STAFFORDSHIRE COMMISSIONER
Police | Fire and Rescue | Crime

STAFFORDSHIRE POLICE

Unaudited Group Statement of Accounts

2024/25

Staffordshire and Stoke on Trent

Our Vision

A safe and confident Staffordshire, secured by an outstanding local police service that is passionate about serving the public, caring for its people and working in partnership.

Contents

Section 1

Introduction

Staffordshire is a safe place to live, visit and work. Overall crime rates are well below the regional and national average, and our area sees particularly low levels of neighbourhood crimes such as burglary, vehicle crime and robbery compared to most similar force areas.

Throughout my previous term of office and during my 2024 election campaign, I have consulted with individuals, families and community representatives. The issues that continue to concern them most are ASB, neighbourhood crime, drug dealing and road safety. My engagement and consultation also highlight consistent themes around the basic aspects of policing. People value a visible Police presence to deter offending and provide reassurance, they want a prompt response to calls for service and expect officers to take robust action and be effective in investigating crime. Both crime and anti-social behaviour have fallen compared to last year, more suspects are being arrested and stop searched, 999 and 101 calls are being answered more quickly and effectively. People are seeing significantly improved criminal justice outcomes and levels of victim satisfaction are rising.

The most recent inspection report by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) recognised the progress being made. The improvement in nearly all the areas assessed is testament to the hard work and dedication of the Service's staff, officers, leaders and Chief Constable. I would like to thank them for this. I am certain that they will continue to strive to fulfil the ambitions set out in my refreshed Local Police & Crime Plan.

Challenges such as last summer's violent disorder reminded us all of the bravery and resilience of our officers, rightly earning the respect and support of communities across Staffordshire and Stoke-on-Trent. Staffordshire Police were properly resourced, trained and equipped to meet this challenge and are equally well-placed to meet the demands of tackling organised criminals, responding to increases in domestic abuse, and protecting children and vulnerable people.

With council tax payers' support, I have been able to provide the resources for the service to invest in the technology, training and people required to help meet these daily challenges, weighing up risk and potential harm to prioritise tasks. A new Road Crime Team is robustly tackling crime on our road networks and making them safer, providing our communities with a more focused and localised service than previously. The new Proactive and Rural Crime Team is addressing the issues that impact our rural communities, such as wildlife crime, burglary and organised gangs stealing machinery from businesses and farms.

The overall financial position for Staffordshire Police has continued to improve in recent years, resulting in a more robust level of reserves that is more in line with reserve levels held nationally but is not excessive. The outturn for 2024/25 is a small underspend of £0.147m and 90% of the £6.558m MTFS savings required being delivered. Both of these demonstrate strong financial management of the budget through the past financial year.

However, this is set against a backdrop that includes some significant uncertainties and new financial pressures. Even when increasing the council tax precept by the maximum permitted without a local referendum, reductions in Government grant, a shortfall in the funding required to cover the increase in employers National Insurance Contributions and the cost of the Government manifesto pledge to expand neighbourhood policing mean that Staffordshire Police face real and significant cuts. I also remain concerned about the impact of future pay awards should nationally negotiated pay agreements continue to exceed inflation and our budget assumptions. The position will become clearer this Summer with the announcement of the Comprehensive Spending Review, however, there remain a number of other variables which might have positive or negative impacts on our financial position.

The force is already lean, consistently benchmarking as providing good value for money, however, there is more to do to protect what has been achieved in recent years. To further improve efficiency and productivity as part of the transformation programme a further £10.9m of new savings will be required in 2026/27.

I continue to review the ongoing investment requirements of Staffordshire Police when considering council tax proposals and how much the residents of Staffordshire will have to pay as I recognise that these are challenging financial times for everyone. With this, inflation and wage pressures in mind, I increased the council tax precept by 5.12% in 2025/26, equivalent to £14 per year which was in line with the referendum limit. I will always aim to keep council tax as low as possible without compromising safety and this increase was essential to limit reductions in service.

There is a national issue around public sector external audit delays that is affecting nearly all local councils, Fire & Rescue services and Police forces. This is likely to mean 2024/25 statement of accounts will have a disclaimed audit opinion. This is hugely disappointing as it is out of our control and the impact of this is likely to be felt for future Statements.

I am responsible for approving the Statement of Accounts for 2024/25 and will do so giving due consideration to the recommendations made by the Ethics Transparency and Audit Panel (ETAP).

Ben Adams

Staffordshire Commissioner

Director of Finance Narrative Statement

We are continually seeking to improve and develop our approach to reporting and to provide information on the Group main objectives and strategies and the principal risks that it faces. The Narrative Report should provide commentary on how the Group has used its resources to achieve its desired outcomes in line with its objectives and strategies.

The objectives of the Statement of Accounts are to provide useful information to a wide range of stakeholders about the financial position of the Staffordshire Commissioner's Office and Staffordshire Police. The information provided also allows for an assessment of the Staffordshire Commissioner's performance in terms of stewardship and the management of the resources entrusted to him. The accounts are, therefore, necessarily detailed and technical and explanatory notes are included where applicable.

This statement also reflects upon the impact of events during the year and discusses how the Staffordshire Commissioner's Office and Staffordshire Police are doing even more to support the communities served during a very challenging time.

"I remain confident that the Office of the Police and Crime Commissioner has a solid financial platform to enable the Force to deliver the key priorities of the Police and Crime Plan"

Heather Lees
Director of Finance
Staffordshire Commissioner Office

Narrative Statement

Our Priorities

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.

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.

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.

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.

Our approach

Community focused

Understanding communities and recognising their different needs is essential to delivering a style of policing and related services in their area that builds relationships, tackles the issues most important to them and increases public confidence. It's important to give people a voice so that they feel they are being heard and are confident to report crime and ASB and provide information that can help to prevent crime.

Prevention and early intervention

Targeting interventions at those more vulnerable to crime and ASB and intervening as early as possible prevents issues from happening in the first place or escalating so that they become even more damaging, complex and costly.

Supported and equipped

Our Police service must have the equipment, vehicles, buildings and technology it needs to improve services, help protect the public and deliver real value for money. Staffordshire Police's most valuable asset is its people; officers, staff and volunteers must have the right leadership, management, training and wellbeing support, underpinned by the right organisational culture.

Solving problems together

The issues affecting individuals, families and communities are often complex and rarely solved by one organisation alone so we need to bring organisations together to prevent problems from escalating and protect people from harm. This means sharing resources and knowledge and aligning services to deliver more efficient and comprehensive solutions. Even better collaboration between partners including neighbouring Police forces, other blue light services, councils, health authorities, criminal justice partners, businesses, communities and the voluntary sector is essential.

Value for money

Every penny in policing should be directed at keeping people safe by preventing and reducing crime. We can use our resources efficiently and continuously improve by listening to the people doing the job, learning from best practice elsewhere and listening to those who receive our services, remembering that government grants and the Police share of council tax are not just to cover policing; PCCs have broader statutory responsibilities to prevent crime and support victims with services which cannot be delivered by Staffordshire Police alone.

Open and transparent

I will listen, act on public concerns, explain what we are doing to address them and treat people fairly, and I expect Staffordshire Police to do the same. In holding the force and partners to account, I will challenge, scrutinise and share performance data to demonstrate my expectation of the highest standards of public service and to increase trust and confidence.

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.

1.16m people

488,600 households

1,049 square miles

Motorways
64.5 miles
30

A roads
543.5 miles

Minor roads
3,895.5 miles

Our Workforce

Officers and staff

2,017
Officers

183
PCSOs

1,448
Police Staff

140
Special Constables

109
Volunteers

Performance

Over the past year there were:

230,000
calls to 999

310,000
calls to 101

59,000
online contacts

5,000
missing person reports

1,846
police complaints

263,000
incidents

84,600
crimes

3,756
repeat offenders

51,000
motoring offences

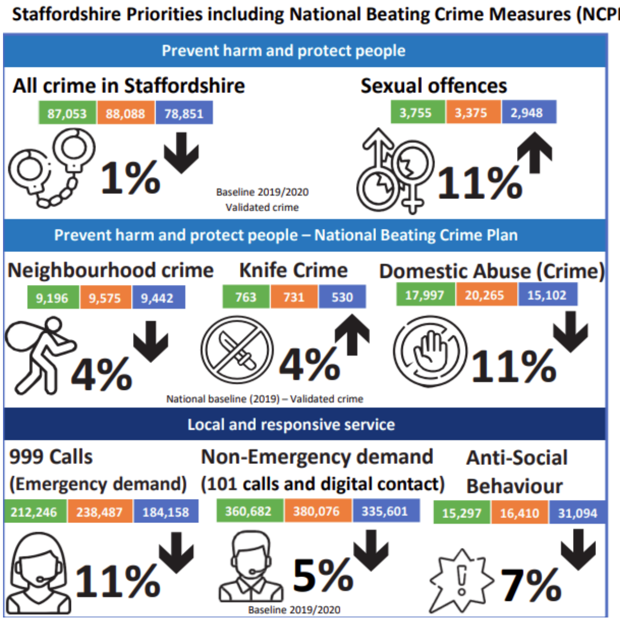
16,000
counts of anti-social behaviour

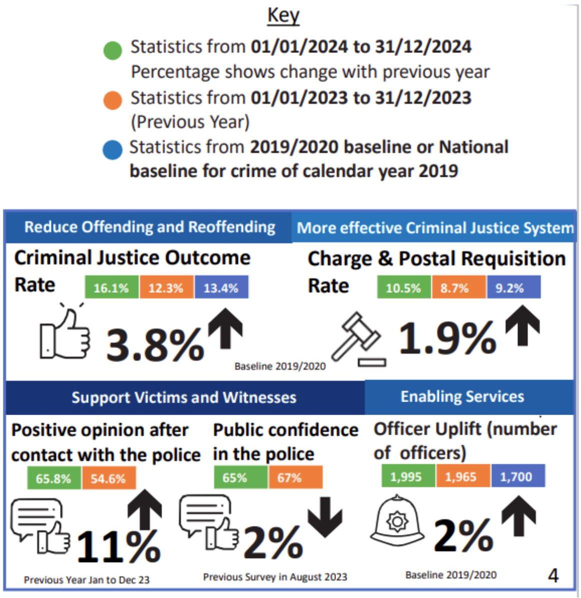
16,300
arrests

5,400
people stopped and searched

80.1%
of victims of crime satisfied with the way the incident was investigated

63,700
crime victims referred to the Victim Gateway





Partnership collaboration

Regional Policing

Regional Policing Criminals don't recognise borders so it is important that Staffordshire Police works effectively with our neighbouring forces. It also means that more specialised services can be provided on a larger scale to tackle the most acute problems across a broader geography in a way that would not be affordable locally.

The **Regional Organised Crime Unit** comprises officers from Staffordshire, West Midlands, Warwickshire and West Mercia forces and delivers a cohesive and coordinated response to serious organised crime across the region.

The **West Midlands Counter Terrorism Unit** is part of the national counter terrorism network that leads the response to international terrorism and domestic extremism. Its team of specialist officers provides a coordinated response in support to Staffordshire, West Midlands, Warwickshire and West Mercia forces and supports the national network as required.

Staffordshire has a collaborative arrangement with West Mercia and Warwickshire Police for delivery of **Police Constable Entry Route** (PCER) programmes through Staffordshire University's Institute of Policing. The PCER includes undergraduate and postgraduate courses for new recruits.

Staffordshire and West Midlands also have joint teams for **Legal Services** and **Firearms Licensing**.

Police/Fire Collaboration Staffordshire

Staffordshire was the second area in England where governance of Fire & Rescue was transferred to an elected Police, Fire and Crime Commissioner in 2018. Collaborative work has brought real benefits to how Police and Fire & Rescue work together to keep communities safe and delivered significant financial benefits. There are now five Police, Fire & Crime Commissioners and the Government is encouraging more coterminous Police and Fire & Rescue areas to consider the benefits of collaboration.

A bold joint estates plan has seen Police and Fire & Rescue teams brought together in modern facilities in Hanley, Tamworth, Penkridge, Stone, Uttoxeter, Chase Terrace and Kinver, with public money no longer misspent on separate buildings for each team. There are plans for similar arrangements in other locations across Staffordshire.

Staffordshire Police and Staffordshire Fire & Rescue Service now share a number of vital support services including vehicle fleet management, estates management, corporate communications, financial services, supplies and logistics, HR, occupational health and equality, diversity and inclusion. This saves money that is redirected to frontline services.

In additional to financial savings, closer working between Police and Fire & Rescue is bringing benefits such as joined-up approaches to protecting vulnerable people, and missing persons searches that take advantage of both services' resources and skills.

Organisation Overview

The Police Reform and Social Responsibility Act 2011 established the Police and Crime Commissioner and the Chief Constable as separate legal entities. The legal transfer of operational policing to the Chief Constable, who also became the employer of police staff members, was completed on 1st April 2014.

This Statement of Accounts is produced in the context of the Police Reform and Social Responsibility Act 2011. The PCC will mainly be referred to throughout this document as the Staffordshire Commissioner. The Staffordshire Commissioner includes the responsibilities as the Police and Crime Commissioner and governance of the Staffordshire Commissioner Fire and Rescue Authority.

The Chief Constable

- Holds office as a servant of the crown and is not an employee.
- Operationally independent, directs and controls all offciers, staff and other resources to keep the communities of Staffordshire safe and secure.
- Must have regard to the Police and Crime Plan.
- Delivers efficent and effective operational policing whihc is responsive to the needs of the public.
- Hold no assets or loabilites and may not borrow money.

The Police and Crime Commissioner

- Appoint the Chief Constable and if necessary may dismiss them.
- Holds the Chief Constable to account for Policing.
- Sets the strategic direction for policing in Staffordshire.
- Sets the budget and council tax precept for polcing.
- Holds all property, assets and liabilites.

Police, fire and Crime Panel

- Consists of 10 councillors representing the local authorities in Staffordshire and Stoke-On-Trent plus 2 independent members.
- They oversee the works of the Staffordshire Commissioner to promote openness
- Has power to veto on the police precept and Chief Constable Appointments.

Financial Review

Headline figures for the year

Our financial performance in 2024/25 was positive. The Group's core funding grew to £264.811m and operating surplus of £0.147m (0.06%) against the annual budget. This underspend will be added to our general reserve, providing additional support in future years in an increasingly uncertain external environment. We have excluded the statutory accounting adjustments.

	2025 £'000	2024 £'000
Income	(30,120)	(29,643)
Expenditure	294,784	272,416
Total	**264,664**	**242,773**
Core Funding	(264,811)	(242,920)
Operating surplus	**(147)**	**(147)**

Home Office main grant funding increased by £15.6m compared to the year before. In addition to the core funding, the Group also received a Police Officer Maintenance grant, which was to assist in the maintenance of officer numbers at their baseline plus full uplift allocation.

Achievements during the year:

- The Group delivered 90% of its planned savings for the year. This is set against the context of the year's budget and savings requirement being set in the MTFS.

- External debt, used to fund the capital programme, has reduced year on year as maturing loans were not refinanced but were paid off using internal cash balances, reducing the interest payable on loans thus providing better value for the taxpayer.

- Cashable savings from better, smarter and more efficient procurement totalling £1.43m for the year.

- General reserves as at 31st March grew to £9.783m which equates to 3.69% of the 2024/25 net revenue budget.

Reserves

Reserves	General Fund Actual £000	Earmarked Reserves Actual £000
General Reserve		
General Reserves Balance at 1st April 2024	9,636	35,883
(Over)/Underspend against Budget	147	0
Transfers In/(Out)	0	1,815
General Reserve at 31st March 2025	**9,783**	**37,698**

The general reserve balance at 31st March 2025 as shown in the above table is £9.783m and is held to cover any unexpected or emergency events that are to be considered to be a medium or high risk by the Group.

As set out in the Reserves Strategy, the Staffordshire Commissioner has indicated that the level of the general reserves is set at a minimum of 3.69% of the annual revenue budget. This is considered to be a reasonable provision for an emergency events that may occur and in line with the Commissioner's Reserves Strategy. The balance includes the underspend in year of £0.147m.

There are a number of transfers to earmarked reserves in 2024/25 taking the total value of earmarked reserves to £37.698m as at 31st March 2025.

Reserves are not held without good reason and are fully supported by a detailed Reserves Strategy that is updated annually. Whilst reserves are held to support known and future liabilities and commitments, reserves are also earmarked to support future capital investment resulting in lower capital financing costs into the medium term.

Capital Investment

During 2024/25, £15.613m was invested in capital projects, summarised as follows.

Capital Expenditure Outturn	Revised Budget £000	Actual £000	Actual %
Property, Plant and Equipment	9,641	6,007	38%
Digital, Data and Technology	8,401	6,768	43%
Vehicles	3,400	2,689	17%
Operational Equipment	1,245	149	1%
Total Capital Expenditure	**22,687**	**15,613**	**100%**

The table above shows the net capital position against the revised budget for 2024/25. The variance to budget is attributable to some project slippage mainly due to the profiling of spend against large complex capital projects.

The capital programme is supported mainly by external borrowing and planned capital receipts, with no capital grant funding from the government being available.

Depending on the project, business case and life expectancy, the Staffordshire Commissioner may borrow to fund the longer life assets. Any decision to borrow will be made, like all decisions, with value for money for the taxpayer in mind and only be done when it is the most cost-effective way of delivering a project.

During the financial year, additional revenue contributions to capital in year were made, these funded the vehicle replacement programme. The capital financing requirement (net debt) has increased by c.£8.070m in year.

The capital programme spend of £15.613 million in year has been funded as follows:

Capital Financing	31st March 2025 £000
Capital Grants	0
Capital Receipts	444
Revenue Contribution to Capital	3,257
Internal Borrowing	11,912
Total Capital Funding	**15,613**

(This does exclude revenue contribution to capital which has funded assets under construction which have become operational during the year).

Balance Sheet

The balance sheet is a snapshot of the Group's assets and liabilities, cash balances and reserves at the balance sheet date. A table summary is provided below.

	31st March 2024 £000	31st March 2025 £000
Long Term Assets	90,153	99,831
Current Assets	68,509	65,619
Current Liabilities	(31,214)	(41,918)
Long Term Pension Liabilities	(1,351,398)	(1,114,791)
Other Long Term Liabilities	(66,495)	(68,648)
Net Liabilities	**(1,290,445)**	**(1,059,907)**
Usable Reserves	(45,850)	(47,812)
Unusable Reserves	1,336,295	1,107,719
Total Reserves	**1,290,445**	**1,059,907**

As at 31st March the balance sheet shows the group had negative assets, fortunately this is not the case. The sole reason for this is the unfunded Police Pension Scheme and the funded Local Government Pension Scheme (LGPS) pension scheme. Excluding these pension labilities, the Group Balance sheet has net assets of £54.885m including usable reserves of £47.813m.

Treasury Management

The Staffordshire Commissioner approves a Treasury Management and Investment Strategy before the start of each financial year and receives regular updates on treasury performance during the year.

Cash

	31st March 2024 £000	31st March 2025 £000
Cash and Cash Equivalents	283	350
Short Term Deposits	20,475	26,100
Total	**20,758**	**26,450**

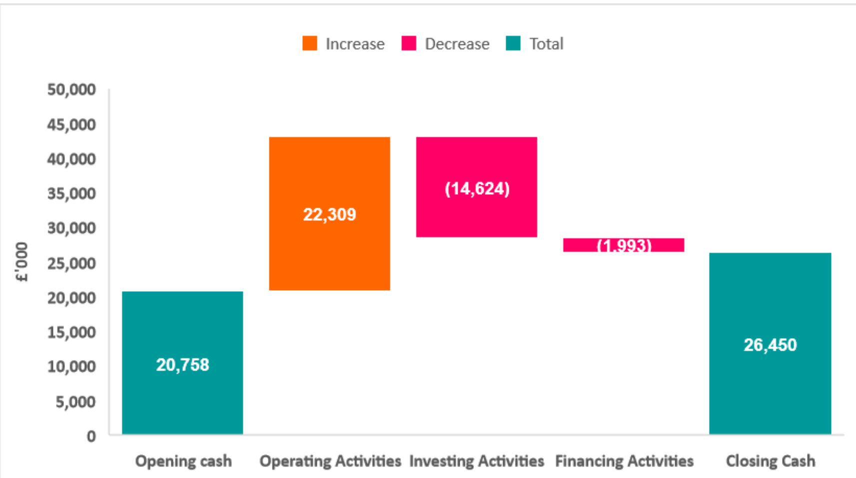
Overall, group cash position has increased during the year with £26.450m of cash held in bank and deposits as at 31 March 2025.

External Debt

Historically long-term borrowing has been utilised to finance part of the overall capital programme. As at 31st March 2025 the Group had total external borrowing of £59.650m (£61.500m 2023/24). This is still under the Authorised limit for external debt.

Cash Flow Statement 2024/25

The organisation's cash position has improved during 2024/25 with a net increase of £5.692m. In addition, total external debt has fallen by £1.6m.



1. Inflow from operating activities reflects operating surplus generated in the year.
2. Other investing activities outflow is due to investment acquisitions and disposals.
3. Outflow on financing activities is largely loan repayments made on debt.

Pensions

Accounting standards require the full cost of pension benefits as they are earned to be reported in the accounts. The impact of this requirement on the accounts is significant with the total balance sheet liability for pensions amounting to £1,114m. The amounts included within the balance sheet reflect an estimate of the total pension liability and incorporates a number of assumptions that change over time. This liability does not affect the ability to continue as a going concern as it refers to future liabilities that will be met by future contributions. Excluding the pension liability, the balance sheet shows net assets of £56.834m.

Police Pension Scheme (PPS)

The Police Pension Schemes are unfunded defined benefit schemes and any deficit on the scheme is met by Central Government through the Home Office and a top-up payment is received annually to cover any shortfall. Employer contributions to the scheme at the rate of 35.3% (31% in 2023/24) of pay for current officers are funded from the revenue budget which includes council tax funding. The cost of pension payments to pensioners is largely met from the Home Office top-up grant and is therefore not funded by Council Tax. The assessed liability overall of Staffordshire in the Police Pension Scheme as at 31st March 2025 was:

	31 March 2024 £'000	31 March 2025 £'000
Police Pension Scheme Obligation	(1,350,680)	(1,114,195)
Total Deficit	**(1,350,680)**	**(1,114,195)**

The Police Pension Scheme liability has decreased by £236 million in year as incorporated into the Statement of Accounts for 2024/25. This is primarily associated with the impact of fund valuation mainly through changes in financial assumptions between 31 March 2024 and 31 March 2025 markets moved in way which produced an increase in discount rate (5.65% from 4.75%). The discount rate is main reason for the movement in the pension liability as the rate increased to 5.65% which leads to a reduction in pension liability. Additionally, the inflation assumption 2.70% (2.60% in 2024) and salary assumption has reduced from 3.85% to 3.45% which reduced the pension liability further.

Changes to the mortality assumptions due to a slowing to expected future mortality improvements also leads to lower pension liabilities.

Police Staff Pensions, Local Government Pension scheme (LGPS)

Staff working for Staffordshire Police, the Staffordshire Commissioner's Office and PCSOs are eligible to be members of the Local Government Pension Scheme (LGPS) administered by Staffordshire County Council and is a funded scheme: The current contribution rate for employees is 21.5% of pay, and this is met from the revenue budget which includes council tax funds.

	31 March 2024 £'000	31 March 2025 £'000
LGPS Defined Benefit Obligations	(386,830)	(402,533)
Fair Value of LGPS Assets	386,112	401,937
Total	**(718)**	**(596)**

The impact of the change is in the closing balance sheet position has been largely driven by changes in the assumptions. The demographic assumptions have been updated this year to reflect the latest available longevity improvements information available at the accounting date, which leads to a gain on the balance sheet (reduction in liabilities), but the main driver of the improved balance sheet the corporate bond yield (upon which the discount rate is derived) has risen over the period, which has led to a 0.95% increase in this assumption. This served to reduce the Employer's obligations and led to a gain of around on the balance sheet.

Other comprehensive income (Re-measurement of the net defined benefit liabilities) the impact of the change in the closing balance sheet position is driven by changes in the OCI (on both the obligations and assets).

The assumptions adopted for preparing the latest accounting disclosures are summarised below:

	31 March 2024 £'000	31 March 2025 £'000
Pension Increase Rate (CPI)	2.75%	2.75%
Salary Increase Rate	3.25%	3.25%
Discount Rate	4.85%	5.80%

Market derived CPI inflation has remained the same as last year, which has led to this assumption being unchanged. This has had no impact on the Employer's obligations on the balance sheet.

The salary increase assumption has remained the same as last year. This has had no impact on the Employer's obligations or on the balance sheet.

The corporate bond yield (upon which the discount rate is derived) has risen over the period, which has led to a 0.95% increase in this assumption. This served to reduce the Employer's obligations and led to a gain of around £62,810,000 on the balance sheet.

Outlook

The Staffordshire Police and Commissioner's Office budget considers the current and emerging operational challenges; both nationally, regionally and locally, with a continued focus on those areas included within the force's Strategic Assessment and the inspection from His Majesty's Inspectorate of Constabulary, Fire & Rescue Services (HMICFRS). It has been welcome to see HMICFRS remove Staffordshire Police from an Engaged level of inspectorate oversight as well as an inspection report that demonstrates real and tangible progress in improving the service.

Staffordshire Police continues to deliver Value for Money. In the 2024 HMICFRS Value for Money profiles, Staffordshire Police is the 8th lowest funded force in England and Wales on a per head of population basis but continues to be one of the safest places to live, work and visit in the United Kingdom. This low funding position, relative to other areas, means that the scope for efficiencies is arguably lower than in other areas without impacting on the Policing model. Despite this, Staffordshire has a low number of officers in support roles.

Pay and inflationary pressures were higher in 2024/25 than forecast in the MTFS, with the average pay award of 4.75% being announced. In addition, the increase on employers National Insurance charges from April 2025 has created a pressure in 2025/26. These inflationary increases, alongside a settlement that did not fully cover centrally imposed costs and have made setting the 2025/26 MTFS challenging. The current external environment, seen through inflationary pressures and a move towards above inflation pay awards, remains volatile, increasing the likelihood of budget assumptions being materially challenged in year.

The Commissioner has considered the adequacy and level of reserves and the impacting of future financial challenges and opportunities in the MTFS. The MTFS assumes a net drawn on reserves of £5.141m to support the MTFS revenue budget over the four years.

The Home Office has provided a one-year local settlement only. This makes future budget estimates and assumptions inherently risky.

The Commissioner has approved a precept increase of 27 pence per week for a band D property from April 2025. The proposed precept enables the Commissioner to provide an increase in funding raised from the precept of £6.183m in 2025/26 (excluding the collection fund positions and council tax base changes). This increase is in order to make a number of investments that will allow more pro-active policing, freeing up the force to target criminals. These include;

- Supporting the recruitment of 16fte additional Police Officers for 2025/26 & 2026/27;
- EV infrastructure and sustainability schemes to meet unfunded obligations placed on policing by the government;
- Funding to invest in technology improvements to improve contact systems to better meet public expectation and improve public contact and feedback;
- Recruitment of transferees, bringing experience at pace into Staffordshire Police to complement our existing recruitment of student officers;
- Automated document redaction software to ensure legislative compliance, freeing up time to be reinvested back into Policing;
- A dedicated proactive team to tackle important priorities in rural communities;
- A new specialist Roads Crime Team to tackle crime committed on our roads.

To balance this MTFS, £21.2m of savings will be required by 2029, however crucially will need to continue having a strong focus on operational improvement, a balanced position has been set for 25/26 through using some of the budget support reserve. There is already, and will continue to be, a strong focus on identifying and delivering these savings and the process is already underway in the early part of 2025. It is crucial that work to implement identified savings starts early to enable their full value to be achieved.

When considering the existing turbulent economic factors and significant uncertainty surrounding costs, this leads to a very challenging financial landscape into the medium term and beyond for the Staffordshire Commissioner and Staffordshire Police.

There is a national issue around public sector external audit delays that is affecting nearly all local councils, Fire & Rescue services and Police forces. This is likely to mean 2024/25 statement of accounts will have a disclaimed audit opinion. This is hugely disappointing as it is out of our control and the impact of this is likely to be felt for future Statements.

These Accounts are due to be approved by the Staffordshire Commissioner following detailed review and recommendation by the Ethics, Transparency and Audit Panel.

Section 2

Independent auditors report to the Police and Crime Commissioner of Staffordshire

Report on the audit of the financial statements

Section 3

Statement of Responsibilities

The Police and Crime Commissioner Responsibilities

The commissioner is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. For this authority, the responsibility rests with the Director of Finance.
- Manage the PCC's affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

I accept the above responsibilities and approve these Statements of Accounts for 2024/25.

Ben Adams
Police, Fire and Crime Commissioner for Staffordshire
Date

The Director of Finance Responsibilities

The Director of Finance is responsible for the preparation of the PCC single entity and OPCC Group Statement of Accounts, in accordance with proper practices as set out in the CIPFA/LASAAC Code of *Practice on Local Authority Accounting in the United Kingdom (the Code).*

In preparing this Statement of Accounts, I have:

- Selected suitable accounting policies and then applied them consistently.
- Made judgments and estimates that were reasonable and prudent.
- Complied with the local authority code.

I have also

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

These financial statements give a true and fair view of the financial position of the authority at the reporting date and of its income and expenditure for the year ended 31st March 2025.

Heather Lees
Director of Finance, Staffordshire Commissioner's Office / S151 Officer
Date

Section 4

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.

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

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 2024/25 (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 considering 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.

1. General Principles (IAS 8)

The Statement of Accounts summarises the Group's and the PCC's transactions for the 2024/25 financial year and its position at the year-end. The accounting policies are the specific principles, bases, conventions, rules and practices applied by the Group and the PCC when preparing and presenting the financial statements. The Group and the PCC are required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Amendment) Regulations 2022, which must be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and the supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The principal accounting policies have been applied consistently throughout the year.

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 includes 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;

- Interest due to or from third parties in relation to loans and investment, is accrued in full at the year-end;

- Supplies are recorded as expenditure when they are consumed. Supplies received but not yet consumed are held as inventories in the Balance Sheet;

- Provision is made for Impairments of debts in the General Fund;

Specifically, the Council Tax precept on billing authorities is accounted for on an accrual's basis. As a preceptor the Group recognises its share of collection fund debtors and creditors with each billing authority. Entries are therefore included within the Balance Sheet to represent the Group's share of the following:

- Council Tax arrears (debtor)
- Impairment allowance for bad/doubtful debts (debtor)
- Council tax overpayments and prepayments (creditor)
- Cash Balances (debtor or creditor as appropriate)

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)

Grants and contributions are recognised in the CIES when conditions attached to the grant or contributions has been satisfied. Government grants and contributions that have been satisfied are carried in the Balance Sheet as creditors. Where capital grants are credited to the CIES they are reversed out of the General Fund Balance in the Movements in Reserves Statement (MIRS). Where the grant is yet to be used to finance capital it is held on the Capital Grant unapplied reserve. Where it has been used it is transferred to the Capital Adjustment Account (CAA).

9. Leases (IFRS16)

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.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

Group as a Lessee

A right of use asset and corresponding lease liability are recognised at commencement of the lease.

The lease liability is measured at the present value of the lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the lessee's incremental borrowing rate specific to the term and start date of the lease. Lease payments include: fixed payments; variable lease payments dependent on an index or rate, initially measured using the index or rate at commencement; the exercise price under a purchase option if the Group is reasonably certain to exercise; penalties for early termination if the lease term reflects the Group exercising a break option; and payments in an optional renewal period if the Group is reasonably certain to exercise an extension option or not exercise a break option.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is re-measured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation, or change in the Group's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

The right of use asset is initially measured at cost, comprising: the initial lease liability; any lease payments already made less any lease incentives received; initial direct costs; and any dilapidation or restoration costs. The right of use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The right of use asset is tested for impairment if there are any indicators of impairment. Leases of low value assets (value when new less than £10,000) and short-term leases of 12 months or less are expensed to the Comprehensive Income and Expenditure Statement, as are variable payments dependent on performance or usage, 'out of contract' payments and non-lease service components.

Group as a Lessor
Operating Leases
Where the Group grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

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 accrual's 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:

- <u>Police Officers – Police Pension Scheme (PPS)</u>

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 or government bond yield of appropriate duration plus an additional margin. Discount rates used by the actuaries and other assumptions are sent out 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 – considering 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.

The Group is not required to raise council tax (via precept) to fund depreciation, revaluation and impairment losses or amortisation. However, he is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement in accordance with the Local Authorities (Capital Finance & Accounting) (England) Regulations 2003, as amended, known as the Minimum Revenue Provision.

Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the Minimum Revenue Provision contribution in the General Fund Balance by way of an adjusting transaction within the Capital Adjustment Account in the MIRS for the difference between the two.

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.

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

15. Financial Instruments (IFRS9)

Financial liabilities

Financial liabilities are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Group has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.
The Group has not entered into the repurchase or early settlement of borrowing.

Financial Assets

Financial assets are classified into two types:

- Loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market
- Available for sale' assets – assets that have a quoted market price and/or do not have fixed or determinable payments

Loans and receivables are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans the Group has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable plus accrued interest, and the interest credited to the CIES is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made in the CIES. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

'Available for sale' assets are recognised on the Balance Sheet when the Group becomes a party to a contractual provision of a financial instrument and is initially measured and carried at fair value.

When the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the CIES for interest receivable are based on amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income is credited to the CIES when it becomes receivable by the Group.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following principles:

- Instruments with quoted market prices – the market price
- Other instruments with fixed and determinable payments – discounted cash flow analysis

- Equity shares with no quoted market prices – independent appraisal of company valuations

The inputs to the measurement techniques are categorised in accordance with the following three levels

- Level 1 – inputs are quoted prices in active markets for identical assets and liabilities
- Level 2 – inputs are other than quoted prices in Level 1 that are observable for the asset or liability either directly or indirectly
- Level 3 – inputs are unobservable inputs for the asset or liability

Changes in fair value are balanced by an entry in the 'Available for sale' Reserve and the gain/loss is recognised in the Surplus or Deficit on Revaluation of 'Available for sale' Financial Assets. The exception is where impairment losses have been incurred and are debited to the Financing and Investment Income and Expenditure line in the CIES, along with any net gain or loss for the asset accumulated in the 'Available for sale' Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event; that payments due under the contract will not be made (fixed or determinable payments); or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the CIES. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gain and losses that arise on the de-recognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES along with any accumulated gains or losses previously recognised in the 'Available for sale' Reserve.

Where fair value cannot be measured reliably, the instrument is carried at cost less any impairment losses.

16. Property, Plant and Equipment (PPE) (IAS 16) and Intangible Assets (IAS 38)

PPE - Recognition

Operational

All expenditure on the acquisition, creation or enhancement of PPE is capitalised on an accrual's basis, provided that it brings benefits to the Group for more than one financial year. Expenditure that maintains but does not extend the previously assessed standards of performance of an asset (e.g. repairs and maintenance) is charged to revenue as an expense when it is incurred.

Surplus Assets

Assets that are surplus to service needs but that do not meet the classification of Investment Property or Assets Held for Sale are classified as PPE 'Surplus', pending a decision on the future use of the asset.

Intangible assets

Assets that do not have physical substance, but are identifiable and controlled by the Group. e.g. software licences

De Minimis

The Group has agreed a de Minimis level of £10,000 for the acquisition, renewal or replacement of buildings, plant and machinery or other equipment to count as prescribed capital expenditure.

Measurement

Assets are initially measured at cost, i.e. purchase price plus any costs incurred in bringing the asset into working condition for its intended use and the initial estimate of the costs dismantling and removing the items and restoring the site on which it is located.

The Group does not capitalise borrowing costs.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Group). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Group.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income line in the CIES unless the donation has been made conditionally. In such cases until the conditions are satisfied the gain is held in the Donated Assets Account. Where gains are credited to the CIES they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.
Assets are then carried in the Group Balance Sheets at fair value, determined as the amount that would be paid for the asset in its existing use, with the exception of assets under construction which are depreciated on a historical cost basis.

Assets included in the Balance Sheet at current value are revalued, as a minimum, every 5 years. However, if there is evidence that there have been material changes in the value a further valuation will be undertaken. Increases in valuations are matched by credits to the Group Revaluation Reserves to recognise unrealised gains.

Any revaluation losses are firstly written down against any previous revaluation gains held in the Revaluation Reserve. Where there are no previous revaluation gains, the losses are charged to the relevant service line of the CIES.

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

17. Impairment (IAS 39)

Asset values are assessed at the end of each financial year for evidence of reductions in value. If identified either as part of this review or as a result of a valuation exercise, they are accounted for as follows:

- Where there is a balance of revaluation gains on the Revaluation Reserve for the relevant asset the impairment loss is charged against that balance until it is used up. Thereafter, or if there is no balance of revaluation gains the impairment loss is charged to the relevant service line of the CIES.
- For intangible assets there will be no Revaluation Reserve balance, so impairment losses are charged to the relevant service line of the CIES only.

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

18. Depreciation and Amortisation (IAS 16/38)

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without determinable finite useful life (i.e. freehold) and assets that are not yet available for use (i.e. assets under construction). Assets are not depreciated or amortised in the year of acquisition, but a full year's charge is made in the year of disposal.

Depreciation is calculated on the following bases:

- Buildings – straight line allocation over the useful life of the property as estimated by the Valuer;

- Vehicles, plant, furniture and equipment (including Information Technology) – a percentage of the value of each class of assets in the Group's Balance Sheet, as advised by a suitably qualified officer.
- Intangible Assets – amortised on a straight-line basis over the life of the licences ranging over a number of years dependent on the license agreement.

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are separated from the main item and depreciated separately.

The Revaluation Reserve is also reduced for the depreciation relating to revaluation gains with a corresponding credit to the Capital Adjustment Account.

19. Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Group Balance Sheets is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. This line is also netted off for any receipts from disposals. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

20. Gains and Losses on Sale of Assets

Where sale proceeds are in excess of £10,000, the gain or loss on sale or disposal (including finance leases) is removed from the CIES and adjusted with the Usable Capital Receipts Reserve (for sale proceeds) and the Capital Adjustment Account (for carrying value in the Balance Sheet).

The Usable Capital Receipts Reserve can then only be posted against the Capital Adjustment Account when financing new capital expenditure. In the meantime, the Reserve is included as a reduction in the calculation of the Capital Financing Requirement.

21. Assets Held for Sale (IFRS 5)

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and the fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to Other Operating Expenditure line in the PCC and OPCC Group's Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on provision of services.

Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as Held for Sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

22. Inventories/Stocks (IAS 2)

Stock is valued at the lower of cost or current replacement cost where it is held for distribution at no charge. The stock reflected in the Balance Sheet relates predominantly to uniforms and equipment which is distributed to officers as appropriate.

23. 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.

24. 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.

25. 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.

26. Reserves

The Group sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Transfers to and from reserves are shown in the MIRS and not within services. Expenditure is charged to the CIES and not directly to any reserve. Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement, and employee benefits and are not usable resources for the Group.

27. Revenue Expenditure Funded from Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the CIES in the year. Where the PCC has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the MIRS from the General Fund Balance to the CAA then reverses out the amounts charged so that there is no impact on the level of council tax.

28. Value Added Tax

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

29. 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
- 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 – soft loans

30. Assumptions made 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 Group about the future or that are otherwise uncertain. Estimates are made considering 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
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Group will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation would increase and the carrying amount of the assets would fall, however, the assets are revalued on a rolling three year basis so the lives of the assets are regularly adjusted to allow for actual maintenance schedules. This, along with the increase in disposals, should negate the need to reduce lives further in the coming year.
Insurance Reserve	The Insurance Fund was subject to a full revaluation in 2024/25. This review confirmed that there were sufficient funds for future liabilities. The only uncertainly is the potential increase in claims as a result of the current economic climate, e.g. increase in fraud claims.	The fund evaluation in 2024/25 reassured OPCC that there were sufficient funds in the insurance reserves for outstanding current and potential liabilities.
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.

31. Critical Judgements in Applying Accounting Policies

a) HQ has been valued based on 9 blocks of individual value that each have service potential as opposed to recognising the value as one single asset. The judgement of management is that each individual block does not need to be fitted out to accommodate the use of police operations and as a result has the service potential to be absorbed by the market, for example as office accommodation. Management have determined the individual units of value by the income approach. In the event that service potential is deprived or the value is recognised as one single asset, then management accept that an alternative valuation method would be to treat the HQ as a single specialised property for police operations, and therefore apply a depreciated replacement cost methodology. Management's judgement is that this is not the appropriate use or service potential of these individual blocks of unit as at the 31st March 2025 and at the point the accounts are authorised for issue. Any change in the use and purpose of the individual blocks in the future would lead to a different valuation method for HQ.

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

a. IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

b. IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

c. The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8.

33. The statement of Accounts was authorised for issue by Heather Lees, Director of Finance to the PCC.

Section 5

Financial Statements

(Incorporating Police and Crime Commissioner for Staffordshire Single entity accounts)

STAFFORDSHIRE COMMISSIONER
Police | Fire and Rescue | Crime

STAFFORDSHIRE POLICE

5.1 Movement in Reserves Statement

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

The surplus or (deficit) on the Provision of Services line shows the true economic cost of providing the Group's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund for council tax setting. The Net Increase / (Decrease) before Transfers to Earmarked Reserves line shows the statutory General Fund before any discretionary transfers to or from earmarked reserves undertaken by the Group.

	Notes	General Fund Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	TOTAL USABLE RESERVES £'000	TOTAL UNUSABLE RESERVES £'000	TOTAL GROUP RESERVES £'000
Balance as at 01 April 2023		9,489	33,825	2,277	331	**45,922**	(1,371,643)	**(1,325,721)**
<u>Movement in reserves during 2023/24</u>								
Total Comprehensive Income and Expenditure	5.2	25,557	0	0	0	**25,557**	9,720	**35,277**
Adjustments Between Accounting Basis and Funding Basis Under Regulations	6.1.1	(23,352)	0	(2,277)	0	**(25,629)**	25,629	**0**
Net increase/(decrease) before Transfers to Earmarked Reserves		2,205	0	(2,277)	0	**(72)**	35,349	**35,277**
Transfers To/From Earmarked Reserves		(2,058)	2,058	0	0	**0**	0	**0**
Increase or (Decrease) in 2023/24		147	2,058	(2,277)	0	**(72)**	35,349	**35,277**
Balance as at 31 March 2024		9,636	35,883	0	331	**45,850**	(1,336,294)	**(1,290,444)**
Balance as at 01 April 2024		9,636	35,883	0	331	**45,850**	(1,336,294)	**(1,290,444)**
<u>Movement in reserves during 2024/25</u>								
Total Comprehensive Income and Expenditure	5.2	22,840	0	0	0	**22,840**	207,697	**230,537**
Adjustments Between Accounting Basis and Funding Basis Under Regulations	6.1.1	(20,878)	0	0	0	**(20,878)**	20,878	**0**
Net increase/(decrease) before Transfers to Earmarked Reserves		1,962	0	0	0	**1,962**	228,575	**230,537**
Transfers To/From Earmarked Reserves		(1,815)	1,815	0	0	**0**	0	**0**
Increase or (Decrease) in 2024/25		147	1,815	0	0	**1,962**	228,575	**230,537**
Balance as at 31 March 2025		9,783	37,698	0	331	**47,812**	(1,110,719)	**(1,059,906)**

5.1 Movement in Reserves Statement PCC (Continued)

	Notes	General Fund Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	TOTAL USABLE RESERVES £'000	TOTAL UNUSABLE RESERVES £'000	TOTAL GROUP RESERVES £'000
Balance as at 01 April 2023		9,489	33,825	2,277	331	**45,922**	19,550	**65,472**
<u>Movement in reserves during 2023/24</u>								
Total Comprehensive Income and Expenditure	5.2	827	0	0	0	**827**	1,397	**2,224**
Adjustments Between Accounting Basis and Funding Basis Under Regulations	6.1.1	1,378	0	(2,277)	0	**(899)**	899	**0**
Net increase/(decrease) before Transfers to Earmarked Reserves		2,205	0	(2,277)	0	**(72)**	2,296	**2,224**
Transfers To/From Earmarked Reserves		(2,058)	2,058	0	0	**0**	0	**0**
Increase or (Decrease) in 2023/24		147	2,058	(2,277)	0	**(72)**	2,296	**2,224**
Balance as at 31 March 2024		9,636	35,883	0	331	**45,850**	21,846	**67,696**
Balance as at 01 April 2024		9,636	35,883	0	331	**45,850**	21,846	**67,696**
<u>Movement in reserves during 2024/25</u>								
Total Comprehensive Income and Expenditure	5.2	(5,643)	0	0	0	**(5,643)**	972	**(4,671)**
Adjustments Between Accounting Basis and Funding Basis Under Regulations	6.1.1	7,605	0	0	0	**7,605**	(7,605)	**0**
Net increase/(decrease) before Transfers to Earmarked Reserves		1,962	0	0	0	**1,962**	(6,633)	**(4,671)**
Transfers To/From Earmarked Reserves		(1,815)	1,815	0	0	**0**	0	**0**
Increase or (Decrease) in 2024/25		147	1,815	0	0	**1,962**	(6,633)	**(4,671)**
Balance as at 31 March 2025		9,783	37,698	0	331	**47,812**	15,213	**63,025**

5.2 Comprehensive Income and Expenditure Statement

This Statement shows the consolidated Group accounting cost and funding in the year of providing services presented in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Group raises taxation to cover expenditure in accordance with regulations; this is different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the MIRS.

2023/24 (Restated)					2024/25		
Gross expenditure	**Gross Income**	**Net expenditure**		**Note**	**Gross expenditure**	**Gross Income**	**Net expenditure**
			Police and Crime Commissioner				
195,417	(22,625)	172,792	Policing Services		212,881	(20,934)	191,947
13,247	(7,017)	6,230	Office of the PCC (including Commissioned Services)		13,670	(6,870)	6,800
208,664	**(29,642)**	**179,022**	**Net cost of Services**		**226,551**	**(27,804)**	**198,747**
		402	Other operating expenditure	6.2.2			992
		84,460	Financing and Investment Income and Expenditure	6.2.3			87,175
		(242,920)	Taxation and Non-Specific Grant Income	6.2.4			(262,860)
		(46,521)	Pension Fund Grant	6.2.4			(46,894)
		(25,557)	**(Surplus) or deficit on Provision of Services**				**(22,840)**
		(1,528)	(Surplus) or deficit on revaluation of non-current assets	6.3.13			(1,017)
		(8,192)	Re-measurement of the net defined benefit liabilities	7.2.1			(206,680)
		(9,720)	**Other Comprehensive (Income) and Expenditure**				**(207,697)**
		(35,277)	**Total Comprehensive (Income) and Expenditure**				**(230,537)**

5.2 Comprehensive Income and Expenditure Statement PCC

(Continued)

This Statement shows the accounting cost and funding in the year of providing services presented in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The PCC raises taxation to cover expenditure in accordance with regulations; this is different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the MIRS. The CIES includes the intra-group transfer, whereby the PCC provides resources to meet the cost of day to day policing provided by the Chief Constable.

	2023/24 (Restated)					2024/25	
Gross expenditure	Gross Income	Net expenditure		Note	Gross expenditure	Gross Income	Net expenditure
			Police and Crime Commissioner				
9,708	(32,334)	(22,626)	Policing Services		11,790	(32,725)	(20,935)
13,247	(7,017)	6,230	Office of the PCC (including Commissioned Services)		13,670	(6,870)	6,800
22,955	**(39,351)**	**(16,396)**	**Cost of Services**		**25,460**	**(39,595)**	**(14,135)**
258,177	0	258,177	Intra-group Funding	6.2.1	281,476	0	281,476
281,132	**(39,351)**	**241,781**	**Net cost of Services**		**306,936**	**(39,595)**	**267,341**
		402	Other operating expenditure	6.2.2			992
		(90)	Financing and Investment Income and Expenditure	6.2.3			170
		(242,920)	Taxation and Non-Specific Grant Income	6.2.4			(262,860)
		(827)	**(Surplus) or deficit on Provision of Services**				**5,643**
		(1,528)	(Surplus) or deficit on revaluation of non-current assets	6.3.13			(1,017)
		131	Re-measurement of the net defined benefit liabilities	7.2.1			45
		(1,397)	**Other Comprehensive (Income) and Expenditure**				**(972)**
		(2,224)	**Total Comprehensive (Income) and Expenditure**				**4,671**

5.3 Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised but the Group. The net assets of the authority (asset less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories. Usable reserves i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. Unusable reserves – i.e. those reserves that are not able to be used to help provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to help provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.

Group 31 March 2024 (Restated) £'000	PCC 31 March 2024 (Restated) £'000		Notes	Group 31 March 2025 £'000	PCC 31 March 2025 £'000
48,095	48,095	Land and Buildings	6.3.1	47,564	47,564
900	900	Surplus Assets	6.3.1	900	900
0	0	Right of Use Asset	6.3.1	4,659	4,659
21,849	21,849	Vehicles, Plant and Equipment	6.3.1	22,084	22,084
17,718	17,718	Intangible Assets	6.3.2	15,443	15,443
1,591	1,591	Assets under construction	6.3.1	9,181	9,181
90,153	**90,153**	**Long Term Assets**		**99,831**	**99,831**
430	430	Assets Held for Sale	6.3.3	0	0
702	702	Inventories	6.3.4	804	804
46,620	27,085	Short Term Debtors	6.3.5	38,365	30,359
0	10,626	Intra-group Short Term Debtors	6.3.5	0	0
20,758	20,758	Cash and Cash Equivalents	6.3.6	26,450	26,450
68,510	**59,601**	**Current Assets**		**65,619**	**57,613**
(1,836)	(1,836)	Short Term Borrowing	6.3.10	(2,080)	(2,080)
(29,378)	(18,328)	Short Term Creditors	6.3.7	(39,838)	(26,791)
0	0	Intra-group Short Term Creditors	6.3.7	0	(553)
(31,214)	**(20,164)**	**Current Liabilities**		**(41,918)**	**(29,424)**
(4,614)	0	Provisions	6.3.8	(3,664)	0
(381)	(381)	Other long-term liabilities	6.3.9	(5,334)	(5,334)
(61,500)	(61,500)	Long-Term Borrowing	6.3.10	(59,650)	(59,650)
(1,351,398)	(13)	Liability Related to Defined Benefit Pension Scheme	7.2.3	(1,114,791)	(11)
(1,417,893)	**(61,894)**	**Long Term Liabilities**		**(1,183,439)**	**(64,995)**
(1,290,444)	**67,696**	**Net Liabilities**		**(1,059,907)**	**63,025**
		Financed by:			
		Reserves			
(45,850)	(45,850)	Usable Reserves	6.3.12	(47,812)	(47,812)
1,336,294	(21,846)	Unusable Reserves	6.3.13	1,107,719	(15,213)
1,290,444	**(67,696)**	**Total Reserve**		**1,059,907**	**(63,025)**

The PCC for Staffordshire owns all of the assets and bank accounts of the Group and therefore the Group Balance sheet is in many respects identical to that of the PCC. The only differences are that the Group Balance sheet includes the net pension liability and the provision for compensated absences, both of which sit with the accounts of the Chief Constable of Staffordshire Police.

I confirm that the PCC for Staffordshire approved these accounts as at 31st March 2025.

Heather Lees, Director of Finance (Section 151 Officer)
for the Police and Crime Commissioner for Staffordshire
Date

5.4 Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents held by the OPCC during the reporting period and how these are generated or used 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 operations are funded by way of taxation and grant income or from the recipients of services provided by the OPCC. Investing activities represent the extent to which cash outflows have been used to generate resources intended to contribute to future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing).

Group 2023/24 £'000	PCC 2023/24 £'000		Notes	Group 2024/25 £'000	PCC 2024/25 £'000
25,557	**827**	**Net Surplus or (Deficit) on the provision of services**	5.2	**22,840**	**(5,643)**
(15,596)	9,134	Adjustments to net Surplus or (Deficit) on the provision of services for non-cash movements	6.4.1	460	28,943
(402)	(402)	Adjustment for items included in the net Surplus or (Deficit) on the provision of services that are investing and financing activities.	6.4.2	(992)	(992)
9,559	**9,559**	**Net cash flow Operating Activities**		**22,309**	**22,309**
(9,598)	(9,598)	Net cash flows from Investing Activities	6.4.3	(14,624)	(14,624)
(1,600)	(1,600)	Net cash flows from Financing Activities	6.4.4	(1,992)	(1,992)
(1,639)	**(1,639)**	**Net Increase or (decrease) in cash and cash equivalents**		**5,692**	**5,692**
22,397	22,397	Cash and cash equivalents at the beginning of the reporting period		20,758	20,758
20,758	20,758	Cash and cash equivalent at the end of the reporting period	6.3.6	26,450	26,450

Section 6

Notes to the Financial Statements

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

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 CIES recognised by the OPCC/Group in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the OPCC/Group to meet future capital and revenue expenditure.

GROUP 2024/25	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Movement in Unusable Reserves £'000
Adjustments to the Revenue Resources *Amounts by which income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements:*				
Pension Costs (transferred to or from pension reserve)	(29,926)	0	0	29,926
Council tax (transfer to or from collection fund)	1,950	0	0	(1,950)
Holiday Pay (transfer to the Accumulated Absences Account)	1,418	0	0	(1,418)
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to Capital Expenditure (these items charged to the CAA)	13,227	0	0	(13,227)
Total Adjustment to Revenue Resources	**(13,331)**	**0**	**0**	**13,331**
Adjustments between Revenue and Capital Resources				
Transfer of non-current assets sale proceeds from revenue to the Capital receipt reserve	(444)	444	0	0
Statutory provision for the repayment of debt MRP (transfer from the CAA)	(3,846)	0	0	3,846
Capital expenditure financed from revenue balances (transfer to the CAA)	(3,257)	0	0	3,257
Transfer of capital grants and contributions to capital grants unapplied	0	0	0	0
Total Adjustment between Revenue and Capital Resources	**(7,547)**	**444**	**0**	**7,103**
Adjustment to Capital Resources				
Application of capital receipt to finance capital expenditure	0	(444)	0	444
Application of capital grants to finance capital expenditure	0	0	0	0
Cash Payment to deferred capital receipt	0	0	0	0
Total Adjustment to Capital Resources	**0**	**(444)**	**0**	**444**
Total Group Adjustment	**(20,878)**	**0**	**0**	**20,878**
Less: Chief Constable only adjustments				
Pension Costs (transferred to or from pension reserve)	29,880	0	0	(29,880)
Holiday Pay (transfer to the Accumulated Absences Account)	(1,397)	0	0	1,397
Total PCC Adjustments	**7,605**	**0**	**0**	**(7,605)**

6.1.1 Adjustment between accounting basis and funding basis (continued)

GROUP 2023/24	General Fund Balance £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Movement in Unusable Reserves £'000
Adjustments to the Revenue Resources *Amounts by which income and expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements:*				
Pension Costs (transferred to or from pension reserve)	(24,414)	0	0	24,414
Council tax (transfer to or from collection fund)	0	0	0	0
Holiday Pay (transfer to the Accumulated Absences Account)	(356)	0	0	356
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to Capital Expenditure (these items charged to the CAA)	10,190	0	0	(10,190)
Total Adjustment to Revenue Resources	**(14,580)**	**0**	**0**	**14,580**
Adjustments between Revenue and Capital Resources				
Transfer of non-current assets sale proceeds from revenue to the Capital receipt reserve	(98)	98	0	0
Statutory provision for the repayment of debt MRP (transfer from the CAA)	(3,376)	0	0	3,376
Capital expenditure financed from revenue balances (transfer to the CAA)	(5,312)	0	0	5,312
Transfer of capital grants and contributions to capital grants unapplied	0	0	0	0
Total Adjustment between Revenue and Capital Resources	**(8,786)**	**98**	**0**	**8,688**
Adjustment to Capital Resources				
Application of capital receipt to finance capital expenditure	0	(2,375)	0	2,375
Application of capital grants to finance capital expenditure	0	0	0	0
Cash Payment to deferred capital receipt	14	0	0	(14)
Total Adjustment to Capital Resources	**14**	**(2,375)**	**0**	**2,361**
Total Group Adjustment	**(23,352)**	**(2,277)**	**0**	**25,629**
Less: Chief Constable only adjustments				
Pension Costs (transferred to or from pension reserve)	24,387	0	0	(24,387)
Holiday Pay (transfer to the Accumulated Absences Account)	343	0	0	(343)
Total PCC Adjustments	**1,378**	**(2,277)**	**0**	**899**

6.1.2 Expenditure and Funding Analysis (EFA) and Notes

The EFA shows how annual expenditure is used and funded from resources (government grants and council tax) by the Group in comparison with those resources consumed or earned by the Group in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Group services. The income and expenditure accounted for under generally accepted accounting practices is presented more fully in the CIES.

2023/24 (Restated) Net Expenditure Chargeable to General Fund	2023/24 (Restated) Adjustments between funding and IFRS Basis	2023/24 (Restated) CIES Net Expenditure		2024/25 Net Expenditure Chargeable to General Fund	2024/25 Adjustments between funding and IFRS Basis	2024/25 CIES Net Expenditure
			Chief Constable			
225,842	53,050	172,792	Policing Services	248,750	56,803	191,947
			Police and Crime Commissioner			
6,264	34	6,230	Office of the PCC (including Commissioned Services)	6,825	25	6,800
232,106	**53,084**	**179,022**	**Net Cost of Services**	**255,575**	**56,828**	**198,747**
(234,311)	(29,732)	(204,579)	Other income and expenditure	(257,537)	(35,950)	(221,587)
(2,205)	**23,352**	**(25,557)**	**(Surplus) or deficit on Provision of Services**	**(1,962)**	**20,878**	**(22,840)**
(43,314)			**Opening Police Fund at 1 April 2024**	(45,519)		
(2,205)			Plus Surplus on Police Fund in Year	(1,962)		
(45,519)			**Closing Police Fund at 31 March 2025**	**(47,481)**		

	2024/25 Adjustments for Capital Purpose	2024/25 Net Changes for Pensions IAS19	2024/25 Other Differences	2024/25 Total
Chief Constable				
Policing Services	(11,791)	69,991	(1,397)	**56,803**
Police and Crime Commissioner				
Office of the PCC	0	46	(21)	**25**
Net Cost of Services	**(11,791)**	**70,037**	**(1,418)**	**56,828**
Other income and expenditure from the Funding Analysis	6,111	(40,111)	(1,950)	**(35,950)**
Difference between Police Fund surplus or deficit and CIES surplus or deficit	**(5,680)**	**29,926**	**(3,368)**	**20,878**

	2023/24 Adjustments for Capital Purpose	2023/24 Net Changes for Pensions IAS19	2023/24 Other Differences	2023/24 Total
Chief Constable				
Policing Services	(9,708)	62,417	341	**53,050**
Police and Crime Commissioner				
Office of the PCC	0	20	14	**34**
Net Cost of Services	**(9,708)**	**62,437**	**355**	**53,084**
Other income and expenditure from the Funding Analysis	8,292	(38,024)	0	**(29,732)**
Difference between Police Fund surplus or deficit and CIES surplus or deficit	**(1,416)**	**24,413**	**355**	**23,352**

6.1.2 Expenditure and Funding Analysis (EFA) PCC Single Entity and Notes (Continued)

2023/24 (Restated) Net Expenditure Chargeable to General Fund	2023/24 (Restated) Adjustments between funding and IFRS Basis	2023/24 (Restated) CIES Net Expenditure		2024/25 Net Expenditure Chargeable to General Fund	2024/25 Adjustments between funding and IFRS Basis	2024/25 CIES Net Expenditure
			Police and Crime Commissioner			
(32,335)	(9,710)	(22,626)	Policing Services	(32,726)	(11,791)	(20,935)
6,264	34	6,230	Office of the PCC (including Commissioned Services)	6,825	25	6,800
(26,071)	**(9,676)**	**(16,396)**	**Net Cost of Services**	**(25,901)**	**(11,766)**	**(14,135)**
258,177	0	258,177	Funding to the Chief Constable for financial resources consumed	281,476	0	281,476
(234,310)	8,298	(242,608)	Other income and expenditure	(257,537)	4,161	(261,698)
(2,205)	**(1,378)**	**(827)**	**(Surplus) or deficit on Provision of Services**	**(1,962)**	**(7,605)**	**5,643**
(43,314)			**Opening Police Fund at 1 April 2024**	(45,518)		
(2,205)			Plus Surplus on Police Fund in Year	(1,962)		
(45,518)			**Closing Police Fund at 31 March 2025**	**(47,481)**		

2024/25	Adjustments for Capital Purpose	Net Changes for Pensions IAS19	Other Differences	Total
Chief Constable				
Policing Services	(11,791)	0	0	**(11,791)**
Police and Crime Commissioner				
Office of the PCC	0	46	(21)	**25**
Net Cost of Services	**(11,791)**	**46**	**(21)**	**(11,766)**
Other income and expenditure from the Funding Analysis	6,111	0	(1,950)	**4,161**
Difference between Police Fund surplus or deficit and CIES surplus or deficit	**(5,680)**	**46**	**(1,971)**	**(7,605)**

2023/24	Adjustments for Capital Purpose	Net Changes for Pensions IAS19	Other Differences	Total
Chief Constable				
Policing Services	(9,710)	0	0	**(9,710)**
Police and Crime Commissioner				
Office of the PCC	0	20	14	**34**
Net Cost of Services	**(9,710)**	**20**	**14**	**(9,676)**
Other income and expenditure from the Funding Analysis	8,292	6	0	**8,298**
Difference between Police Fund surplus or deficit and CIES surplus or deficit	**(1,418)**	**26**	**14**	**(1,378)**

Note (i) Adjustments for Capital Purposes
This column adds in depreciation and revaluation gains and losses in the services line. Minimum Revenue Provision (MRP) and other revenue contributions to capital expenditure are deducted because they are not chargeable under generally accepted accounting practices. Other income and expenditure is adjusted for capital disposals of assets with a transfer of the income on disposal and the amounts written off for those assets; an adjustment is also made to recognise capital grant income.

Note (ii) 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 (iii) 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 and also capital financing costs.

Note (iv) Other Adjustments
This column reflects variations in the amount chargeable for Council Tax under Statute and the Code; and 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 (Group)

2023/24 Net Expenditure Chargeable to General Fund £'000	2023/24 Adjustments between funding and IFRS Basis £'000	2023/24 CIES £'000		2024/25 Net Expenditure Chargeable to General Fund £'000	2024/25 Adjustments between funding and IFRS Basis £'000	2024/25 CIES £'000
			Expenditure			
122,628	61,985	60,643	Police Officer Pay Costs	136,546	67,005	69,541
68,206	1,040	67,166	Police Staff Pay Costs	75,054	2,233	72,821
9,132	0	9,132	PCSO Pay Costs	8,703	0	8,703
4,698	0	4,698	Other Employee Costs	6,175	0	6,175
3,843	0	3,843	Police Officer Pensions	4,471	0	4,471
208,507	**63,025**	**145,482**	**Total Pay**	**230,949**	**69,238**	**161,711**
			Non-Pay			
33	0	33	Repairs & Maintenance	198	0	198
7,321	0	7,321	Other Premises Costs	4,941	0	4,941
4,121	0	4,121	Vehicle Costs	4,326	0	4,326
807	0	807	Other Travel Costs	750	0	750
2,758	0	2,758	Administration	2,821	0	2,821
7,691	0	7,691	Operational Supplies & Service	7,653	0	7,653
11,093	0	11,093	Communications & Computers	12,237	0	12,237
1,244	**0**	1,244	Other Supplies & Services	(314)	0	(314)
35,068	**0**	**35,068**	**Total Non-Pay**	**32,612**	**0**	**32,612**
			Contracted			
18,177	0	18,177	Third Party Payments	19,820	0	19,820
18,177	**0**	**18,177**	**Total Contracted**	**19,820**	**0**	**19,820**
			Capital Financing			
2,200	0	2,200	Capital Financing Costs	2,486	0	2,486
3,376	3,376	0	Minimum Revenue Provision	3,846	3,846	0
5,312	5,312	0	Capital expenditure charged against the general fund balance	3,257	3,257	0
10,888	**8,688**	**2,200**	**Total Capital Financing**	**9,589**	**7,103**	**2,486**
			Non-Distributed Costs			
0	(230)	230	Non-Distributed Costs	0	(619)	619
0	(84,545)	84,545	Net interest on the net defined benefit liability	0	(87,005)	87,005
0	**(84,775)**	**84,775**	**Total Non- Distributed Costs**	**0**	**(87,624)**	**87,624**
			Capital Statutory Adjustments			
0	(9,708)	9,708	Depreciation, Amortisation, Revaluation Loss and REFCUS	0	(11,791)	11,791
0	(402)	402	Loss / (gain) on disposal of non-current assets	0	(992)	992
0	**(10,109)**	**10,110**	**Total Capital Adjustments**	**0**	**(12,783)**	**12,783**
			Income			
(19,751)	0	(19,751)	Grants & Contributions	(18,019)	0	(18,019)
(8,017)	0	(8,017)	Reimbursements	(7,199)	0	(7,199)
(1,494)	0	(1,494)	Sales, Fees & Charges	(1,902)	0	(1,902)
(2,661)	3	(2,666)	Other Income	(3,002)	0	(3,002)
(31,925)	**3**	**(31,928)**	**Total Income**	**(30,122)**	**0**	**(30,122)**
			Funding			
2,058	0	0	Reserve Transfers	1,815	0	0
2,058	**0**	**0**		**1,815**	**0**	**0**
242,773	**(23,169)**	**263,884**	**Total Police Services**	**264,664**	**(24,066)**	**286,915**
(242,920)	46,521	(289,441)	**Net Taxation and Grant Income**	(264,811)	44,944	(309,754)
(147)	**23,352**	**(25,557)**	**(Surplus) or deficit on Provision of Services**	**(147)**	**20,878**	**(22,840)**

The PPC

2023/24				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			
339	0	339	Police Officer Pay Costs	78	0	78
1,822	35	1,787	Police Staff Pay Costs	2,036	31	2,005
115	0	115	PCSO Pay Costs	20	0	20
269	0	269	Other Employee Costs	18	0	18
0	0	0	Police Officer Pensions	0	0	0
2,545	**35**	**2,510**	**Total Pay**	**2,152**	**31**	**2,121**
			Non-Pay			
0	0	0	Repairs & Maintenance	0	0	0
0	0	0	Other Premises Costs	0	0	0
0	0	0	Vehicle Costs	0	0	0
20	0	20	Other Travel Costs	21	0	21
300	0	300	Administration	294	0	294
(1)	0	(1)	Operational Supplies & Service	0	0	0
48	0	48	Communications & Computers	96	0	96
69	0	69	Other Supplies & Services	12	0	12
436	**0**	**436**	**Total Non-Pay**	**423**	**0**	**423**
			Contracted			
10,302	0	10,302	Third Party Payments	11,121	0	11,121
10,302	**0**	**10,302**	**Total Contracted**	**11,121**	**0**	**11,121**
			Capital Financing			
2,200	0	2,200	Capital Financing Costs	2,486	0	2,486
3,376	3,376	0	Minimum Revenue Provision	3,846	3,846	0
5,312	5,312	0	Capital expenditure charged against the general fund balance	3,257	3,257	0
10,888	**8,688**	**2,200**	**Total Capital Financing**	**9,589**	**7,103**	**2,486**
			Non-Distributed Costs			
0	0	0	Non-Distributed Costs	0	(6)	6
0	6	(6)	Net interest on the net defined benefit liability	0	0	0
0	**6**	**(6)**	**Total Non- Distributed Costs**	**0**	**(6)**	**6**
			Capital Statutory Adjustments			
0	(9,708)	9,708	Depreciation, Amortisation, Revaluation Loss and REFCUS	0	(11,791)	11,791
0	(402)	402	Loss / (gain) on disposal of non-current assets	0	(992)	992
0	**(10,110)**	**10,110**	**Total Capital Adjustments**	**0**	**(12,783)**	**12,783**
			Income			
(19,751)	0	(19,751)	Grants & Contributions	(18,019)	0	(18,019)
(8,017)	0	(8,017)	Reimbursements	(7,199)	0	(7,199)
(1,494)	0	(1,494)	Sales, Fees & Charges	(1,902)	0	(1,902)
(12,369)	3	(12,374)	Other Income	(14,793)	0	(14,793)
(41,631)	**3**	**(41,636)**	**Total Income**	**(41,913)**	**0**	**(41,913)**
			Funding			
2,058	0	0	Reserve Transfers	1,815	0	0
2,058	**0**	**0**		**1,815**	**0**	**0**
258,177	0	258,177	Inter Group Transfer	281,476	0	281,476
242,773	**(1,378)**	**242,093**	**Total Police Services**	**264,664**	**(5,655)**	**268,503**
(242,920)	0	(242,920)	**Net Taxation and Grant Income**	(264,811)	(1,950)	(262,860)
(147)	**(1,378)**	**(827)**	**(Surplus) or deficit on Provision of Services**	**(147)**	**(7,605)**	**5,643**

6.2 Comprehensive Income and Expenditure (CIES) Notes

6.2.1 PCC Single Entity 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 2024/25 amounts to £281.476m (£258.177m in 2023/24). 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.

2023/24 £'000		2024/25 £'000
195,417	Chief Constable's cost of service	212,882
84,547	Interest on the net defined benefit liability	87,005
(46,521)	Home Office grant towards cost of retirement	(46,894)
(8,324)	Re-measurement of the net defined benefit liability	(206,725)
225,119	**Resources consumed**	**46,268**
	Items removed through the MIRS	
32,715	Movement in pension liability	236,605
343	Movement in accumulated absences liability	(1,397)
258,177	**Total resources consumed for the year by the Chief Constable and funded by the PCC**	**281,476**

6.2.2 Other operating expenditure

During 2024/25 the Group has disposed of police vehicles and the Blythe Bridge Police Station, where disposals fees received in excess of £10,000 are categorised as capital receipts, in accordance with the CIPFA Code.

	Receipts for Sale of Assets £'000	Carrying Amount £'000	Less Depreciation £'000	Less Cost of Sale £'000	Surplus/ (Loss) on Disposals £'000
31 March 2025	444	(1,436)	0	0	(992)
31 March 2024	78	(2,296)	1,816	0	(402)
31 March 2023	1,296	(2,050)	702	(30)	(82)
31 March 2022	1,450	(2,251)	837	0	36

6.2.3 Financing and Investment net expenditure

Financing and Investment includes the following items, Interest payable during 2024/25 was made to the PWLB.

2023/24 Group £'000	2023/24 PCC £'000		2024/25 Group £'000	2024/25 PCC £'000
2,200	2,200	Interest Payable and Similar Charges	2,486	2,486
84,545	(5)	Pension Net Interest Costs	87,005	0
(2,285)	(2,285)	Interest Receivable and Similar Income	(2,316)	(2,316)
84,460	**(90)**	**Total**	**87,175**	**170**

6.2.4Taxation and Non-Specific Grant Income

The Policing Precept is included within core funding and this increased in 2024/25 by 4.99%, equivalent to 25p per week and this resulted in an additional £6.004m in core funding in 2024/25 (excluding collection fund position).

2023/24 £'000		2024/25 £'000
(95,126)	Precepts	(99,380)
(81,785)	Police Revenue Grant	(88,546)
(48,075)	Non-Domestic Rates Redistribution	(49,063)
(8,423)	Localisation of Council Tax	(8,423)
(3,541)	Council Tax Freeze Grant	(3,541)
(4,145)	Police Uplift Programme/Police Officer Maintenance Grant	(6,406)
0	Additional Recruitment Scheme	(1,824)
(1,825)	Police Pension Grant	(5,678)
(242,920)	**Taxation and Non-Specific Grant Income PCC**	**(262,860)**
(46,521)	Home Office Pension Top Up Grant	(46,894)
(289,441)	**Taxation and Non-Specific Grant Income Group**	**(309,754)**

6.2.5 Grant Income

The Group credited the following grants and contributions to the CIES in 2024/25.

2023/24 (Restated) £'000		2024/25 £'000
0	Operation Navette	(2,918)
(4,974)	Home Office Pay Award Grant	(2,467)
(2,193)	Victims Support Services	(2,323)
(2,176)	Safer Roads Partnership	(1,773)
(1,430)	Domestic Abuse Perpetrator Scheme	(1,652)
(835)	Anti-Social Behaviour Pilot Scheme	(1,116)
(979)	Special Branch Contribution from Partners	(1,066)
(2,262)	Home Office Additional Recruitment Grant	(768)
(332)	Home Office Serious Violence Duty Grant	(596)
(715)	Home Office Safer Streets Grant	(355)
(260)	Home Office Counter Terrorism Policing Grant	(289)
(604)	Home Office Aris Incentivisation Scheme	(278)
(300)	Drugs Aris Scheme	0
0	Digital Public Contact Grant	(200)
(301)	Software Section 31 Grant	0
(247)	Central Motorway Group	(155)
(312)	National Law Enforcement Data Service (NLEDS)	(137)
(135)	Special Branch Grant	(118)
(124)	Cyber Crime Funding	(116)
(100)	Business Rates Pilot Scheme	(100)
(446)	Other Grants	(404)
(1,025)	Other Contributions	(1,188)
(19,750)	**Total Credited to Services – PCC and Group**	**(18,019)**

6.2.6 External Audit Fees

The audit fees payable in 2024/25 to the Auditors in relation to the audit of OPCC Group accounts were as follows:

The external audit fees are the PSAA Ltd scale fees for the Group and PCC opted-in authority are normally based on the scale fee for the previous year, reflecting the auditor's assessment of audit risk and complexity.

During 2020/21 and 2021/22 audit the Group and PCC accrued for additional costs for additional work to address increase in Regulatory standards and additional procedures undertaken by the auditor. These additional fees proposed by the auditor was not approved by the PSAA Ltd.

2023/24 Group £'000	2023/24 PCC £'000		2024/25 Group £'000	2024/25 PCC £'000
140	94	External Audit Fees 2024/25	155	102
140	**94**	**Sub-Total**	**155**	**102**
0	0	External Audit Fees Variation 2020/21	(21)	(15)
4	4	External Audit Fees Variation 2021/22	(14)	(11)
0	0	External Audit Fees Variation 2022/23	25	16
40	21	External Audit Fees Variation 2023/24	15	8
184	**119**	**Total**	**160**	**100**

6.2.7 Operating Leases

The OPCC Group leases various land and buildings. The amount paid under these arrangements in 2024/25 was £69k (£806k in 2023/24).

The OPCC Group has entered into a number of operating leases for its use of Premises owned by other bodies. The future minimum lease payments due under non-cancellable leases in future years are:

2023/24 £'000		2024/25 £'000
637	No Later Than One Year	12
2,340	Later Than One Year and Not Later Than Five Years	11
3,495	Later Than Five Years	0
6,472	**Total**	**23**

6.2.8 Material items and income and expenditure

There are no material items of Income or Expenditure in 2024/25 that require specific disclosure.

6.2.9 Termination Benefits and Exit Packages

During 2024/25 the Group approved 8 voluntary redundancies and early retirements (2 in 2023/24) at a total cost of £0.577m (£0.133m). In 2024/25 PCC had 0 voluntary redundancies and early retirements at a total cost of £0. 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	
	2023/24	2024/25	2023/24	2024/25
			£	£
£0- £20,000	0	4	0	29,591
£20,001 - £40,000	0	0	0	0
£40,001 - £60,000	1	1	57,587	51,738
£60,001 - £80,000	1	0	74,990	0
£80,001 - £100,000	0	1	0	93,409
£100,001 - £150,000	0	0	0	0
£150,001 - £200,000	0	1	0	160,986
£200,001 - £250,000	0	1	0	241,330
Total	**2**	**8**	**132,577**	**577,054**

6.2.10 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:

Number of Employees Group 2023/24 Restated	Number of Employees PCC 2023/24 Restated	Remuneration Band	Number of Employees Group 2024/25	Number of Employees PCC 2024/25
33	2	£50,000 - £54,999	69	0
26	6	£55,000 - £59,999	47	9
8	1	£60,000 - £64,999	12	1
9	0	£65,000 - £69,999	10	0
4	1	£70,000 - £74,999	6	0
3	0	£75,000 - £79,999	4	0
3	1	£80,000 - £84,999	3	0
2	0	£85,000 - £89,999	2	0
2	1	£90,000 - £94,999	3	2
2	0	£95,000 - £99,999	0	0
3	0	£100,000 - £104,999	3	0
0	0	£105,000 - £109,999	1	0
1	0	£110,000 - £114,999	2	0
0	0	£115,000 - £119,999	0	0
1	0	£120,000 - £124,999	0	0
0	0	£125,000 - £129,999	0	0
0	0	£130,000 - £134,999	0	0
0	0	£135,000 - £139,999	0	0
0	0	£140,000 - £144,999	0	0
0	0	£145,000 - £149,999	0	0
0	0	£150,000 - £154,999	0	0
0	0	£155,000 - £159,999	0	0
0	0	£160,000 - £164,999	0	0
0	0	£165,000 - £169,999	0	0
97	**12**	**Total**	**162**	**12**

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

6.2.11 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)	2	145,118	2,875	0	42,618	190,611
Assistant Chief Constable (B)	3	133,796	3,612	0	44,651	182,059
Assistant Chief Constable (C)	4	11,418	0	0	3,802	15,220
Assistant Chief Officer (S151 Officer)		126,338	0	0	27,163	153,501
Sub Total Chief Constable		**757,505**	**9,991**	**0**	**235,555**	**1,003,051**
Senior Executives of the OPCC						
Police and Crime Commissioner		81,400	0	0	17,501	98,901
Deputy Police and Crime Commissioner (A)	5	3,494	0	0	751	4,245
Deputy Police and Crime Commissioner (B)	6	29,747	0	0	6,396	36,143
Chief Executive (A)		119,013	1,239	0	22,198	142,450
Director of Finance (S151 Officer) (A)	7	29,123	0	0	6,262	35,385
Director of Finance (S151 Officer) (B)	8	22,216	0	0	4,776	26,992
Sub Total OPCC		**284,993**	**1,239**	**0**	**57,884**	**344,116**
Total- Group		**1,042,498**	**11,230**	**0**	**293,439**	**1,347,167**

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.
5 Deputy Police and Crime Commissioner (A) left the organisation on the 8th May 2024
6 Deputy Police and Crime Commissioner (B) was appointed to the role on the 10th May 2024
7 Director of Finance (A) left the organisation on the 22nd September 2024
8 Director of Finance (B) was appointed to the role on the 25th November 2024.

6.2.12 Disclosure of Remuneration for Senior Executives 2023/24 (Continued)

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		165,072	2,072	0	51,172	218,316
Deputy Chief Constable (A)	1	98,708	10,083	0	29,808	138,599
Deputy Chief Constable (B)	2	53,800	1,093	0	16,678	71,571
Assistant Chief Constable (A)		120,502	3,510	0	37,356	161,369
Assistant Chief Constable (B)		113,000	3,510	0	35,030	151,540
Assistant Chief Officer (S151 Officer)		116,732	1,075	0	25,097	142,904
Sub Total Chief Constable		**667,815**	**21,345**	**0**	**195,141**	**884,300**
Senior Executives of the OPCC						
Police and Crime Commissioner		81,400	0	0	17,501	98,901
Deputy Police and Crime Commissioner		34,502	0	0	7,418	41,920
Chief Executive (A)		114,297	1,239	0	24,574	140,110
Director of Finance (S151 Officer) (A)	3	0	0	0	0	0
Director of Finance (S151 Officer) (B)	4	29,487	0	0	6,340	35,826
Sub Total OPCC		**259,686**	**1,239**	**0**	**55,832**	**316,757**
Total- Group		**927,500**	**22,584**	**0**	**250,974**	**1,201,058**

Notes

1 Deputy Chief Constable (A) retired from the organisation as at 17th December 2023.

2 Deputy Chief Constable (B) was appointed to the Force on the 13th December 2023.

3 Director of Finance (S151 Officer) was a shared duty of responsibilities between OPCC and Staffordshire Fire and Rescue and his payments totaling were £37,537. This role is no longer a shared duty of responsibility.

4 A new Director of Finance (Section 151 Officer) for the OPCC was appointed to the organisation on the 2nd October 2023.

6.3 Balance Sheet Notes

6.3.1 Property, Plant and Equipment (PPE)

The PCC holds all the Groups PPE. Assets are strategic in nature and are controlled by the PCC to achieve strategic outcomes. Cameron Butler BLE (Hons) MRICS, FHP Property Consultants have been engaged on behalf of the OPCC/Group to provide valuation services. A full property valuation was carried out on 36 police sites in 2024/25 in accordance with the ‘code’ to undertake a valuation at least every 5 years and all assets held on the Balance Sheet comply with as per IAS16.

The valuation has been updated for the properties which are valued on the basis of “depreciated replacements costs” (DRC) these are 3 properties which are specialised due to the nature of the property. All remaining properties have been valued using the income-based approach as there is service potential to be absorbed by the market, for example as office accommodation. The valuations of the land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS).

The movements on the balances of the PPE assets are shown in the following tables:

GROUP AND PCC MOVEMENTS 2024/25	Land and Building £'000	Right Of use Asset £'000	Surplus Assets £'000	Assets Under Construction £'000	Vehicles, Plant and Equipment £'000	Total Property, Plant and Equipment £'000
Value at 01 April 2024	48,095	0	900	1,591	69,492	120,078
Additions	324	0	0	8,739	5,351	14,415
Disposals	0	(376)	0	0	(2,847)	(3,223)
Revaluations	(185)	(1,477)	0	0	0	(1,662)
Assets reclassified (to)/from	(670)	670	0	(1,149)	1,128	(21)
Other movements in cost or valuation	0	5,842	0	0	0	5,842
Gross Book Value at 31 March 2025	47,564	4,659	900	9,181	73,124	135,429
Depreciation and Impairment:						
Cumulative net to 01 April 2024	0	0	0	0	(47,643)	(47,643)
Depreciation Charge	(1,427)	(18)	0	0	(5,630)	(7,075)
Assets reclassified (to)/from	0	0	0	0	0	0
Disposals	0	12	0	0	2,233	2,245
On revaluations	1,427	6	0	0	0	1,433
Other Movements	0	0	0	0	0	0
Depreciation at 31 March 2025	0	0	0	0	(51,040)	(51,040)
Net Book Value 2025	**47,564**	**4,659**	**900**	**9,181**	**22,084**	**84,389**
Net Book Value 2024	**48,095**	**0**	**900**	**1,591**	**21,849**	**72,435**

The movements on the balances of the PPE assets for 2023/24 are shown in the following tables:

GROUP AND PCC MOVEMENTS 2023/24	Land and Building £'000	Surplus Assets £'000	Assets Under Construction £'000	Vehicles, Plant and Equipment £'000	Total Property, Plant and Equipment £'000
Value at 01 April 2023	47,087	275	2,507	66,155	116,024
Additions	999	646	1,438	4,198	7,281
Disposals	(69)	0	0	(2,223)	(2,292)
Derecognition other	0	0	0	0	0
Revaluations	78	(21)	0	0	57
Impairment	0	0	0	0	0
Transfers	0	0	(2,354)	1,358	(996)
Other movements in cost or valuation	0	0	0	0	0
Gross Book Value at 31 March 2024	48,095	900	1,591	69,488	120,074
Depreciation and Impairment:					
Cumulative net to 01 April 2023	0	0	0	(44,866)	(44,866)
Depreciation Charge	(1,344)	0	0	(4,585)	(5,929)
Assets reclassified (to)/from	0	0	0	0	0
Derecognition other	0	0	0	0	0
Disposals	3	0	0	1,812	1,815
On revaluations	1,341	0	0	0	1,341
Other Movements	0	0	0	0	0
Depreciation at 31 March 2024	0	0	0	(47,639)	(47,639)
Net Book Value 2024	**48,095**	**900**	**1,591**	**21,849**	**72,435**
Net Book Value 2023	47,087	275	2,507	21,289	71,157

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation in 2024/25.

- Land and Building (Inc. Components) 15 to 60 years
- Vehicles 3 to 10 years
- IT Equipment 2 to 10 years
- Other Plant and Equipment 3 to 20 years

Capital Commitments

As part of the capital programme the OPCC had in progress during 2024/25 a number of contracted schemes which were not completed before 31st March 2025. The potential budgeted capital commitment arising from those schemes is estimated to be £6.956m (£5.096m in 2023/24).

Revaluations

The figures shown in the tables above include both upward and downward revaluations of tangible non-current assets. These movements are captured in either the revaluation reserve (balance sheet) or the other comprehensive income and expenditure section of the comprehensive income and expenditure statement (CIES).

Assets under Construction

As at 31st March 2025 we had 4 vehicles classed as assets under construction as these had not been commissioned for operational purposes. In addition, various IT and Estates works which are to under construction as at 31st March 2025.

	Land and Building £'000	Surplus Assets £'000	Assets Under Construction £'000	Asset Held for Sale £'000	Vehicles, Plant and Equipment £'000	Total Property, Plant and Equipment £'000
Carried at Historical Cost:	0	0	9,182	0	73,124	82,306
Valued at Fair Value as at:						
31 March 2025	(531)	0	0	(430)	0	(961)
31 March 2024	1,008	625	0	430	0	2,063
31 March 2023	1,571	0	0	0	0	1,571
Up to 31 March 2022	45,516	275	0	0	0	45,791
Total Gross Cost or Valuation	**47,564**	**900**	**9,182**	**0**	**73,124**	**130,770**

6.3.2 Intangible assets

Software is accounted for as intangible assets, to the extent that the software is not an integral part of a particular ICT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include both purchased licences and general software.

All software is given a finite useful life based on assessments of the period that the software is expected to be of use to the OPCC. The useful lives assigned to the major software suites by the OPCC are three to 10 years.

The carrying amount of intangible assets is amortised on a straight-line basis. An amortisation of £3.386m was charged to revenue in 2024/25, (£2.653m in 2023/24).

2023/24 £'000		2024/25 £'000
	Group and PCC Balance as at 1 April	
33,666	Gross Carrying Amount	36,384
(16,012)	Accumulated Amortisation	(18,665)
17,654	**Net Carrying Amount at Start of Year**	**17,719**
1,721	Additions	1,118
0	De recognition- other	(53)
997	Transfer	0
(2,653)	Amortisation for the period	(3,386)
0	Write Out Amortisation on Disposal	45
65	**Net Carrying Amount at End of Year**	**(2,276)**
	Comprising:	
36,383	Gross Carrying Amounts	37,449
(18,665)	Accumulated Amortisation	(22,006)
17,718	**Group and PCC Balance as at 31 March**	**15,443**

6.3.3 Asset Held for Sale

In 2024/25 we seen the disposal of Blythe Bridge Police station.

2023/24 £'000		2024/25 £'000
430	**Group and PCC Balance as at 1 April**	430
	Assets newly classified as held for sale	
0	Additions	0
0	Transfers	22
0	Impairments	0
0	Revaluations	0
0	Disposals	(452)
0	Other Movements	0
430	**Group and PCC Balance as at 31 March**	**0**

6.3.4 Inventories

The closing stock adjustment of £0.804m reflects the value of a number of different stock types including ammunition, protective clothing and uniform as at 31st March 2025 (£0.702m 2023/24).

6.3.5 Short term debtors

A breakdown of the Debtors figure in the balance sheet is provided below. The balance per debtor category is shown net of any impairment. All Debtors were held on the Balance Sheet of the PCC and the Group during 2023/24 and 2024/25.

31 March 2024 Group £'000	31 March 2024 PCC Restated £'000		31 March 2025 Group £'000	31 March 2025 PCC £'000
21,240	6,922	Central government bodies	17,812	9,933
12,083	12,083	Other Local authorities	11,004	11,004
101	101	NHS Bodies	0	0
46	46	Public corporations	0	0
13,150	7,933	Other entities and individuals	9,549	9,422
46,620	27,085	**Sub-Total**	38,365	30,359
0	10,626	Intra Group Funding	0	0
46,620	**37,711**	**Total short-term debtors**	**38,365**	**30,359**

6.3.6 Cash and cash equivalents

A breakdown of the cash figure in the Balance Sheet is provided below. All cash was held by the PCC and the OPCC Group during 2023/24 and 2024/25.

31 March 2024 Group £'000	31 March 2024 PCC £'000		31 March 2025 Group £'000	31 March 2025 PCC £'000
		Current assets:		
283	283	Cash in hand and Bank current account	350	350
20,475	20,475	Short term deposits	26,100	26,100
20,758	**20,758**	**Total current cash and equivalents Group and PCC**	**26,450**	**26,450**

6.3.7 Short term creditors

A breakdown of the Creditors figure in the Balance Sheet is provided below.

31 March 2024 Group £'000	31 March 2024 PCC Restated £'000		31 March 2025 Group £'000	31 March 2025 PCC £'000
5,384	1,087	Central government bodies	6,535	1,638
7,711	7,711	Other Local authorities	12,314	12,314
10	10	NHS Bodies	11	11
72	72	Public corporations	0	0
16,201	9,448	Other entities and individuals	20,978	12,828
29,378	18,328	**Sub Total**	39,838	26,791
0	0	Intra Group Funding	0	553
29,378	**18,328**	**Total short term creditors**	**39,838**	**27,344**

6.3.8 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. Provision 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.

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 2024 £'000		31 March 2025 £'000
4,030	**Group and CC Balance as at 1 April**	4,614
1,685	Contributions to provision in year	195
(1,101)	Net expenditure in year	(1,335)
4,614	**Group and CC Balance as at 31 March**	**3,474**

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.

Total Provisions

31 March 2024 £'000		31 March 2025 £'000
4,614	Insurance Provision	3,474
0	Legal Case Provision	190
4,614	**Total Provisions as 31 March**	**3,664**

6.3.9 Leases

The Group adopted IFRS 16 from 1 April 2024, to recognise right of use assets, which meant that the majority of leases where the OPCC acts as lessee came onto the balance sheet. With effect from 1 April 2024 right-of-use assets and lease liabilities will have been calculated as if IFRS 16 had always applied but recognised in the year of adoption and not by adjusting prior year figures.

Leases for items of low value and leases that expire on or before 31 March 2026 are exempt from IFRS 16 disclosure requirements. As a lessee, the Group has previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group.

Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases. The Group has decided to apply recognition exemptions to short-term leases and has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less and leases of low value assets (£10,000).

The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. A weighted average incremental borrowing rate has been applied to lease liabilities as at 1 April 2024.

This table shows the change in the value of right-of-use assets held under leases by the authority:

	Land and Buildings £'000
Balance at 01 April 2024	0
Additions	6,512
Revaluations	(1,471)
Depreciation	(18)
Disposals	(364)
Balance at 31 March 2025	**4,659**

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

	2024/25 £'000
Current Liabilities	496
Long term Liabilities	5,334
Total	**5,830**

	2024/25 £'000
No Later Than One Year	496
Later Than One Year and Not Later Than Five Years	2,576
Later Than Five Years	2,758
Total	**5,830**

Amount charged to the Group and PCC Comprehensive Income and Expenditure amounted to £0.355m in 2024/25, related to interest expense on the lease liabilities.

6.3.10 Financial Instruments

Financial liabilities and financial assets are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

The new borrowing interest rates at the 31st March 2025 for all Public Works Loan Board (PWLB) loans and the market rate applicable at the 31st March 2025 for investments;

- No early repayment or impairment is recognised;
- where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value;
- Short term debtors and creditors are carried at cost as this is an approximation of their fair value. Total short-term financial assets and liabilities relating to debtors and creditors are included in Notes 6.3.5 and 6.3.7.
- The fair values in 2024/25 are calculated under IFRS 13 which under the definition the fair value is calculated reference to the "premature repayment" set of rates as at 31st March 2025. As the price that would be received to sell an asset or paid to transfer its liability.

31 March 2024			31 March 2025	
Carrying Amount £'000	Carrying Amount £'000		Carrying Amount £'000	Fair Value £'000
		Financial Liabilities		
61,500	51,427	PWLB Long Term Borrowing	59,650	46,628
61,500	**51,427**		**59,650**	**46,628**
1,600	1,572	PWLB Short Term Borrowing	1,850	1,850
0	0	Short Term OLAS	0	0
236	236	Interest due within one year	230	230
1,836	**1,808**		**2,080**	**2,080**
8,378	8,378	Creditors which are financial instruments	14,033	14,033
71,714	**61,613**	**Group and PCC Total Liability**	**75,763**	**62,741**

31 March 2024			31 March 2025	
Carrying Amount £'000	Carrying Amount £'000		Carrying Amount £'000	Fair Value £'000
		Financial Assets		
0	0	Short Term Deposits	0	0
0	**0**	**Total Short-Term Investments**	**0**	**0**
		Cash		
283	283	Cash	350	350
20,475	20,475	Short Term Deposits	26,100	26,100
20,758	**20,758**	**Total Cash and Cash Equivalents**	**26,450**	**26,450**
12,006	12,006	Debtors which are financial instruments	10,383	10,383
32,764	**32,764**	**Group and PCC Total Assets**	**36,833**	**36,833**

Financial Assets appear in two places on the Balance Sheet, either as Short-Term Investments or as Cash Equivalents within the Cash and Cash Equivalents figure. Their fair values are calculated by using the net present value approach, using a discount rate that should be equal to the current rate in relation to the same instrument from a comparable lender. This will be the rate applicable in the market on the date of valuation for an instrument with a duration that is equal to the outstanding period from valuation date to maturity.

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

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

The OPCC's Treasury Management function is sub-contracted to Staffordshire County Council and the Council's management of treasury risks actively works to minimise the OPCC's exposure to the unpredictability of financial markets and to protect the financial resources available to fund services. The Group has fully adopted the CIPFA's Treasury Management in the Public Services: Code of Practice and has written Treasury Management practice notes dealing with different aspects of the function.

Credit risk

Credit risk arises from the short-term lending of surplus funds to banks, building societies and other local authorities, as well as credit exposure to customers. It is the policy of the OPCC to loan money with only a limited number of high-quality banks and building societies and during the past financial year the OPCC has restricted lending to the following bodies with the amounts limited as shown:

- The UK Government directly (unlimited amount)
- Non- charge capped UK Local Authorities (unlimited amount)
- The OPCC's banker, Lloyds Bank (£0.5m) – see below.

	As at 31st March £'000	Historical Experience of Default %	Historical Experience Adjusted for Market Conditions %	Estimated Maximum Exposure to default and Collectability £'000
Deposits with Banks and other Financial Institutions	26,100	N/A	N/A	N/A
Customers	1,680	2.1%	2.1%	35

The following analysis summarises the potential maximum exposure to credit risk, based on past experience and current market conditions. No credit limits were exceeded during the financial year and the Group expects full repayment on the due date of deposits placed with its counterparties. The Group does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

The Group allows credit to some customers and £0.178m of the £1.680m balance (£0.701m of £3.059m in 2023/24) is past its due date for payment but has not been impaired. The past due amount can be analysed by age as follows:

	31st March 2024 £'000	31st March 2025 £'000
Less than three months	126	89
Three to six months	401	22
Six months to one year	74	62
More than one year	100	5
Total	**701**	**178**

Liquidity risk

The OPCC has access to a facility to borrow from the Public Works Loan Board. As a result, there is no significant risk of being unable to raise finance to meet its commitments. Safeguards are in place to ensure that a significant proportion of borrowing does not mature for repayment at any one time in the future, to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. The policy is to ensure that no more than 10% of loans are due to mature within any financial year, through a combination of prudent planning of new loans taken out and, where it is economic to do so, making early repayments.

The lender and maturity analysis of financial liabilities at nominal value is as follows:

	31st March 2024 £'000	31st March 2025 £'000
Analysis by lender		
Public Work Loan Board (PWLB)	63,100	61,500
Other Local Authorities	0	0
	63,100	**61,500**
Analysis by Maturity		
Less than one year	1,600	1,850
Between one to two years	1,850	1,600
Between two to five years	8,900	10,300
More than five years	50,750	47,750
Total	**63,100**	**61,500**

Market risk

Interest rate risk

The OPCC is exposed to interest rate risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the OPCC Group. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates - the interest expense charged to the Comprehensive Income and Expenditure Statement will rise
- Borrowings at fixed rates - the fair value of the liabilities will fall
- Investments at variable rates - the interest income credited to the Comprehensive Income and Expenditure Statement will rise
- Investments at fixed rates - the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Comprehensive Income and Expenditure Statement and affect the General Fund on a pound for pound basis. The OPCC has a number of strategies for managing interest rate risk. The policy is to aim to keep a maximum of 20% of its borrowings in variable rate loans. During periods of falling interest rates and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses.

At 31st March 2025, if interest rates had been 1% higher, with all other variables held constant, the financial effect would have been:

	£'000
Increase in interest receivable on variable rate investments	257
Impact on CIES	257
Decrease in fair value of fixed rate borrowing liabilities	-
(No impact on CIES)	-

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Foreign exchange risk

The Group or OPCC single entity has no financial assets, or liabilities, denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

6.3.11 Usable Reserves

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2024/25. All Usable Reserves are held by the PCC.

31 March 2024 £'000		31 March 2025 £'000
9,636	**General Fund**	**9,783**
0	**Capital receipt reserve**	0
331	**Capital grants unapplied**	331
2,090	Reshaping the Future	1,472
2,633	IT Transformation Reserve	2,242
314	Insurance Reserve	919
5,689	Pension Reserve	4,028
618	Collaboration Reserve	716
1,378	Capital Reserve	1,283
2,422	ESN Reserve	2,422
474	Major Policing Events Reserve	474
20,265	Operational Reserves	24,142
35,883	**Total Earmarked Reserves**	**37,698**
45,850	**Total Usable Reserves**	**47,812**

- **General Fund** is held to protect against any state or emergency conditions which may arise. The level held is based on a risk assessment.
- **Reshaping the Future Reserves** – this reserve has been created to help fund the transformation currently taking place in order to achieve the required savings to balance future budgets. These reserves will cover the cost of external advisors, redundancy and some investments required in order to achieve more efficiencies and reduce future costs for the force.
- **Insurance Reserve** - provides for the self-funding of certain uninsurable risks, and also to cover the excess (£100,000) for any unknown claims before the insurance cover is applied and the aggregate stop loss for each year. The reserve covers amounts falling outside the definition of the insurance provision as they are unknown claims which could occur from past or future events.
- **Earmarked pensions reserve** – This reserve has been created because when Officers leave on ill health reasons the OPCC are required to make contribution from the revenue budget towards the pension scheme.
- **Capital Reserve and ESN Reserve**- Revenue funding which has been set aside for future capital projects.
- **Major Events Reserve -** Earmarked Reserves to support the Force during the budget year and into the medium term.
- **Other Earmarked reserves** – the OPCC has other funding sources which are restricted in terms of the purpose or timing of their use and these have been established on the balance sheet date.

6.3.12 Earmarked Reserves

	Balance at 01 April 2023 £'000	Transfer Out £'000	Transfer In £'000	Balance at 31 March 2024 £'000	Transfer Out £'000	Transfer In £'000	Balance at 31 March 2025 £'000
Reshaping the Future	2,329	(239)	0	2,090	(618)	0	1,472
IT Transformation Reserve	2,384	(71)	320	2,633	(391)	0	2,242
Insurance Reserve	699	(3,370)	2,985	314	(1,190)	1,795	919
Pension Reserve	6,021	(332)	0	5,689	(1,661)	0	4,028
Collaboration Reserve	213	(73)	478	618	0	98	716
Capital Reserve	2,477	(1,827)	728	1,378	(1,801)	1,706	1,283
ESN Reserve	1,784	0	638	2,422	0	0	2,422
Major Policing Events Reserve	674	(200)	0	474	0	0	474
Operational Reserves	17,244	(4,119)	7,140	20,265	(15,513)	19,390	24,142
Total Earmarked Reserves	**33,825**	**(10,231)**	**12,289**	**35,883**	**(21,174)**	**22,989**	**37,698**

6.3.13 Unusable Reserves

The Group and PCC keeps a number of reserves that are required to be held for statutory reasons. They cannot be used to provide services. Majority of the Pension Reserve and Accumulated Absences Reserves are held by the Chief Constable and all other unusable reserves are held by the PCC. The unusable reserves can be summarised as follows:

31 March 2024 Group Restated £'000	31 March 2024 PCC Restated £'000		31 March 2025 Group £'000	31 March 2025 PCC £'000
(13,475)	(13,475)	Revaluation Reserve	(13,981)	(13,981)
(6,752)	(6,752)	Capital Adjustment Account	(1,582)	(1,582)
0	0	Deferred Capital Receipt Reserve	0	0
(1,665)	(1,665)	Collection Fund Adjustment Account	285	285
1,351,399	12	Pension Reserve	1,114,791	11
6,787	34	Accumulated Absences Account	8,206	54
1,336,294	**(21,846)**	**Total Unusable Reserves**	**1,107,719**	**(15,213)**

The Group's unusable reserves are in deficit due to the pension reserve. The pension reserve reflects the deficit on the Group's defined pension scheme and in particular the police schemes which are not funded by assets but are supported by central funding from the Home Office.

Revaluation Reserve

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

- Re-valued downwards or impaired and gains are lost;
- Used in the provision of services and the gains are consumed through depreciation; or
- Disposed of and the gains are realised.

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

2023/24 £'000		2024/25 £'000
12,337	**Group and PCC Balance as at 1 April**	13,475
1,682	Upwards revaluation of assets	1,270
(154)	Downward revaluation of assets and impairment losses not charged to the surplus/deficit on the provision of services	(253)
1,528	**Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services**	1,017
(371)	Different between fair value depreciation and historical cost depreciation	(438)
(19)	Accumulated gains on assets sold or scrapped	(73)
(390)	**Amount written off the Capital Adjustment Account**	(511)
13,475	**Group and PCC Balance as at 31 March**	**13,981**

Capital Adjustment Account (CAA)

The CAA absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with amounts set aside by the Group as finance for the cost of acquisition, construction and enhancement.

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

2023/24 £'000		2024/25 £'000
5,488	**Group and PCC Balance as at 1 April**	6,752
	Reversal of items relating to capital expenditure debited or credited to the CIES:	
(5,929)	Charges for depreciation and impairments of non-current assets	(7,075)
(127)	Revaluation losses on PPE	(1,247)
(2,653)	Amortisation of intangible assets	(3,386)
(482)	Amounts of non-current assets written off on disposal as part of gain/loss on disposals to the CIES	(1,436)
(998)	Revenue expenditure funded from capital under statute (REFCUS)	(84)
(10,189)		(13,228)
390	Adjusting amounts written out of the revaluation reserve	511
(9,799)	**Net written out amount of the cost of non-current assets consumed in the year**	**(12,717)**
	Capital financing in year:	
2,375	Use of Capital Receipt Reserve to finance new capital expenditure	444
0	Capital Grants and contributions credited to the CIES that have been applied to capital financing	0
0	Application of grants to capital financing from the Capital Grants Unapplied Account	0
5,312	Capital Expenditure charged to General Fund	3,256
3,376	Statutory provision for the financing of capital investment charged against the General Fund	3,846
6,752	**Group and PCC Balance as at 31 March**	**1,582**

Deferred Capital Receipt Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of noncurrent assets but for which cash settlement has yet to take place. Under statutory arrangements, the Group does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve. The balance relates to the disposal of the Staffordshire Police share of the Central Counties' Air Operations Unit helicopter.

2023/24 £'000		2024/25 £'000
14	**Group and PCC Balance as at 1 April**	0
0	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0
(14)	Transfer to the Capital Receipt Reserve upon receipt of cash	0
0	**Group and PCC Balance as at 31 March**	**0**

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax income in the CIES as it falls due from Council Tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2023/24 £'000		2024/25 £'000
1,665	**Group and PCC Balance as at 1 April**	1,665
0	Amount by which council tax income credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	(1,950)
1,665	**Group and PCC Balance as at 31 March**	**(285)**

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 OPCC Group accounts for post-employment benefits 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 resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the OPCC makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources The Group has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

31 March 2024 Group Restated £'000	31 March 2024 PCC Restated £'000		31 March 2025 Group £'000	31 March 2025 PCC £'000
(1,384,004)	94	**Balance as at 1 April**	(1,351,399)	(12)
8,191	(133)	Re-measurement of the net defined benefit liability	206,680	(45)
(120,404)	(218)	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the CIES	(122,589)	(201)
98,297	245	Employer's pensions contribution and direct payments to pensioners payable in year	105,623	247
46,521	0	Additional contribution to the pension fund balances the deficit on the fund account	46,894	0
(1,351,399)	**(12)**	**Total Balance as at 31 March**	**(1,114,791)**	**(11)**

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 majority of the Reserve relates to Police Officers and Staff who are under the direction and control of the Chief Constable. Therefore, 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 PCC Single Entity below relate to the balances on the Reserve that relate to those staff that were under the direct control of the PCC as at 31st March 2024 and 31st March 2025.

31 March 2024 Group £'000	31 March 2024 PCC £'000		31 March 2025 Group £'000	31 March 2025 PCC £'000
(7,143)	(48)	**Balance as at 1 April**	(6,787)	(34)
7,143	48	Settlement of cancellation of accrual made at the end of the preceding year	6,787	34
(6,787)	(34)	Amount accrued at the end of the current year	(8,206)	(54)
356	**14**	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	**(1,419)**	**(20)**
(6,787)	**(34)**	**Total Balance as at 31 March**	**(8,206)**	**(54)**

6.4 Cash Flow Statement Notes

6.4.1 Operating Activities

31 March 2024 Group £'000	31 March 2024 PCC £'000		31 March 2025 Group £'000	31 March 2025 PCC £'000
5,929	5,929	Depreciation and Impairment	7,075	7,075
127	127	(Upward)/downward valuation	1,247	1,247
2,653	2,653	Amortisation of intangible assets	3,386	3,386
(130)	796	Increase/(decrease) in revenue creditors	9,964	8,520
(1,743)	(1,743)	(Increase)/decrease in revenue debtors	8,254	7,351
45	45	(Increase)/decrease in inventories	(104)	(104)
(24,414)	(26)	Movement in pension liability	(29,926)	(46)
584	0	Movement in provisions	(950)	0
480	480	Carrying amount of non-current assets sold	1,436	1,436
873	873	Other non-cash items charged to the net surplus or deficit on the provision of services	78	78
(15,596)	**9,134**	**Adjustment to net surplus or (deficit) on the provision of services for non-cash movements**	**460**	**28,943**

6.4.2 Adjustments for items included in the net deficit on the provision of services that are investing or financing activities

31 March 2024 Group £'000	31 March 2024 PCC £'000		31 March 2025 Group £'000	31 March 2025 PCC £'000
(402)	(402)	Proceeds from the sale of PPE	(992)	(992)
0	0	Capital Grants	0	0
(402)	**(402)**	**Adjustment for items included in the net surplus or (deficit) on the provision of services that are investing and financing activities**	**(992)**	**(992)**

6.4.3 Investing Activities

31 March 2024 Group £'000	31 March 2024 PCC £'000		31 March 2025 Group £'000	31 March 2025 PCC £'000
(10,000)	(10,000)	Purchase of PPE and Intangible Assets	(15,616)	(15,616)
402	402	Proceeds from the sale of PPE	992	992
0	0	Purchase of short term and long term investments	0	0
0	0	Proceeds from short term and long term investments	0	0
(9,598)	**(9,598)**	**Total Investing Activities**	**(14,624)**	**(14,624)**

6.4.4 Financing Activities

31 March 2024 Group £'000	31 March 2024 PCC £'000		31 March 2025 Group £'000	31 March 2025 PCC £'000
(1,600)	(1,600)	Repayments of short term and long term borrowing	(1,600)	(1,600)
0	0	Cash Payments for the Reduction of the Outstanding Liability relating to Finance Leases	(392)	(392)
0	0	Cash receipts of short and long term borrowing	0	0
0	0	Capital grants	0	0
(1,600)	**(1,600)**	**Total Adjustment for items included in the net surplus or (deficit) on the provision of services that are investing and financing activities**	**(1,992)**	**(1,992)**

6.5. Other Notes

6.5.1 Related Parties

The Group is required to disclose material transactions with related parties, that is bodies or individuals that have the potential to control or influence the Group or to be controlled or influenced by the Group. The OPCC's staff and members, senior officers and departmental heads were contacted to obtain the required declarations.

The Group 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:

- Central Government – it has effective control over the general operations of the Group. It is responsible for providing the statutory framework within which the Group operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Group has with other parties. Details of transactions with government departments are set out in the disclosure notes.

- Other Local Authorities and Public Bodies – transactions have been disclosed elsewhere in the notes to the Financial Statements.

- Members, senior officers and other employees – there are no known related party transactions.

- Partnerships, Trusts, and Associated Organisations – During 2024/25 the PCC made a grant of £40,000 which supported the operation of the Staffordshire Police Cadets, which was payable to the force.

- 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.

Precept funding was received from the following local authorities during the year (amounts are shown on an accruals basis):

2023/24 £'000		2024/25 £'000
17,628	Stoke-on-Trent City Council	19,697
13,074	Stafford Borough Council	13,468
10,540	South Staffordshire District Council	11,592
10,627	Lichfield District Council	11,293
9,971	Newcastle-under-Lyme Borough Council	11,263
10,669	East Staffordshire Moorlands District Council	10,167
8,813	Staffordshire Moorlands District Council	9,218
7,634	Cannock Chase District Council	8,174
6,170	Tamworth Borough Council	6,458
95,126		**101,330**

6.5.2 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 2024/25 amounted to £652k (2023/24 £634k).

Central Motorway Police Group with West Midlands Police

The Police and Crime Commissioner for the West Midlands (PCCWM) is engaged in a jointly controlled operation with Staffordshire PCC for the Policing of the Motorway network in the West Midlands area known as the Central Motorway Police Group. PCCWM provides the financial administration service for this joint unit.

The assets of the unit in respect of police vehicles, equipment and land and buildings are held individually by each PCC and are shown on each force's balance sheet.

The two police forces have an agreement in place for funding this unit with contributions to the agreed budget of 70% from PCCWM and 30% from Staffordshire PCC. The same proportions are used to meet any deficit or share any surplus arising on the pooled budget at the end of each financial year. During the year, the collaboration arrangement was ended.

The revenue account for the Unit covers all operating costs. The details for 2024/25 are as follows:

2023/24 £'000		2024/25 £'000
	Contributions to the Pooled Budget	
(4,881)	West Midlands PCC	(2,414)
(2,500)	Staffordshire PCC	(1,148)
0	Other Income	0
(7,381)	**Total Income**	**(3,562)**
	Expenditure met from Pooled Budget	
6,692	Pay and Allowances	3,248
503	Transport Costs	190
186	Supplies and Services and Communications and Computing	124
7,381	**Total Expenditure**	**3,562**
0	**Net Surplus/(Deficit) arising during the year**	**0**
0	Staffordshire PCC share (30%) of (Surplus)/Deficit and Reserves	0
247	**Reimbursement to Staffordshire PCC**	**117**

Joint Emergency Transport Services (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 2024/24 £3,778,344 (2023/24 £3,783,660).

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 2024/25 were £1,697,815 (2023/24 £1,541,873).

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 2024/25 a contribution of £0.436m (£0.305m in 2023/24) 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.

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 collaboration is agreed between the PCCs for the forces with the operational activity under the direction of the Chief Constables.

The aim of ROCU 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:

2023/24 £'000		2024/25 £'000
	Funding provided to West Midlands ROCU	
(16,545)	Contribution from West Midlands Police	(17,296)
(5,080)	Contribution from West Mercia Police	(5,310)
(4,935)	Contribution from Staffordshire Police	(5,158)
(2,467)	Contribution from Warwickshire Police	(2,579)
(2,399)	WMROCU Grant	(2,399)
(280)	National Cyber Security Programme funding	(280)
(242)	Asset Confiscation Enforcement grant (ACE)	(252)
(275)	ROCU Reserves	(330)
(1,096)	UCOL funding	(1,120)
(153)	ROCTA funding	(236)
(256)	Disruption Team Funding	(256)
(250)	Dark Web Funding	(250)
(153)	Fraud Investigation	(142)
(0)	Illicit Crash Team	(46)
(34,131)	**Total Income**	**(35,654)**
	WM ROCU Expenditure	
1,792	Regional Asset Recovery Team (RART)	1,555
243	RART- ACE team	260
880	Regional Cyber Crime Unit	912
797	Regional Fraud Team	605
1,429	Regional Prisons Intelligence Unit	1,472
78	Operational Security (OPSY)	67
22	Regional Government Agency Intelligence Network (GAIN)	74
1,429	Command Team	1,621
6,699	Regional Confidential Unit	6,776
694	TIDU- Technical Intelligence	694
456	Enabling Services	346
6,553	SOCU	5,899
8,657	Regional Surveillance Unit (FSU)	9,567
3,730	Other Regional Operations	4,404
0	Additional Contribution to Reserves	0
336	Threat Assessment Team (ROCTA)	428
288	Disruption Team	336
48	Dark Web	317
0	DART	321
34,131	**Total Expenditure**	**35,654**
0	**Total Net Expenditure**	**0**

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 £0.325m has been made by West Midlands Police towards the cost of the service during 2024/25 (£0.286m in 2023/24). This figure is included in the CIES of the Group. A formal agreement is in place.

6.5.3 Members Allowances

Allowances and expenses for Ethics, Transparency & Audit Panel members, the PCC and the Deputy PCC in 2024/25 amounted to £17,166 (£19,488 in 2023/24).

6.5.4 Proceeds of Crime Act 2002 (POCA)

The Group has separate bank accounts for temporarily holding third party funds seized as suspected proceeds of crime. At 31st March 2025 the balance on this account was £1,810,020 (£1,581,349 at 31st March 2024). This sum does not appear on the Balance Sheet of the OPCC Group accounts.

6.5.5 Contingent Liabilities

During the year 2024/25 there was no contingent liabilities.

6.5.6 Capital Financing

The total amount of capital expenditure incurred in the year shown in the table below together with the resources used to finance it. Where capital expenditure is to be financed in future years, by charges to revenue as assets are used by the Group, the expenditure results in the Capital Financing Requirement (CFR), a measure of capital expenditure incurred historically by the Group that has yet to be financed.

2023/24 £'000		2024/25 £'000
71,415	**Opening Capital Financing Requirement Group and PCC**	70,357
5	Adjustment to correct historic difference between the Balance Sheet calculation of the CFR and the CFR in this Note	0
	Capital Investment	
5,843	Property Plant and Equipment (PPE)	5,674
1,721	Intangible Assets	1,118
1,438	Non-Operational Assets	8,740
998	Revenue Expenditure Funded from Capital Under Statue (REFCUS)	84
	Sources of Finance:	
0	Capital Grants Received in Year	0
0	Capital Grants from Grants Unapplied Account	0
(2,374)	Capital Receipts	(444)
0	Right of Use Asset Recognised in year	(392)
	Amounts Set aside from Revenue	
(5,312)	Direct Revenue Contribution	(3,257)
(3,376)	Minimum Revenue Provision (MRP)	(3,453)
70,357	**Closing Capital Financing Requirement Group and PCC**	**84,269**
	Explanation of movement in year:	
(1,058)	Increase / (decrease) in underlying need to borrowing (supported by government financial assistance)	8,070
0	Assets acquired under finance leases	5,842
(1,058)	**Increase/(Decrease) in Capital Financing Requirement Group and PCC**	**13,912**

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. No adjusting events have taken place to date.

Section 7

Pension Fund Account

7.1 Police Pension Scheme for England and Wales Pension Fund Account

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.

Fund Account 2023/24 £'000			Fund Account 2024/25 £'000	
		Contributions Receivable:		
		From employer		
(23,785)		Contributions at 35.3%	(29,014)	
(422)		Early retirements	(879)	
(2)		Other- Pre-1974 recharge receipts	(2)	
(10,283)		Officers contributions	(11,225)	
	(34,492)			(41,121)
	(231)	**Transfers in from Other Schemes**		(297)
		Benefits Payable:		
67,485		Pensions	72,952	
13,190		Commutations and lump sum retirement benefits	15,121	
0		Repayments to HO following Ombudsman decision Milne v GAD	0	
461		Lump sum death benefits	0	
	81,136			88,074
		Payment to and on Account of Leavers		
107		Refund of contributions	185	
0		Individual transfers out to other schemes	53	
	107			238
	46,520	**Sub-total for the year before transfer from the Group of amounts equal to the deficit**		46,894
	(46,520)	**Net Amount payable/ receivable for the year**		(46,894)
	(46,520)	**Actual Home Office top up funding**		**(46,894)**

7.1.1 Notes to the Police Pension Fund Account

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 be 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 Group's pension liability can be found in 7.2.3.

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% in 31st March 2025.

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 7.2.3 the Financial Statements.

7.2 Group Pension Scheme

Participation in Pension Schemes

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

The OPCC participates in two post-employment schemes:

- The Local Government Pension Scheme for Police Staff (LGPS), administered by Staffordshire County Council. This is a funded defined benefit scheme, meaning that the OPCC and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. With effect from 1st April 2014, the LGPS became a career average (CARE) scheme rather than a final salary scheme.

- The Police Pension Scheme 1987 (OPPS), the New Police Pension Scheme 2006 (NPPS) and the Police Pension Scheme 2015 (PPS) are administered by XPS Limited. These are unfunded defined benefit final salary schemes, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet the 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 2024/25 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 2025. The Group's Balance Sheet position, prior to applying the asset ceiling adjustment is a net asset of £114.1m

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 2025.

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 £114.1m 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 2024/25 Note to the Financial Statements.

Therefore, the total effect of the asset ceiling on the net asset is £114.1m. Applying this to the calculated net asset of £114.1m results in a net liability of £0.596m. 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 £0.596m as at 31 March 2025, as set out in the tables below.

The adjustment of £114.1m has been applied to the Accounts as a remeasurement of the liability (less the adjustment retrospectively applied to the 2023/24 LGPS net surplus, as explained below). Prior to applying the asset ceiling adjustment, the net remeasurement was a gain of £114.1m, but is now shown as a loss of £0.596m 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.

An Asset Ceiling Adjustment of has also been applied retrospectively to the 2023/24 The result of this is a revised net liability of £0.718m after flooring the surplus to zero and the prior year comparative figures have been re-calculated to reflect this and this is set out below.

Transactions Relating to Retirement Benefits

The OPCC 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 OPCC 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:

7.2.1 Comprehensive Income and Expenditure Statement

	LGPS (PCC)		LGPS (Group)		PPS (Group)	
	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000
Cost of Services:						
Current service costs (Inc. employee contribution)	(224)	(195)	(12,469)	10,827	(23,160)	(24,140)
Past service costs (Inc. curtailments)	0	(6)	0	(319)	0	0
Pension transfer in	0	0	0	0	(230)	(300)
Effect of business combinations and disposals	0	0	0	0	0	0
Financing and Investment income and expenditure						
Interest cost on defined benefit obligation	(281)	(293)	(15,626)	(16,284)	(84,860)	(87,030)
Interest income on plan assets	287	340	15,941	18,895	0	0
Interest on the effect of the asset ceiling	0	(47)	0	(2,586)	0	0
Total post-employment benefit charges to the surplus or deficit on provision of services	**(218)**	**(201)**	**(12,154)**	**(11,121)**	**(108,250)**	**(111,470)**
<u>Re-measurement of the net defined benefit liability</u>						
Return on plan assets (excluding the amount included in the net interest expense)	541	(192)	30,028	(10,642)	0	0
Re-measurement of the net defined benefit liability- demographic assumptions	421	10	23,363	578	0	2,870
Re-measurement of the net defined benefit liability- financial assumptions	34	1,131	1,905	62,811	38,750	206,400
Actuarial gains and losses on liabilities experience	(184)	55	(10,241)	3,053	(22,300)	(110)
Changes in the effect of the asset ceiling	(960)	(1,049)	(53,313)	(58,280)	0	0
Obligation relating to: staff previously under control of the Chief Constable and new staff in the year	15	0	0	0	0	0
Total Post Employment Benefit Charged to the CIES	**(133)**	**(45)**	**(8,258)**	**(2,480)**	**16,450**	**209,160**

7.2.2 Movement in Reserve Statement

	LGPS (PCC)		LGPS (Group)		PPS (Group)	
	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'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	218	201	12,154	11,121	108,250	111,470
Employers Contributions Payable to Scheme	(245)	(247)	(13,607)	(13,723)	(84,690)	(91,900)
Retirement Benefits Payable to Pensioners	0	0	0	0	0	0
Total Post Employment Benefit Charged to the CIES	**(27)**	**(46)**	**(1,453)**	**(2,602)**	**23,560**	**19,570**

7.2.3 Pension Assets and Liabilities Recognised in the Balance Sheet

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

	2024/25 £'000	2023/24 £'000	2022/23 £'000	2021/22 £'000
Present Value of the Defined Benefit Obligations				
PPS	(1,114,196)	(1,350,680)	(1,390,091)	(2,114,233)
LGPS	(402,533)	(333,517)	(325,093)	(473,590)
Fair Value of LGPS Assets	401,937	386,112	331,180	332,680
Deficit in the Scheme				
PPS	(1,114,196)	(1,350,680)	(1,390,091)	(2,114,233)
LGPS	(596)	52,595	6,087	(140,910)
Total	**(1,114,792)**	**(1,298,085)**	**(1,348,004)**	**(2,225,143)**

PCC Single Entity Pension Assets and Liabilities Recognised in the Balance Sheet

	2023/24 £'000	2024/25 £'000
Present Value of the Defined Benefit Obligations		
LGPS	(6,963)	(7,246)
Fair Value of LGPS Assets	6,950	7,235
Total	**(13)**	**(11)**

7.2.4 Reconciliation of Present Value of the Scheme liabilities (Defined Benefit Obligations)

	LGPS PCC 2023/24 £'000	LGPS PCC 2024/25 £'000	LGPS Group 2023/24 £'000	LGPS Group 2024/25 £'000	PPS 2023/24 £'000	PPS 2024/25 £'000
Opening Balance at 1 April	(4,875)	(6,963)	(325,093)	(386,830)	(1,390,091)	(1,350,680)
Current Service Cost	(224)	(195)	(12,469)	(10,827)	(12,880)	(13,080)
Interest Cost	(281)	(293)	(15,626)	(16,284)	(84,860)	(87,030)
Contributions by Scheme Participants	(74)	(74)	(4,136)	(4,087)	(10,280)	(11,060)
Re-measurement Gain/(Loss)	271	1,196	15,027	66,442	16,450	209,160
Pension Transfers In	0	0	0	0	(230)	(300)
Benefits Paid	158	184	8,780	10,238	84,690	91,900
Past Service Costs (including curtailments)	0	(6)	0	(319)	0	0
Asset Ceiling adjustment for economic benefit calculation	(960)	(1,095)	(53,313)	(60,866)	0	0
Obligation relating to: staff previously under control of the Chief Constable and new staff in the year	(978)	0	0	0	0	0
Top-up-Grant	0		0	0	46,521	46,894
Closing Balance at 31 March	**(6,963)**	**(7,246)**	**(386,830)**	**(402,533)**	**(1,350,680)**	**(1,114,196)**

7.2.5 Reconciliation of the Movement in the fair value of the scheme assets

	LGPS (PCC) 2023/24 £'000	LGPS (PCC) 2024/25 £'000	LGPS (Group) 2023/24 £'000	LGPS (Group) 2024/25 £'000
Opening Balance at 1 April	4,968	6,950	331,180	386,112
Interest Income	287	340	15,941	18,895
Re-measurement gain/(loss)				
The Return on the plan assets, excluding the amount included in the net interest expense	541	(192)	30,028	(10,642)
Other experiences	0	0	0	0
Employer Contributions	245	247	13,607	13,723
Contributions by Scheme Participants	74	74	4,136	4,087
Benefits Paid	(158)	(184)	(8,780)	(10,238)
Obligation relating to: staff previously under control of the Chief Constable and new staff in the year	993	0	0	0
Closing Balance at 31 March	**6,950**	**7,235**	**386,112**	**401,937**

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 OPCC 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 2024/25 and the potential effect of changes in these assumptions are set out below.

As a result of this lump sum payment, the rate of employer contributions payable by both the PCC and the CC for LGPS members will remain constant at 21.5% throughout the period.

7.2.6 The Local Government Pension Scheme Assets Comprise:

	31 March 2024		31 March 2025	
Asset Category	Fair Value of Scheme Assets £m	% age of Total Assets	Fair Value of Scheme Assets £m	% age of Total Assets
Equity Securities:				
Consumer	10.45560	3%	8.96850	2%
Manufacturing	5.20960	1%	3.65160	1%
Energy and Utilities	2.37760	1%	0.00000	0%
Financial Institutions	14.18600	4%	11.63380	3%
Health and Care	10.69120	3%	6.80980	2%
IT	17.07590	4%	8.63100	2%
Other	0.00000	0%	0.00000	0%
Debt Securities:				
Corporate Bonds (investment grade)	28.74230	7%	29.50410	7%
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	20.32060	5%	19.52530	5%
Real Estate:				
UK Property	28.50140	7%	31.88380	8%
Overseas Property	0.00000	0%	0.00000	0%
Investment Funds and Unit Trusts:				
Equities	174.96500	46%	186.19800	46%
Bonds	30.30090	8%	30.83480	8%
Hedge Funds	0.00000	0%	0.00000	0%
Commodities	0.00000	0%	0.00000	0%
Infrastructure	16.77980	4%	22.47260	6%
Other	20.22730	5%	36.25330	9%
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	6.27800	2%	5.57040	1%
Totals:	**386.11200**	**100%**	**401.93700**	**100%**

Approximately 1.8% of the value of these Assets relates to the PCC Single Entity and 98.2% 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

7.2.7 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.

		LGPS		PPS
	2023/24	2024/25	2023/24	2024/25
Mortality Assumptions				
Longevity at 65 for Current Pensioners				
Men	20.8yrs	20.7yrs	21.9yrs	21.9yrs
Women	24.0yrs	24.0yrs	23.6yrs	23.9yrs
Longevity at 65 for Future Pensioners				
Men	22.0yrs	21.9yrs	23.6yrs	23.3yrs
Women	25.6yrs	25.5yrs	25.1yrs	25.2yrs
Rate of Inflation			2.60%pa	2.70%pa
Rate of Increases in Salaries	3.25%pa	3.25%pa	3.85%pa	3.45%pa
CARE Revaluation Rate			3.85%pa	3.95%pa
Rate of Increases in Pensions	2.75%pa	2.75%pa	2.60%pa	2.70%pa
Rate for Discounting Scheme Liabilities	4.85%pa	5.8%pa	4.75%pa	5.65%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

7.2.8 Sensitivity Analysis

IAS19 requires the disclosure of the sensitivity of the results to the methods and assumptions used. The tables below show 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 25		
0.5% decrease in Real Discount Rate	2.00%	6,054
1 year increase in member life expectancy	4.00%	11,534
0.5% increase in the salary Increase rate	0.00%	258
0.5% increase in the pension Increase Rate	2.00%	5,965
PPS Change in assumption 31 March 25		
0.5% Decrease in Real Discount Rate	-7.00%	(118,000)
1 year increase in member life expectancy	1.00%	13,000
0.5% increase in the salary Increase rate	7.00%	119,000
0.5% increase in the pension Increase Rate	2.00%	37,000

Section 8

Glossary of Terms

8.1 Abbreviations

OPCC	-	Office of the Police and Crime Commissioner for Staffordshire Group
PCC	-	Police and Crime Commissioner
SCO	-	Staffordshire Commissioners Office
CIES	-	Comprehensive Income and Expenditure Statement
CFR	-	Capital Financing Requirement
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
NNDR	-	National Non-Domestic Rates
PPE	-	Property Plant and Equipment
PWLB	-	Public Works Loan Board
REFCUS	-	Revenue Expenditure Financed from Capital under Statute
RSG	-	Revenue Support Grant
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
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
ETAP	-	Ethics, Transparency and Audit Panel

8.2 Glossary of 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 1st 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 1st 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 (IFRS)
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 MTFP currently covers three 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.

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 OPCC.

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.