms of consideration given by an entity in exchange for service rendered by employees). The principle underlying all of the detailed requirements of the Standard is that the cost of providing employee benefits should be recognised in the period in which the benefit is earned by the employee, rather than when it is paid or payable.

Impairment

A reduction in the value of a fixed **asset**, resulting from financial loss, damage or obsolescence. In order to comply with accounting standards, the OPCC undertakes annual reviews of its assets to identify any that are impaired.

Intangible Assets

Assets that do not have physical substance but are identifiable and controlled by the OPCC through custom or legal rights.

International Financial Reporting Standards

International Financial Reporting Standards are standards and interpretations adopted by the International Accounting Standards Board (IASB). Many of the standards forming part of the IFRS were previously known as International Accounting Standards.

Joint Ventures

An organisation in which the OPCC is involved where decisions require the consent of all participants.

Liability

Amounts due to individuals or organisations that will have to be paid at some time in the future. Current liabilities are usually payable within one year of the balance sheet date.

Liquid Resources

Current asset investments that are readily disposable by the Group without disrupting its business and are either readily convertible to known amounts of cash at or close to the carrying amount or traded in an active market.

Medium Term Financial Strategy (MTFS)

A plan detailing projected expenditure and available resources over a period of more than one year. The OPCC MTFFS currently covers four years.

Minimum Revenue Provision

The statutory minimum amount that authorities must set aside each year as provision for debt repayment. The Commissioner's MRP Policy is set out within the Capital Strategy.

National Non-Domestic Rates

The means by which local businesses contribute to the cost of providing local authority services. All Non-Domestic Rates are paid into a central pool and then divided between all authorities depending on the number of residents each authority has.

Net Revenue Expenditure

This represents the OPCC budget requirement and use of **reserves**.

Non Distributed Costs

This is where overheads are not charged or apportioned to activities within the service expenditure analysis in the OPCC and OPC Group's Comprehensive Income and Expenditure Statement.

Non-Cancellable Lease

A lease that is cancellable only:

- Upon the occurrence of some remote contingency.
- With the permission on the lessor.
- If the lessee enters into a new lease for the same or an equivalent asset with the same lessor
- Upon payment by the lessee of such an additional amount that, at the inception of the lease, continuation of the lease is reasonably certain.

Outturn

Actual income and expenditure in an **accounting period**.

Past Service Cost

The increase in **liabilities** arising from current year decisions whose effect relates to years of service earned in earlier years.

Post Balance Sheet Events

Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the Statement of Accounts is signed by the responsible financial officer.

Precepts

The method by which the OPCC obtains the income it requires from the Council Tax via the appropriate authorities

Prior Year Adjustments

These are material adjustments relating to prior year accounts that are reported in subsequent years and arise from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates in prior years.

Provision

An amount set aside to cover a **liability** that will almost certainly occur, but where the amounts or dates on which the cost will arise are uncertain.

Prudential Code

The Prudential Code ensures, within a clear framework, that the capital investment plans of the OPCC are affordable, prudent and sustainable.

Public Works Loans Board (PWLB)

A Government agency which provides loans, for terms of one year and above, to local authorities. The interest rates applied are only slightly higher than those at which the Government can borrow.

Relevant Police Officer

The Chief Constable (England and Wales) and Commissioners of the Metropolitan or City of London Police (England). Any other senior police officer whose salary is £150,000 per year or more.

Remuneration

All amounts paid to or receivable by a person, and includes sums due by way of expenses allowance (so far as those sums are chargeable to United Kingdom income tax), and the estimated money value of any other benefits received by an employee otherwise than in cash (e.g. benefits in kind).

Reserves

A reserve is an amount set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years. A distinction is drawn between reserves and **provisions** which are set up to meet known liabilities.

Residual Value

The net realisable value of an **asset** at the end of its useful life.

Revaluation Reserve

This represents the non-distributable increase/decrease in the valuation of fixed **assets**.

Revenue Expenditure

Expenditure on day-to-day running costs such as salaries, heating, printing and stationery and debt charges. Revenue items will either be expended immediately, like salaries, or within one year of purchase.

Revenue Expenditure Funded From Capital under Statute (REFCUS)

This is expenditure that can be deemed capital expenditure under Statute but does not result in an **asset** for the OPCC. Such expenditure is written off to the Income and Expenditure Account in the year it is incurred.

Revenue Support Grant (RSG)

Government financial support to aid local authority services generally. It is based on the Government's assessment of how much an authority needs to spend in order to provide a standard level of service.

Service Reporting Code of Practice

Published by **CIPFA** the Service Reporting Code of Practice establishes "proper practice" with regard to consistent financial reporting to enhance the comparability of local authority financial information and is given statutory force in England by regulations under the Local Government Act 2011.

Senior Employee

A senior employee is an employee whose salary is more than £150,000 per year, or one whose salary is at least £50,000 per year (to be calculated pro rata for a part-time employee) and who is:

- (a) The designated head of paid service, a statutory chief officer or a non-statutory chief officer of a relevant body, as defined under the Local Government and Housing Act 1989 ; or
- (b) The head of staff for a relevant body which does not have a designated head of paid service

Single Entity Financial Statements

The main financial statements for the Chief Constable as shown in section 5 of the Group Account.

Specific Grant

Government financial support for a specific purpose or service that cannot be spent on anything else.

Work in Progress

Work in progress is the value of work undertaken on an unfinished project at the end of the financial year, which has not yet been charged to the revenue account.